

(Translation)

Securities Code: 4676

June 1, 2015

To the Shareholders:

NOTICE OF THE 74TH ORDINARY GENERAL MEETING
OF SHAREHOLDERS

Dear Shareholders:

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

Please take notice that the 74th Ordinary General Meeting of Shareholders of Fuji Media Holdings, Inc. (“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 Chief Executive Officer (CEO)

Fuji Media Holdings, Inc.

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

Description

1. Date and hour:

June 25 (Thursday), 2015, 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 74th fiscal year (from April 1, 2014 to March 31, 2015)
2. Report on the non-consolidated financial statements for the 74th fiscal year (from April 1, 2014 to March 31, 2015)

Matters to be resolved:

<Proposed by the Company (Proposition No. 1 to Proposition No. 5)>

- | | |
|--------------------|--|
| Proposition No. 1: | Appropriation of retained earnings |
| Proposition No. 2: | Amendment to the Articles of Incorporation |
| Proposition No. 3: | Election of 16 Directors |
| Proposition No. 4: | Election of one (1) Corporate Auditor |
| Proposition No. 5: | Payment of bonuses for officers |

<Proposed by Shareholders (Proposition No. 6 to Proposition No. 14)>

- | | |
|--------------------|--|
| Proposition No. 6: | Election of Director (Amendment proposition as to Isao Matsuoka) |
| Proposition No. 7: | Amendment to the Articles of Incorporation (Proper Steering of General Meetings of Shareholders) |
| Proposition No. 8: | Amendment to the Articles of Incorporation (Prevention |

of False Accusation of Molesting)

- Proposition No. 9: Appropriation of retained earnings
- Proposition No. 10: Amendment to the Articles of Incorporation (Disclosure of Minutes of the General Meeting of Shareholders)
- Proposition No. 11: Amendment to the Articles of Incorporation (Selection of Candidates for Officer Who are Able to Attend General Meetings Shareholders)
- Proposition No. 12: Amendment to the Articles of Incorporation (Individual Disclosure of Officers' Remuneration)
- Proposition No. 13: Amendment to the Articles of Incorporation (Record Date of the Ordinary General Meeting of Shareholders, Etc.)
- Proposition No. 14: Amendment to the Articles of Incorporation (Restriction on Officers' Term of Office)

The summary of each proposition is described in the Reference Document for the General Meeting of Shareholders.

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 24, 2015.

(2) Exercise of voting rights via the Internet:

Please access the website for the exercise of voting rights (<http://www.it-soukai.com/>) 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 24, 2015. When you intend to exercise your voting rights via the Internet, please confirm the "Guidance on Exercise of Voting Rights via the Internet" on page 94 and page 95.

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 in respect of the proposition made by the Company, and for a disapproval in respect of the proposition made by shareholders.

(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 via the Internet or otherwise or by a voting form, 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, the revision 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 on weekdays (not on Saturdays, Sundays and national holidays)

(Attached documents)

## BUSINESS REPORT

(For the period from April 1, 2014 to March 31, 2015)

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

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

The Japanese economy during the year under review began with weakness in consumer spending as a result of such factors as the rebound decline from demand rush ahead of the consumption tax hike in April 2014 and rising import prices, leading to negative growth in real GDP during the first half. However, real GDP growth turned positive from the second half, with the economy on a recovery track as a result of various government policy measures accompanied by improving conditions for employment and salaries.

Amid this economic environment, the Fuji Media Holdings Group's consolidated net sales rose slightly in the subject fiscal year, up 0.2% year-on-year to ¥643,313 million, as the contribution from the Urban Development segment offset declines in the Broadcasting, Production, Video and Music, Life Information, Advertising and Other segments.

In terms of earnings, operating income amounted to ¥25,628 million, down 18.7% year-on-year, as gains in the Urban Development, Advertising and Other segments were offset by declines in all other segments. Recurring profit rose 0.8% to ¥35,102 million, due mainly to the recording of a gain on negative goodwill generated when ITOCHU Fuji Partners, Inc. was made an equity-method affiliate. Net income also increased, rising 15.2% year-on-year to ¥19,908 million.

Results by reported segment are as follows:

|                   | Net sales                                                             |                                                                       |                                                | Segment operating income                                            |                                                                     |                                                |
|-------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------|
|                   | 73rd fiscal year<br>April 1, 2013 -<br>Mar. 31, 2014<br>(million yen) | 74th fiscal year<br>April 1, 2014 -<br>Mar. 31, 2015<br>(million yen) | Comparison<br>with the<br>previous year<br>(%) | 73rd fiscal year<br>April 1, 2013<br>Mar. 31, 2014<br>(million yen) | 74th fiscal year<br>April 1, 2014<br>Mar. 31, 2015<br>(million yen) | Comparison<br>with the<br>previous year<br>(%) |
| Broadcasting      | 346,861                                                               | 341,925                                                               | - 1.4                                          | 18,170                                                              | 13,331                                                              | - 26.6                                         |
| Production        | 51,487                                                                | 51,405                                                                | - 0.2                                          | 2,838                                                               | 2,658                                                               | - 6.4                                          |
| Video and Music   | 60,182                                                                | 56,873                                                                | - 5.5                                          | 2,219                                                               | 1,160                                                               | - 47.7                                         |
| Life Information  | 139,725                                                               | 134,538                                                               | - 3.7                                          | 1,490                                                               | (607)                                                               | —                                              |
| Advertising       | 44,045                                                                | 43,201                                                                | - 1.9                                          | 457                                                                 | 472                                                                 | 3.3                                            |
| Urban Development | 43,410                                                                | 57,129                                                                | 31.6                                           | 5,333                                                               | 7,319                                                               | 37.2                                           |
| Other             | 27,669                                                                | 27,289                                                                | - 1.4                                          | 720                                                                 | 943                                                                 | 30.9                                           |
| Eliminations      | (71,236)                                                              | (69,049)                                                              | —                                              | 298                                                                 | 351                                                                 | —                                              |
| Total             | 642,145                                                               | 643,313                                                               | 0.2                                            | 31,527                                                              | 25,628                                                              | - 18.7                                         |

## Broadcasting

Broadcasting revenue, which accounts for the core of revenue from the broadcasting businesses of Fuji Television Network, Inc. ("Fuji TV"), declined 0.9% from the previous fiscal year to ¥231,121 million. Network time and spot advertising sales were down in April 2014 on the cooling consumption following the consumption tax hike, but consumption trends became firmer on continued improvement in employment and salary conditions, and sales rose steadily from May. However, viewer ratings for new programs in the Golden Time and Prime Time slots lagged, leading to an overall decline in revenue.

Network time advertising sales (time advertising for nationwide broadcasts) declined 2.2% year-on-year to ¥106,379 million. First half revenue was up year-on-year, as we were able to maintain rates for regular programs, along with a substantial boost for sales during the 2014 FIFA World Cup, broadcast in June through July 2014. During the second half, however, despite the contribution from special events such as the 55th anniversary drama *Murder on the Orient Express* and the Tokyo Marathon broadcast on Fuji TV every other year, second half revenue declined year-on-year as a result of the rebound from last year's Sochi 2014 Olympics.

Local time advertising sales (time advertising for the Kanto region) rose 3.3% from the previous fiscal year to ¥15,200 million. Sales for regular programming were solid, with revenue rising in both the first and second halves, with positive results from single-company-sponsored programs in the first half, and a major contribution in the second from single-company-sponsored regular programs broadcast during late-night hours.

Spot advertising sales declined 0.3% from the previous fiscal year to ¥109,541 million. Regional market conditions were positive year-on-year in both the first and second halves. Despite chronic shortages of spot ads inventories due to the impact from the decline in viewership, we took steps to raise rates. By industry category, spending rose year-on-year in such categories as "Cosmetics/Toiletries" on strong placements from major cosmetics companies, "Telecommunication" on a sharp jump in placements for SNS games and other content, and "Travel/Leisure/Tourism" on a rise in placements from airline, railway and amusement companies. By contrast, year-on-year spending was down sharply in "Entertainment" on a decrease in placements for games and computer software and in "Office/Precision/Optical Equipment" on a decline in placements for camera ads.

Revenue from other broadcasting business decreased 2.3% year-on-year to ¥31,993 million. Income from overseas program sales increased but revenue was down year-on-year in communication satellite (CS) broadcasting and domestic program sales.

Revenue from other businesses declined 7.6% from the previous fiscal year to ¥46,897 million. In the movie business, THERMAE ROMA II (¥4.42 billion in box office revenues) was third in box office revenue for live-action Japanese movies in 2014, but despite this and other efforts, revenue was down year-on-year as a result of the rebound decline from last year's powerful movie lineup. In the event business, revenue was boosted by Cirque du Soleil OVO, but this did not match last year's events such as the Japan performance of MICHAEL JACKSON THE IMMORTAL WORLD TOUR and Walking with Dinosaurs – Live Arena Tour in Japan. In the merchandising business, sales rose from the previous fiscal year on contributions from OVO food and merchandise sales. In the video business, year-on-year revenue was down as a result of cooling market conditions and the lack of any mainstay hit dramas. In the digital business, revenue increased, led by a sharp rise in membership for Fuji TV On Demand (fee-based streaming service) following proactive measures to gain subscribers.

In terms of expenses, we managed to hold overall operating expenses below the level of the previous fiscal year, by offsetting rises in broadcasting business costs and general and administrative expenses with curbs on other business costs and selling expenses.

Fuji Satellite Broadcasting, Inc. (BS Fuji) posted increases in both revenue and earnings. Sales reached record levels for the full-year period, with time advertising sales from Prime News, single-company-sponsor programs and TV shopping programs, together with steady growth in spot advertising revenue on large-scale placements.

Nippon Broadcasting System, Inc. recorded a year-on-year increases in both revenue and earnings, due mainly to gains in time advertising sales and event revenue.

As a result, for the Broadcasting segment overall, net sales declined 1.4% from the previous fiscal year to ¥341,925 million, with segment operating income down 26.6% to ¥13,331 million.

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

|                                             | 73rd fiscal year<br>April 1, 2013 -<br>Mar. 31, 2014<br>(million yen) | 74th fiscal year<br>April 1, 2014 -<br>Mar. 31, 2015<br>(million yen) | Comparison<br>with the<br>previous year<br>(%) |
|---------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|
| Fuji Television Network, Inc.               |                                                                       |                                                                       |                                                |
| Broadcasting operations                     | 266,076                                                               | 263,114                                                               | - 1.1                                          |
| Broadcasting                                | 233,316                                                               | 231,121                                                               | - 0.9                                          |
| Network time                                | 108,728                                                               | 106,379                                                               | - 2.2                                          |
| Local time                                  | 14,719                                                                | 15,200                                                                | 3.3                                            |
| Spot                                        | 109,868                                                               | 109,541                                                               | - 0.3                                          |
| Other broadcasting business                 | 32,759                                                                | 31,993                                                                | - 2.3                                          |
| Other businesses                            | 50,770                                                                | 46,897                                                                | - 7.6                                          |
| Subtotal                                    | 316,846                                                               | 310,012                                                               | - 2.2                                          |
| Fuji Satellite Broadcasting, Inc. (BS Fuji) | 13,810                                                                | 15,225                                                                | 10.2                                           |
| Nippon Broadcasting System, Inc.            | 18,360                                                                | 18,753                                                                | 2.1                                            |
| Elimination in the segment                  | (2,156)                                                               | (2,065)                                                               | -                                              |
| Total                                       | 346,861                                                               | 341,925                                                               | - 1.4                                          |

#### <Production>

Net sales in the Production segment declined 0.2% from the previous fiscal year to ¥51,405 million. In terms of expenses, the cost rate rose on a decline in orders for programs, with segment operating income declining 6.4% year-on-year to ¥2,658 million.

#### <Video and Music>

Pony Canyon, Inc. recorded a decline in sales overall. The music division posted revenue gains on hit albums from artists Sexy Zone and aiko but sales declined in the video division as hit titles including *Frozen* and *Free!-Eternal Summer-* could not match revenue from last year's titles. In terms of expenses, earnings declined mainly as a result of an increase in amortization of production investments.

Fujipacific Music Inc. posted declines in both revenue and earnings. Video production revenue increased but this was offset by declines in royalty revenue centered on distribution from JASRAC and in master recording usage fees on a lack of releases from major artists.

As a result, net sales in the Video and Music segment overall declined 5.5% from the previous fiscal year to ¥56,873 million, with segment operating income down 47.7% to ¥1,160 million.



### <Life Information>

Dinos Cecile Co., Ltd. posted an overall decline in revenue, with an operating loss. The Dinos business was boosted by positive performance in television shopping but overall sales declined as catalogue revenue was impacted until the second quarter by the rebound decline that followed the consumption tax hike, with struggling sales in all genres except the DAMA brand high-end catalogue. The Cecile business also faced harsh conditions in its mainstay ladies' goods catalogue mail-order sales.

Sankei Living Shimbun Inc. recorded a revenue decrease overall, due mainly to a decline in advertising income from *Living Shimbun* and *City Living*. The subsidiary posted an operating loss on an increase in selling, general and administration cost.

As a result, net sales in the Life Information segment overall decreased 3.7% from the previous fiscal year to ¥134,538 million, with an operating loss for the segment of ¥607 million.

### <Advertising>

Quaras Inc. and Kyodo Advertising Co., Ltd. merged during the subject fiscal year (October 1, 2014). Segment sales overall declined 1.9% to ¥43,201 million, as gains in television advertising were offset by declines in newspaper and outdoor advertising income. Operating income rose 3.3% to ¥472 million, due mainly to cuts in expenses.

### <Urban Development>

The Sankei Building Co., Ltd. posted gains in both revenue and earnings, due mainly to an increase in the number of condominiums sold and sales of rental apartments and owned buildings, along with a rise in the occupancy rate for Tokyo Sankei Building.

As a result, net sales in the Urban Development segment rose 31.6% from the previous fiscal year to ¥57,129 million, with operating income up 37.2% to ¥7,319 million.

### <Other>

Fujimic, Inc. recorded a revenue decline from a decrease in orders for system development and maintenance but operating income increased on a lower cost rate and cuts in selling, general and administration expenses. Fusosha Publishing, Inc. posted a gain in revenue from positive sales of books, the weekly magazine *SPA!* web business and digital publishing, though earnings declined on a higher cost rate and increase in selling, general and administration expenses.

As a result, net sales in the Other segment overall declined 1.4% from the previous fiscal year to ¥27,289 million, though operating income rose 30.9% to ¥943 million.

## Equity-Method Affiliates

Nihon Eiga Satellite Broadcasting Corporation recorded a revenue decline as a result of the impact from the shift to a high-definition broadcasting format but earnings increased with a cut in expenses. The ten Fuji TV network affiliates, along with WOWOW Inc., which became an equity-method affiliate in the previous fiscal year, contributed to equity in earnings of affiliates. In addition, ITOCHU Fuji Partners, Inc. became a new equity-method affiliate.

As a result, equity in earnings of affiliates rose considerably, up ¥6,502 million from the previous fiscal year to ¥9,594 million.

### **2. Capital investment:**

Capital investment during the fiscal year under review totaled ¥16,777 million, which was spent principally on broadcasting-related equipment in the Broadcasting business and real estate for lease and others in the Urban Development business.

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

The Fuji Media Holdings Group, under its certified broadcast holding company structure, has worked to further the continued growth of its group companies, concentrate and effectively utilize management resources, and strengthen the earnings foundation of the corporate group. We will continue to strengthen the terrestrial television broadcasting business and all group businesses, pioneer new business fields, and while responding appropriately to changes in the business environment, seek sustainable growth of the corporate group as a whole.

#### **(i) Strengthen competitiveness and earnings capacity in the broadcasting business**

Fuji Television Network, Inc. ("Fuji TV"), the core company of the Fuji Media Holdings Group, seeks to create appealing content, enhance viewer ratings and media value through programming that earns the trust and support of viewers, and secure a high standard of broadcast revenue. Fuji TV has made substantial revisions to its timetable in the programming lineup from April 2015. We will continue to make efforts on the priority issue of raising viewer ratings.

In addition, the Fuji Media Holdings Group, centered on its terrestrial free-to-air commercial broadcast service, together with the steadily growing free-to-air commercial broadcast satellite (BS) service, and subscription-based communication satellite (CS) and pay TV service, and in appropriate combination with Internet media, will respond flexibly to advancements in digital technologies and shifts in viewing styles. Fuji TV is rapidly expanding the business scale of its online streaming service Fuji TV On Demand, and is moving ahead with efforts for "+7," a streaming service that allows current programs to be viewed free of charge for one week. Further, as a new initiative, from April 2015 we are launching Hodokyoku, a specialty news channel viewable on multiple devices.

The Fuji Media Holdings Group will continue to maximize the value of its content in an effort to expand earnings in the broadcasting business.

(ii) Build a strong business portfolio

The Fuji Media Holdings Group's earnings are centered on Fuji TV's terrestrial television advertising revenue, but we also recognize the importance of building a strong business portfolio not overly susceptible to fluctuations in these earnings. The Fuji Media Holdings Group has established a broad media-related business that includes movies, events, and merchandising and rights-related businesses, as well as program production, video and music, life information, advertising and urban development. We will further the independent growth of our group companies, and while pursuing mutual tie-ups and complementary relationships among these businesses, secure a high level of earnings of the corporate group as a whole, and seek stable growth through appropriate group governance.

(iii) Cultivate new business fields

The Fuji Media Holdings Group, with the aim of further growth, will work to build a more robust foundation for earnings through new business development and M&A.

In the Urban Development business, in April 2015, The Sankei Building Co., Ltd. acquired the shares in GRANVISTA Hotels & Resorts Co., Ltd., making the company our subsidiary. Amid an expected increase in overseas visitors to Japan, the company will seek to make a stable contribution to earnings from general resort business centered on hotels, and will work in alliance with the Urban Development and other existing businesses. The company's expertise in general resort business is also expected to contribute to the MICE/IR project for the Tokyo Daiba area, for which we are continuing to explore commercialization as a project for the future.

In the growing digital business field, in addition to steady growth of Fuji TV's in-house developed PC games, we have achieved a positive start for the native app games for smartphones released by game companies established through Fuji Startup Ventures Inc. We will seek further growth of the games business.

In March 2015, Fuji Media Holdings added GPlus Media Co., Ltd., which operates websites for foreigners, to its corporate group through a subsidiary. By strengthening its communication of information to the foreign community, the Fuji Media Holdings Group is seeking to generate new business opportunities. Further, in March 2015, we established a new subsidiary Fuji Smart Work Co., Ltd. through the merger of our group human resources subsidiary Fuji Career Design Co., Ltd. with Digital Hollywood Co., Ltd. This new company will provide services utilizing creative human resources in the digital field.

In addition to these efforts, we are making proactive efforts to cultivate business areas based on the fields of expertise of the Fuji Media Holdings Group.

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

| Item                              | 71st fiscal year<br>April 1, 2011 -<br>Mar. 31, 2012 | 72nd fiscal year<br>April 1, 2012 -<br>Mar. 31, 2013 | 73rd fiscal year<br>April 1, 2013 -<br>Mar. 31, 2014 | 74th fiscal year<br>(current year)<br>April 1, 2014 -<br>Mar. 31, 2015 |
|-----------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------|
| Net sales<br>(million yen)        | 593,645                                              | 632,029                                              | 642,145                                              | 643,313                                                                |
| Operating income<br>(million yen) | 33,204                                               | 37,608                                               | 31,527                                               | 25,628                                                                 |
| Recurring profit<br>(million yen) | 52,320                                               | 47,209                                               | 34,838                                               | 35,102                                                                 |
| Net income<br>(million yen)       | 61,213                                               | 31,337                                               | 17,282                                               | 19,908                                                                 |
| Net income per share<br>(yen)     | 26,138.30                                            | 135.09                                               | 74.62                                                | 86.02                                                                  |
| Total assets<br>(million yen)     | 953,537                                              | 952,335                                              | 1,011,696                                            | 1,065,958                                                              |
| Net assets<br>(million yen)       | 534,525                                              | 568,200                                              | 583,013                                              | 638,883                                                                |
| Net assets per share (yen)        | 226,290.92                                           | 2,431.77                                             | 2,495.75                                             | 2,739.59                                                               |

(Note) The Company conducted a share split on October 1, 2013, at the ratio of 100 shares per share of common stock. Accordingly, net income per share and net assets per share have been calculated assuming that the share split was conducted at the beginning of the 72nd fiscal year.

##### 71st fiscal year:

While the Japanese economy began to recover slowly from the impacts of the Great East Japan Earthquake, revenues increased in the core Broadcasting business and Life Information business. On a consolidated basis, net sales increased. As to earnings, due to significant increases in revenues from Broadcasting business and Life Information business and negative goodwill generated by the inclusion of a new consolidated subsidiary and equity-method affiliates, operating income, recurring profit and net income increased.

##### 72nd fiscal year:

While the economy began to recover as the economic policies were put forward following the change of government, net sales on a consolidated basis increased along with the inclusion of new revenues from the Urban Development segment. As to earnings, operating income increased, while recurring profit and net income declined due to negative goodwill generated by a new consolidated subsidiary and equity-method affiliate in the previous fiscal year.

##### 73rd fiscal year:

While the Japanese economy remained in a mild recovery on the back of improvement in exports and the effects of economic measures and monetary policies, revenues in the Video and Music segment, Life Information segment, Advertising segment, Urban Development segment and Other segment increased.

On a consolidated basis, net sales increased. As to earnings, due to a decrease in revenues from mainstay Broadcasting business, operating income, recurring profit and net income decreased.

74th 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 Cecile Co., Ltd.           | 2,000                          | 100.0                                   | Direct marketing business                        |
| The Sankei Building Co., Ltd.    | 19,120                         | 100.0                                   | Building leasing and real<br>estate transactions |

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

EXIT TUNES Inc. was included in the list of consolidated subsidiaries in April 2014, as it became the wholly-owned subsidiary of the Company through an additional acquisition of its shares by the Company.

ALMADO Inc. was excluded from the list of consolidated subsidiaries in September 2014, through a sale of its shares, etc. by the Company.

Kyodo Advertising Co., Ltd. was excluded from the list of consolidated subsidiaries in October 2014, as it was absorbed by Quaras Inc., as a result of an absorption-type merger.

PONY CANYON ARTISTS INC. was excluded from the list of subsidiaries accounted for by the equity method from the beginning of the fiscal year under review, due to its decreased significance resulting from downsizing of business, etc.

ITOCHU Fuji Partners, Inc. was newly included in the list of affiliates accounted for by the equity method in August 2014, due to the subscription for new shares by the Company.

Studio Alta Co., Ltd. was excluded from the list of affiliates accounted for by the equity

method in October 2014, due to the sale of its equity interest by the Company.

As a result, the Company had 35 consolidated subsidiaries, including the above five 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 Broadcast Act and other laws; production business, including planning, production, engineering and relay operations involving programs for broadcast; video and music business, life information business, including direct marketing and paper publication; advertising business; and urban development business, including building leasing, real estate transactions and others, as well as services related to each of these businesses.

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

| Segment name      | Business                                                                                       |
|-------------------|------------------------------------------------------------------------------------------------|
| Broadcasting      | TV broadcasting business and radio broadcasting business                                       |
| Production        | Planning and 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, paper publication, 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 Cecile Co., Ltd.           | Nakano-ku, Tokyo  |
| 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      | 1,591               | - 4                                                 |
| Production        | 1,425               | + 40                                                |
| Video and Music   | 505                 | + 31                                                |
| Life Information  | 1,316               | - 205                                               |
| Advertising       | 358                 | + 11                                                |
| Urban Development | 361                 | + 25                                                |
| Other             | 532                 | - 8                                                 |
| All-company       | 37                  | + 1                                                 |
| Total             | 6,125               | - 109                                               |

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

**9. Principal lenders:**

| Lender                                       | Balance of borrowings (million yen) |
|----------------------------------------------|-------------------------------------|
| Mizuho Bank, Ltd.                            | 12,468                              |
| Development Bank of Japan                    | 10,709                              |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | 5,650                               |
| Sumitomo Mitsui Banking Corporation          | 3,900                               |
| Resona Bank, Limited                         | 3,225                               |
| Mitsubishi UFJ Trust and Banking Corporation | 3,040                               |

## II. Matters concerning the shares of the Company

1. **Total number of issued shares:** 236,429,800 shares  
(including 2,235,200 shares of treasury stock)
2. **Number of shareholders:** 56,426 persons
3. **Principal shareholders:**

| Name of shareholder                                                                        | Number of shares<br>(shares) | Ratio of equity<br>participation<br>(%) |
|--------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------|
| Toho Co., Ltd.                                                                             | 18,572,100                   | 7.93                                    |
| Japan Trustee Services Bank, Ltd. (Trust Account)                                          | 11,734,600                   | 5.01                                    |
| The Master Trust Bank of Japan, Ltd. (Trust Account)                                       | 8,670,500                    | 3.70                                    |
| Nippon Cultural Broadcasting, Inc.                                                         | 7,792,000                    | 3.33                                    |
| NTT DOCOMO Co., Ltd.                                                                       | 7,700,000                    | 3.29                                    |
| State Street Bank and Trust Company 505223                                                 | 6,621,600                    | 2.83                                    |
| Kansai Telecasting Corporation                                                             | 6,146,100                    | 2.62                                    |
| The Master Trust Bank of Japan, Ltd.<br>(Retirement Benefit Trust Account for Dentsu Inc.) | 4,650,000                    | 1.99                                    |
| Yakult Honsha Co., Ltd.                                                                    | 3,969,000                    | 1.69                                    |
| JP Morgan Chase Bank 380055                                                                | 3,911,200                    | 1.67                                    |

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, 2015)

| Position                                                          | Business in charge                                                                                       | Name             | Important concurrent office                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman and Chief Executive Officer (CEO)                        |                                                                                                          | Hisashi Hieda    | Chairman and Chief Executive Officer (CEO), 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. |
| Vice Chairman and Executive Managing Director                     |                                                                                                          | Kou Toyoda       | Vice Chairman and Executive Managing Director, Fuji Television Network, Inc.<br>President and Representative Director, Sankei Living Shimbun, Inc.                                                                                                                                                                                                                            |
| President and Chief Operating Officer (COO)                       |                                                                                                          | Hideaki Ohta     | Executive Managing Director, Fuji Television Network, Inc.<br>Director, Sankei Shimbun Co., Ltd.<br>Director, Hokkaido Cultural Broadcasting Co., Ltd.                                                                                                                                                                                                                        |
| Senior Executive Vice President and Chief Financial Officer (CFO) | Finance                                                                                                  | Shuji Kanoh      | 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 Social Responsibility Office, Corporate Compliance Office, General Affairs and Human Resources | Takashi Wagai    |                                                                                                                                                                                                                                                                                                                                                                               |
| Senior Executive Managing Director                                | Public Relations Department and Corporate Planning; General Manager of Corporate Planning Department     | Osamu Kanemitsu  | Director, Dinos Cecile Co., Ltd.                                                                                                                                                                                                                                                                                                                                              |
| Executive Managing Director                                       |                                                                                                          | Chihiro Kameyama | President and Chief Operating Officer (COO), Fuji Television Network, Inc.                                                                                                                                                                                                                                                                                                    |
| Executive Managing Director                                       |                                                                                                          | Ryunosuke Endo   | Executive Vice President, Fuji Television Network, Inc.<br>Director, Hokkaido Cultural Broadcasting Co., Ltd.                                                                                                                                                                                                                                                                 |

| Position                    | Business in charge | Name              | Important concurrent office                                                                                                                              |
|-----------------------------|--------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Executive Managing Director |                    | Toru Ota          | Senior Executive Managing Director, Fuji Television Network, Inc.<br>Director, Pony Canyon Inc.<br>Director, Dinos Cecile Co., Ltd.                      |
| Executive Managing Director |                    | Koji Inaki        | Senior Executive Managing Director, Fuji Television Network, Inc.<br>Director, Sendai Television Incorporated<br>Director, TSS-TV Co., Ltd.              |
| 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    | Chairman and Representative Director, Television Nishinippon Corporation<br>Executive Managing Director, Fuji Television Network, Inc.                   |
| Executive Managing Director |                    | Takehiko Kiyohara | Chairman and 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           |                    | Nobuya Minami     | 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 Directors Messrs. Isao Matsuoka, Akihiro Miki, Taizan Ishiguro, Masafumi Yokota, Kazuo Terasaki and Takehiko Kiyohara are outside directors as provided for in Article 2, item 15 of the Companies Act.
- Note 2. Corporate Auditors Messrs. Yuzaburo Mogi, Nobuya Minami and Takayasu Okushima are outside corporate auditors as provided for in Article 2, item 16 of the Companies Act.
- Note 3. Executive Managing Directors Messrs. Isao Matsuoka and Akihiro Miki and Corporate Auditors Messrs. Yuzaburo Mogi, Nobuya 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. Nobuya Minami, who has built up his experience in accounting at Tokyo Electric Power Company, Incorporated, has considerable knowledge of financing and accounting.

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

¥467 million for 17 Directors (including ¥28 million for 6 Outside Directors)

¥57 million for 5 Corporate Auditors (including ¥15 million for 3 Outside Corporate Auditors)

- 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 ¥20 million of bonuses for officers (¥17 million for the Directors and ¥3 million for the Corporate Auditors) to be resolved at the 74th 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 ¥52 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 is an equity-method affiliate of the Company.

Executive Managing Director Mr. Kazuo Terasaki is concurrently serving as Chairman and Representative Director of Television Nishinippon Corporation, which has no specific relation of interest with the Company.

Executive Managing Director Mr. Takehiko Kiyohara is concurrently serving as Chairman and 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. 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, Nobuya Minami and Takayasu Okushima are concurrently serving as outside Corporate Auditors 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 six of the 11 meetings of the Board of Directors held during the fiscal year under review and at and outside of such meetings, presented advice and recommendations based on his wide experience and expertise as a former representative director of a listed movie and drama business corporation.                                                                                                                                           |
| Executive Managing Director<br>Akihiro Miki      | Mr. Miki 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 radio broadcasting business corporation.                                                                                                                                                            |
| Executive Managing Director<br>Taizan Ishiguro   | Mr. Ishiguro attended and spoke at all of the 11 meetings of the Board of Directors held during the fiscal year under review and at and outside of such meetings, presented advice and recommendations based on his wide experience and expertise as representative director of a TV broadcasting business corporation.                                                                                                                                                           |
| Executive Managing Director<br>Masafumi Yokota   | Mr. Yokota 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>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 a former representative director of a newspaper business corporation.                                                                                                                                                        |
| Corporate Auditor<br>Yuzaburo Mogi               | Mr. Mogi attended and spoke at nine of the 11 meetings of the Board of Directors and five of the six 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 a former representative director of a listed corporation. |

| Name                                       | Attendance and speech                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Auditor<br><br>Nobuya Minami     | Mr. Minami attended and spoke at all of the 11 meetings of the Board of Directors and five of the six 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 a former representative director of a listed corporation.          |
| Corporate Auditor<br><br>Takayasu Okushima | Mr. Okushima attended and spoke at eight of the 11 meetings of the Board of Directors and all of the six 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 a former 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 Companies Act, 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 act. 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 Act: ¥34 million

Note: In its audit contract with its accounting auditors, the Company has not established separate categories for audit fees for audits in accordance with the Companies Act and audits in accordance with the Financial Instruments and Exchange Act. 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: ¥188 million

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

The Company and its subsidiaries have entrusted the account auditors with, and paid remuneration for, agreed procedural 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 Companies Act, the Certified Public Accountant Act 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, by its resolution, make a proposition for the "dismissal of the account auditors" or the "non-reappointment of the account auditors" an object of the General Meeting of Shareholders.

## **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 Fuji Media Holdings Group ("the Group") of becoming Japan's representative "Media Conglomerate" requires the Company of the conduct of appropriate group governance, quickness in decision-making and flexibility in execution of business to fulfill its public mission of its media business central to a certified broadcast holding company. For that purpose, as well as to ensure the 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 Act.

(iii) Education and training

Upon implementing the Compliance Program, the Corporate Compliance Office of the Company shall hold explanatory meetings within 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 Corporate Planning Department 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. Matters 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 policies and accounting standards and the changes thereof;
  - (vi) Details of publication of operating results and forecasts thereof and the details of important disclosure documents;
  - (vii) Reports on business 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.

The above is an internal control system as of March 31, 2015. In accordance with the amendment to the Companies Act, the Company revised the content of the resolution concerning its internal control system, effective May 1, 2015.

**CONSOLIDATED BALANCE SHEET**  
(As of March 31, 2015)

(million yen)

**ASSETS**

|                                                 |                  |
|-------------------------------------------------|------------------|
| <b>Current assets:</b>                          | <b>365,335</b>   |
| Cash on hand and in banks .....                 | 36,851           |
| Trade notes and trade accounts receivable ..... | 122,553          |
| Marketable securities.....                      | 103,153          |
| Inventories .....                               | 64,434           |
| Deferred tax assets .....                       | 5,410            |
| Other current assets .....                      | 33,984           |
| Allowance for doubtful accounts .....           | (1,052)          |
| <b>Fixed assets</b>                             | <b>700,622</b>   |
| <b>Tangible fixed assets:</b>                   | <b>327,938</b>   |
| Buildings and structures .....                  | 128,643          |
| Machinery, equipment and vehicles .....         | 10,926           |
| Land.....                                       | 178,327          |
| Construction in progress .....                  | 2,374            |
| Other tangible fixed assets .....               | 7,665            |
| <b>Intangible fixed assets:</b>                 | <b>39,402</b>    |
| Goodwill.....                                   | 1,213            |
| Leasehold rights .....                          | 16,614           |
| Software .....                                  | 9,832            |
| Other intangible fixed assets .....             | 11,741           |
| <b>Investments and other assets:</b>            | <b>333,282</b>   |
| Investment securities .....                     | 297,754          |
| Deferred tax assets .....                       | 15,120           |
| Other investments and other assets .....        | 22,477           |
| Allowance for doubtful accounts .....           | (2,069)          |
| <b>TOTAL ASSETS</b>                             | <b>1,065,958</b> |

(million yen)

**LIABILITIES**

|                                                                     |                  |
|---------------------------------------------------------------------|------------------|
| <b>Current liabilities:</b>                                         | <b>173,332</b>   |
| Trade notes and trade accounts payable .....                        | 55,894           |
| Short-term borrowings .....                                         | 26,056           |
| Accrued corporate income taxes, etc .....                           | 4,800            |
| Allowance for returned goods .....                                  | 858              |
| Allowance for bonuses for officers .....                            | 380              |
| Provision for point card certificates .....                         | 989              |
| Provision for loss on reconstruction.....                           | 77               |
| Provision for loss on business of subsidiaries and affiliates ..... | 504              |
| Other current liabilities .....                                     | 83,771           |
| <b>Long-term liabilities:</b>                                       | <b>253,741</b>   |
| Bonds .....                                                         | 40,000           |
| Long-term borrowings .....                                          | 58,576           |
| Deferred tax liabilities.....                                       | 62,184           |
| Deferred tax liabilities upon revaluation.....                      | 13,243           |
| Reserve for officers' retirement gratuities .....                   | 1,723            |
| Provision for loss on interest repayment.....                       | 6                |
| Provision for environmental measures.....                           | 18               |
| Provision for loss on reconstruction.....                           | 78               |
| Net defined benefit liability .....                                 | 57,421           |
| Negative goodwill.....                                              | 5,826            |
| Other long-term liabilities.....                                    | 14,663           |
| <b>TOTAL LIABILITIES</b>                                            | <b>427,074</b>   |
| <b><u>NET ASSETS</u></b>                                            |                  |
| <b>Shareholders' equity:</b>                                        | <b>570,537</b>   |
| Paid-in capital.....                                                | 146,200          |
| Capital surplus .....                                               | 173,664          |
| Retained earnings.....                                              | 260,440          |
| Treasury stock.....                                                 | (9,767)          |
| <b>Accumulated other comprehensive income:</b>                      | <b>63,030</b>    |
| Valuation difference on available-for-sale securities .....         | 71,012           |
| Deferred gains or losses on hedges .....                            | 208              |
| Revaluation differences of land .....                               | 816              |
| Translation adjustment .....                                        | 184              |
| Remeasurements of defined benefit plans .....                       | (9,191)          |
| <b>Minority interests:</b>                                          | <b>5,315</b>     |
| <b>TOTAL NET ASSETS</b>                                             | <b>638,883</b>   |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                             | <b>1,065,958</b> |

# CONSOLIDATED STATEMENT OF INCOME

(April 1, 2014 to March 31, 2015)

|                                                     |       | (million yen)  |
|-----------------------------------------------------|-------|----------------|
| <b>Net sales</b>                                    |       | <b>643,313</b> |
| <b>Cost of sales</b>                                |       | <b>438,103</b> |
| <b>Gross profit</b>                                 |       | <b>205,210</b> |
| <b>Selling, general and administrative expenses</b> |       | <b>179,582</b> |
| <b>Operating income</b>                             |       | <b>25,628</b>  |
| Non-operating income                                |       |                |
| Interest income and dividend income                 | 2,198 |                |
| Equity in earnings of affiliates                    | 9,594 |                |
| Other income                                        | 2,273 | 14,065         |
| Non-operating expenses                              |       |                |
| Interest expenses                                   | 1,487 |                |
| Loss on investment associations                     | 2,430 |                |
| Sundry loss                                         | 673   | 4,591          |
| <b>Recurring profit</b>                             |       | <b>35,102</b>  |
| Extraordinary gain                                  |       |                |
| Gain on sales of fixed assets                       | 1,590 |                |
| Gain on sales of investment securities              | 800   |                |
| Others                                              | 206   | 2,597          |
| Extraordinary loss                                  |       |                |
| Loss on valuation of investment securities          | 2,190 |                |
| Impairment loss                                     | 3,738 |                |
| Others                                              | 2,234 | 8,163          |
| <b>Income before income taxes</b>                   |       | <b>29,536</b>  |
| Income and enterprise taxes                         | 9,552 |                |
| Adjustment for income taxes                         | (307) | 9,244          |
| <b>Income before minority interests</b>             |       | <b>20,291</b>  |
| Minority interests in income                        |       | 382            |
| <b>Net income</b>                                   |       | <b>19,908</b>  |

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, ETC.**  
(April 1, 2014 to March 31, 2015)

(million yen)

|                                                                                               | Shareholders' equity |                 |                   |                |                            | Accumulated other comprehensive income                |
|-----------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|----------------|----------------------------|-------------------------------------------------------|
|                                                                                               | Paid-in capital      | Capital surplus | Retained earnings | Treasury stock | Total Shareholders' equity | Valuation difference on available-for-sale securities |
| Balance at April 1, 2014                                                                      | 146,200              | 173,664         | 244,360           | (9,424)        | 544,800                    | 33,739                                                |
| Cumulative effects of changes in accounting policies                                          |                      |                 | 4,830             |                | 4,830                      |                                                       |
| Restated balance                                                                              | 146,200              | 173,664         | 249,190           | (9,424)        | 559,630                    | 33,739                                                |
| Changes during the year                                                                       |                      |                 |                   |                |                            |                                                       |
| Distribution of retained earnings                                                             |                      |                 | (8,899)           |                | (8,899)                    |                                                       |
| Net income                                                                                    |                      |                 | 19,908            |                | 19,908                     |                                                       |
| Change of treasury stock due to change in equity in affiliates accounted for by equity method |                      |                 |                   | (342)          | (342)                      |                                                       |
| Reversal of revaluation differences of land                                                   |                      |                 | 318               |                | 318                        |                                                       |
| Change in scope of consolidation                                                              |                      |                 | 74                |                | 74                         |                                                       |
| Change in scope of equity method                                                              |                      |                 | (153)             |                | (153)                      |                                                       |
| Net change of items other than shareholders' equity                                           |                      |                 |                   |                |                            | 37,273                                                |
| Total changes                                                                                 | -                    | -               | 11,249            | (342)          | 10,907                     | 37,273                                                |
| Balance at March 31, 2015                                                                     | 146,200              | 173,664         | 260,440           | (9,767)        | 570,537                    | 71,012                                                |

|                                                                                               | Accumulated other comprehensive income |                                 |                        |                                         |                                              | Minority interests | Total net assets |
|-----------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|------------------------|-----------------------------------------|----------------------------------------------|--------------------|------------------|
|                                                                                               | Deferred gains or losses on hedges     | Revaluation differences of land | Translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                    |                  |
| Balance at April 1, 2014                                                                      | 4                                      | (305)                           | (1,553)                | (8,882)                                 | 23,003                                       | 5,208              | 583,013          |
| Cumulative effects of changes in accounting policies                                          |                                        |                                 |                        |                                         |                                              |                    | 4,830            |
| Restated balance                                                                              | 4                                      | (305)                           | (1,553)                | (8,882)                                 | 23,003                                       | 5,208              | 587,843          |
| Changes during the year                                                                       |                                        |                                 |                        |                                         |                                              |                    |                  |
| Distribution of retained earnings                                                             |                                        |                                 |                        |                                         |                                              |                    | (8,899)          |
| Net income                                                                                    |                                        |                                 |                        |                                         |                                              |                    | 19,908           |
| Change of treasury stock due to change in equity in affiliates accounted for by equity method |                                        |                                 |                        |                                         |                                              |                    | (342)            |
| Reversal of revaluation differences of land                                                   |                                        |                                 |                        |                                         |                                              |                    | 318              |
| Change in scope of consolidation                                                              |                                        |                                 |                        |                                         |                                              |                    | 74               |
| Change in scope of equity method                                                              |                                        |                                 |                        |                                         |                                              |                    | (153)            |
| Net change of items other than shareholders' equity                                           | 203                                    | 1,121                           | 1,737                  | (309)                                   | 40,026                                       | 106                | 40,133           |
| Total changes                                                                                 | 203                                    | 1,121                           | 1,737                  | (309)                                   | 40,026                                       | 106                | 51,040           |
| Balance at March 31, 2015                                                                     | 208                                    | 816                             | 184                    | (9,191)                                 | 63,030                                       | 5,315              | 638,883          |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

1. Matters concerning the scope of consolidation

- (1) Number of consolidated subsidiaries: 35 companies

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

EXIT TUNES Inc. was included in the list of consolidated subsidiaries in April 2014, as it became the wholly-owned subsidiary of the Company through an additional acquisition of its shares by the Company.

ALMADO Inc. was excluded from the list of consolidated subsidiaries in September 2014, through a sale of its shares, etc. by the Company.

Kyodo Advertising Co., Ltd. was excluded from the list of consolidated subsidiaries in October 2014, as it was absorbed by Quaras Inc., as a result of an absorption-type merger.

- (2) 58 non-consolidated subsidiaries, including FCG Research Institute, Inc. and Fuji Sankei 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: 3 companies

Names of major non-consolidated  
subsidiaries to which the equity method  
is applied:

FCG Research Institute, Inc.,  
Nippon Planning Center Inc. and  
Fuji Sankei Agency, Inc.

PONY CANYON ARTISTS INC. was excluded from the list of subsidiaries accounted for by the equity method from the beginning of the fiscal year under review, due to its decreased significance resulting from downsizing of business, etc.

- (2) Number of affiliates to which the equity method is applied: 16 companies

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

Kansai Telecasting Corporation and  
WOWOW Inc.

ITOCHU Fuji Partners, Inc. was newly included in the list of affiliates accounted for by the equity method in August 2014, due to the subscription for new shares by the Company.

Studio Alta Co., Ltd. was excluded from the list of affiliates accounted for by the equity method in October 2014, due to the sale of its equity interest by the Company.

- (3) Other subsidiaries and affiliates, including FILM Inc., Fujipacific Music Korea, Inc. and Ponycanyon Korea, Inc. are excluded from the scope of the equity method as they have no significant impact on consolidated net income/loss and retained earnings and are of little importance as a whole.

### 3. Matter concerning accounting standards

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

- (i) Marketable securities:

Held-to-maturity bonds:

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

Other securities:

Those with market value:

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

Those without market value:

At cost, determined principally by the moving average method

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

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

(ii) Inventories:

At cost, determined principally by the identified cost method  
(The balance sheet values are calculated by the write-down method based on declined margins.)

(2) Method of depreciation of important depreciable assets:

Tangible fixed assets (excluding lease assets):

Tangible fixed assets are depreciated principally by the declining balance method.

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

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

Lease assets:

Lease assets related to finance lease transactions that do not transfer ownership:

Lease assets are depreciated by the straight-line method, based on the assumption that the useful life equals to the lease term and the residual value equals to zero.

Any finance lease transaction that do not transfer ownership, which became effective on or before March 31, 2008, is treated similarly in the manner in which ordinary lease transactions are treated.

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

Allowance for doubtful accounts:

To meet losses from loan default, the 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 Act, 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 under review.

Provision for point card certificates:

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

Provision for loss on reconstruction:

To meet losses to be incurred in connection with the reconstruction of buildings, the Company sets aside an amount estimated to be incurred, including demolition cost.

Provision for loss on business of subsidiaries and affiliates:

To meet losses to be incurred from business restructuring of subsidiaries and affiliates, the Company sets aside an amount of the losses estimated to be incurred.

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 under review, 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 Company provides an estimated amount of disposal expenses.

(4) Accounting method relating to employee retirement benefits:

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

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

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

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

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

(5) Accounting for revenues and expenses:

Basis of accounting for revenues related to finance lease transactions:

Net sales and cost of sales are recognized upon the receipt of rents.

(6) Method of important hedge accounting:

(i) Method of hedge accounting:

The Group uses the deferred method for hedge accounting. The specific allocation method is used to account for exchange contracts that meet the

requirements of the method and the exceptional accrual method is used to account for interest rate swaps that meet the requirements for the method.

(ii) Hedging instruments and hedged items:

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

(iii) Hedging policy:

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

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

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

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

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

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

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

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

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

**(Note on Changes in Accounting Policies)**

**Application of Accounting Standard for Retirement Benefits**

Starting from the fiscal year under review, the Company has applied "Accounting Standard for Retirement Benefits" (Accounting Standard Board of Japan (ASBJ) Statement No. 26, May 17, 2012, "Retirement Benefits Accounting Standard") and

"Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015, "Retirement Benefits Application Guidance"), as prescribed by the purview of paragraph 35 of the Retirement Benefits Accounting Standard, and the purview of paragraph 67 of the Retirement Benefits Application Guidance. The method for calculating retirement benefit obligations and service cost has been revised, with the period attribution method for projected benefit obligations changed from a straight-line attribution to a benefit formula standard. The method for determining the discount rate has also been revised, with regard to the period for the bonds that are the basis for determining the discount rate, from a method that uses the number of years approximate to the average remaining years of service for the employee, to a simple weighted average discount rate reflecting the projected benefit obligation period and amounts of each projected benefit obligation period.

For the application of the Retirement Benefits Accounting Standard, in accordance with the provisional treatment as prescribed by paragraph 37 of the Retirement Benefits Accounting Standard, from the beginning of the fiscal year under review, the amount of financial impact resulting from the change in the method for calculating retirement benefit obligations and service cost, has been assessed to retained earnings.

As a result, net defined benefit liability at the beginning of the fiscal year under review decreased ¥8,975 million and retained earnings increased ¥4,830 million. The impact on operating income, recurring profit and income before income taxes is negligible.

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

(Consolidated statement of income)

"Impairment loss" (¥93 million for the previous fiscal year), which was included in the item of "Others" under the extraordinary loss in the previous fiscal year, is independently presented as from the fiscal year under review, due to its increased significance.

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

1. Accumulated depreciation of tangible fixed assets: ¥234,776 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 ¥237 million in buildings and structures, ¥335 million in machinery, equipment and vehicles, ¥77 million in other tangible fixed assets and ¥15 million in software. The amount thereof in the consolidated balance sheet is shown by deducting such amount of advanced depreciation.

3. Assets pledged:

Consolidated subsidiaries have provided ¥119 million of time deposits and ¥9 million of investment securities to television broadcasting companies, newspaper companies, etc. in substitution for business guarantee deposits.

4. Guarantee obligations:

| Guaranteed | Guarantee amount<br>(million yen) | Details of guaranteed obligations |
|------------|-----------------------------------|-----------------------------------|
| Employees  | 441                               | Guarantee for housing loans       |

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

1. Total number of issued shares as of March 31, 2015

Shares of common stock: 236,429,800 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<br>(million yen) | Amount of dividend per share (yen) | Record date        | Effective date   |
|----------------------------------------------------------------|------------------------|--------------------------------------------|------------------------------------|--------------------|------------------|
| Ordinary General Meeting of Shareholders held on June 27, 2014 | Shares of common stock | 4,215                                      | 18                                 | March 31, 2014     | June 30, 2014    |
| Meeting of the Board of Directors held on October 31, 2014     | Shares of common stock | 4,683                                      | 20                                 | September 30, 2014 | December 2, 2014 |



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

The following resolution is expected to be adopted at the Ordinary General Meeting of Shareholders to be held on June 25, 2015:

| Resolution                                                           | Class of shares        | Source of dividends | Total amount of dividends (million yen) | Amount of dividend per share (yen) | Record date    | Effective date |
|----------------------------------------------------------------------|------------------------|---------------------|-----------------------------------------|------------------------------------|----------------|----------------|
| Ordinary General Meeting of Shareholders to be held on June 25, 2015 | Shares of common stock | Retained earnings   | 4,683                                   | 20                                 | March 31, 2015 | June 26, 2015  |

**(Notes on financial instruments)**

1. Matters concerning the status of financial instruments

(1) Policy on dealing in financial instruments:

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

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

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

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

Substantially all of trade payables – trade notes and trade accounts payable – have payment due dates within one year. With regard to some trade payables relating to

imports that are denominated in foreign currencies and are exposed to foreign currency risk, the Group uses exchange contracts to hedge such risk. Borrowings, bonds and lease obligations relating to finance lease transactions, which the Group uses principally to raise funds necessary for capital expenditure, repayment of borrowings and long-term investments and loans, will be redeemed in 10 years maximum after the close of the fiscal year. 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 use interest rate swaps to hedge risks relating to fluctuations of interest rates on borrowings, and exchange contracts to hedge foreign currency risk involving imports. Contracts on these derivatives are executed by the treasury management division. After approval based on the internal rules, the kinds and transaction amounts thereof are reported to the Board of Directors and other organs and the status of transactions and the balance thereof are managed by the treasury management division.

With regard to the hedging instruments and hedged items, hedging policy and method of evaluating the effectiveness of a hedge with regard to hedge accounting, please refer to "(6) Method of important hedge accounting" described in "Notes to important matters forming the basis of preparation of consolidated financial statements" above.

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

The following chart shows the amounts for items recorded in the consolidated balance sheet as of March 31, 2015 (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                        | 36,851               | 36,851         | -            |
| (2) Trade notes and trade accounts receivable        | 122,553              | 122,553        | -            |
| (3) Marketable securities and investment securities: |                      |                |              |
| Held-to-maturity bonds                               | 220                  | 229            | 8            |
| Investment in shares of affiliates                   | 6,354                | 8,890          | 2,536        |
| Other marketable securities                          | 258,282              | 258,282        | -            |
| <b>Total assets</b>                                  | <b>424,262</b>       | <b>426,806</b> | <b>2,544</b> |
| (1) Trade notes and trade accounts payable           | 55,894               | 55,894         | -            |
| (2) Short-term borrowings                            | 20,000               | 20,000         | -            |
| (3) Bonds                                            | 50,000               | 50,848         | 848          |
| (4) Long-term borrowings                             | 64,632               | 64,112         | (519)        |
| <b>Total liabilities</b>                             | <b>190,526</b>       | <b>190,854</b> | <b>328</b>   |

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

### Assets:

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

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

(3) Marketable securities and investment securities:

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

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

### Liabilities:

(1) Trade notes and trade accounts payable 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.

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

| Item                                  | Balance sheet amount<br>(million yen) |
|---------------------------------------|---------------------------------------|
| Unlisted shares                       | 99,952                                |
| Investment in investment associations | 11,875                                |
| Others                                | 24,222                                |

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

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

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

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

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

| Balance sheet amount | Fair value |
|----------------------|------------|
| 190,090              | 203,079    |

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

(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: | ¥2,739.59 |
| 2. | Net income per share: | ¥86.02    |

**(Significant subsequent event)**

The Company's consolidated subsidiary The Sankei Building Co., Ltd. ("Sankei Building"), on April 24, 2015, through a limited liability company that invests jointly with a fund managed by J-Will Partners Co., Ltd. ("JWP"), acquired the shares in GRANVISTA Hotels & Resorts Co., Ltd. ("GRANVISTA") held by Regional Economy Vitalization Corporation of Japan ("REVIC"). GRANVISTA became a consolidated subsidiary of the Company from the start of the fiscal year ending March 31, 2016.

1. Overview of the business combination

(1) Name, description of business, business scale, etc. of the acquired firm

|                            |                                                                                                          |
|----------------------------|----------------------------------------------------------------------------------------------------------|
| Name of the acquired firm: | GRANVISTA Hotels & Resorts Co., Ltd.                                                                     |
| Description of business:   | Hotel management operations, leisure-related business operations, restaurant business, merchandise sales |

Net sales: ¥27,287 million

Capital stock: ¥100 million

Total assets: ¥33,852 million

Note: Any of the above figures as based on the account figures of the fiscal year ended March 31, 2014.

(2) Main reasons for the business combination

GRANVISTA's core business is hotels, with 10 locations nationwide, including two renowned city hotels; a groundbreaking Japanese city hotel Sapporo Grand Hotel, and Sapporo Park Hotel. The company also has a traditional and established general resort business, operating Kamogawa Seaworld, a popular ocean-themed leisure facility, as well as Tomakomai Golf Resort 72, and three highway restaurant facilities at expressway rest areas. GRANVISTA has expertise that has allowed it to provide highly satisfying services for many years, as well as the strength of a stable customer base. Further, the implementation of a revitalization plan under REVIC has made these successes more prominent, and we determined that the capital participation of

Sankei Building at this time would establish an environment to utilize these strengths for further growth.

The number of overseas visitors to Japan exceeded 13 million in 2014, and is expected to reach 20 million in 2020 with the Tokyo Olympics and Paralympics. Sankei Building is expanding its hotel development business in response to this rise in inbound demand, and felt that it could provide strong support for the expansion of GRANVISTA's new hotel business. Sankei Building also has expertise in urban development, which it feels could generate considerable synergies to enhance GRANVISTA's future asset value.

Further, Fuji Media Holdings is one of Japan's most prominent media conglomerates, with a corporate group, including such companies as Fuji Television Network, Inc., Nippon Broadcasting System, Inc., and Pony Canyon, Inc. We believe that the ties between these group companies and GRANVISTA with its general resort business know-how could generate considerable synergies for Fuji Television's MICE/IR project and provide further growth.

- (3) Date of the business combination: April 24, 2015
- (4) Legal form of the business combination: Acquisition of shares
- (5) Proportion of voting rights acquired: 99.6%

Note: The acquisition cost is not disclosed because of a contractual obligation of confidentiality.

## 2. Other

The amounts for goodwill amortization, and assets received and liabilities assumed on the date of the business combination are currently being calculated.

**(Other notes)**

1. Impairment loss

The Group recorded impairment losses for the following assets:

| Location                                                                     | Usage                        | Type                                                     | Amount<br>(million<br>yen) |
|------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------|----------------------------|
| (Life Information)<br>Dinos Cecile Co., Ltd. Takamatsu, Kagawa               | Property for<br>business use | Buildings and<br>structures, intangible<br>leasing, land | 3,403                      |
| (Urban Development)<br>The Sankei Building Co., Ltd.<br>Hiroshima, Hiroshima | Rental building              | Buildings and<br>structures                              | 278                        |
| Sankei Kaikan Co., Ltd. Chiyoda, Tokyo                                       | Rented stores                | Buildings and<br>structures                              | 56                         |

In the Life Information segment, the Group groups business assets by business category and reviews the said assets for any impairment loss. In the consolidated fiscal year under review, the book values of properties for business use, consisting of those for which profitability decreased, were reduced to their respective collectible amounts and such reduced amounts were recorded as an impairment loss under extraordinary loss. The breakdown of such impairment loss was ¥1,513 million in buildings and structures, ¥1,068 million in intangible leased assets included in other intangible assets, ¥148 million in lands and ¥672 million in other. The collectible amounts of properties for business use are measured with use value. Future cash flows discounted at a rate of 5.3% are used to compute the use value.

In the Urban Development segment, in principle, the Group groups assets by each property and reviews the said assets for any impairment loss. In the consolidated fiscal year under review, the book values of properties to be disposed were reduced to their respective collectible amounts and such reduced amounts were recorded as an impairment loss under extraordinary loss. The breakdown of such impairment loss was ¥329 million in buildings and structures and ¥5 million in other. The collectible amounts of the said asset groups are measured with the higher of the net sale value and use value, and the net realizable sale value is considered to be zero, as such assets are difficult to sell or convert to other uses. Future cash flows discounted at a rate of 3.8% are used to compute the use value.

2. Revision of deferred tax assets and deferred tax liabilities as a result of the revision of the rate of corporate tax, etc.

The "Act for Partial Amendment of the Income Tax Act, etc." (2015 Act No. 9) and the "Act for Partial Amendment of the Local Tax Act, etc." (2015 Act No. 2) were promulgated on March 31, 2015. Consequently, the corporate tax rate, among others, will be reduced from the fiscal year commencing on or after April 1, 2015. Accordingly, the statutory effective tax rate to be used for the calculation of deferred tax assets and deferred

tax liabilities will be reduced from the previous 35.64% to 33.06% with regard to the temporary differences expected to be eliminated for the fiscal year commencing on April 1, 2015, and to 32.30% with regard to the temporary differences expected to be eliminated for the fiscal year commencing on April 1, 2016 and thereafter.

The tax rate revision has decreased the amounts of deferred tax liabilities (after the deduction of the amount of deferred tax assets) by ¥4,406 million, adjustment for income taxes recorded in the fiscal year under review by ¥1,462 million and remeasurements of defined benefit plans by ¥405 million, and increased the amounts of valuation difference on available-for-sale securities by ¥3,342 million and deferred gains on hedges by 6 million.

The tax rate revision also has decreased deferred tax liabilities upon revaluation by ¥1,369 million and increased revaluation differences of land by ¥1,369 million.



**NON-CONSOLIDATED BALANCE SHEET**

(As of March 31, 2015)

(million yen)

**ASSETS**

|                                                            |                |
|------------------------------------------------------------|----------------|
| <b>Current assets:</b>                                     | <b>132,942</b> |
| Cash on hand and in banks.....                             | 26,178         |
| Marketable securities .....                                | 102,953        |
| Prepaid expenses .....                                     | 203            |
| Income tax refund receivable .....                         | 2,115          |
| Other current assets .....                                 | 1,762          |
| Allowance for doubtful accounts .....                      | (270)          |
| <b>Fixed assets:</b>                                       | <b>584,710</b> |
| <b>Tangible fixed assets:</b>                              | <b>49,814</b>  |
| Buildings .....                                            | 47,324         |
| Structures .....                                           | 145            |
| Machinery and equipment.....                               | 0              |
| Motor vehicles .....                                       | 14             |
| Tools, furniture and fixtures .....                        | 2,260          |
| Land .....                                                 | 70             |
| <b>Intangible fixed assets:</b>                            | <b>14,458</b>  |
| Leasehold rights .....                                     | 14,393         |
| Software .....                                             | 65             |
| Other intangible fixed assets .....                        | 0              |
| <b>Investments and other assets:</b>                       | <b>520,436</b> |
| Investment securities.....                                 | 180,486        |
| Investment in shares of affiliates .....                   | 330,611        |
| Investment in other associated companies' securities ..... | 7,520          |
| Long-term prepaid expenses .....                           | 46             |
| Other investments and other assets .....                   | 1,877          |
| Allowance for doubtful accounts .....                      | (104)          |
| <b>TOTAL ASSETS</b>                                        | <b>717,652</b> |

(million yen)

**LIABILITIES**

|                                                                     |                |
|---------------------------------------------------------------------|----------------|
| <b>Current liabilities:</b>                                         | <b>152,122</b> |
| Trade accounts payable.....                                         | 2,839          |
| Accrued expenses .....                                              | 220            |
| Accrued income taxes.....                                           | 265            |
| Advance received .....                                              | 882            |
| Deposit received .....                                              | 147,183        |
| Reserve for bonuses for officers .....                              | 20             |
| Provision for loss on business of subsidiaries and affiliates ..... | 500            |
| Other current liabilities .....                                     | 208            |
| <b>Long-term liabilities:</b>                                       | <b>67,073</b>  |
| Bonds.....                                                          | 20,000         |
| Deferred tax liabilities .....                                      | 35,055         |
| Reserve for employee retirement benefits .....                      | 93             |
| Negative goodwill .....                                             | 3,556          |
| Guarantee deposit .....                                             | 7,413          |
| Other long-term liabilities .....                                   | 954            |
| <b>TOTAL LIABILITIES</b>                                            | <b>219,195</b> |
| <b><u>NET ASSETS</u></b>                                            |                |
| <b>Shareholders' equity:</b>                                        | <b>431,880</b> |
| <b>Paid-in capital.....</b>                                         | <b>146,200</b> |
| <b>Capital surplus .....</b>                                        | <b>173,664</b> |
| Capital reserve .....                                               | 173,664        |
| <b>Retained earnings.....</b>                                       | <b>117,677</b> |
| Earned surplus reserve.....                                         | 4,385          |
| Other retained earnings.....                                        | 113,292        |
| General reserve .....                                               | 98,300         |
| Retained earnings carried forward .....                             | 14,992         |
| <b>Treasury stock .....</b>                                         | <b>(5,662)</b> |
| <b>Valuation and translation adjustments:</b>                       | <b>66,577</b>  |
| Valuation difference on available-for-sale securities .....         | 66,577         |
| <b>TOTAL NET ASSETS</b>                                             | <b>498,457</b> |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                             | <b>717,652</b> |

# NON-CONSOLIDATED STATEMENT OF INCOME

(April 1, 2014 to March 31, 2015)

(million yen)

|                                                 |       |               |
|-------------------------------------------------|-------|---------------|
| <b>Operating revenue</b>                        |       | <b>18,592</b> |
| <b>Operating expenses</b>                       |       | <b>6,889</b>  |
| <b>Operating income</b>                         |       | <b>11,703</b> |
| <b>Non-operating income</b>                     |       |               |
| Interest income and dividend income             | 1,827 |               |
| Gain on investment associations                 | 740   |               |
| Write-off of negative goodwill                  | 355   |               |
| Other income                                    | 109   | 3,033         |
| <b>Non-operating expenses</b>                   |       |               |
| Interest expenses                               | 438   |               |
| Loss on investment associations                 | 2,173 |               |
| Sundry loss                                     | 4     | 2,616         |
| <b>Recurring profit</b>                         |       | <b>12,119</b> |
| <b>Extraordinary gain</b>                       |       |               |
| Gain on sale of investment securities           | 151   |               |
| Others                                          | 0     | 151           |
| <b>Extraordinary loss</b>                       |       |               |
| Valuation losses on investment securities       | 1,755 |               |
| Provision of allowance for doubtful accounts    | 270   |               |
| Loss on business of subsidiaries and affiliates | 630   |               |
| Others                                          | 42    | 2,697         |
| <b>Income before income taxes</b>               |       | <b>9,574</b>  |
| Income and enterprise taxes                     | 663   |               |
| Adjustment for income taxes                     | (445) | 218           |
| <b>Net income</b>                               |       | <b>9,356</b>  |

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

(April 1, 2014 to March 31, 2015)

(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, 2014                             | 146,200              | 173,664         | 4,385                  | 98,300                  | 14,529                            |
| Cumulative effects of changes in accounting policies |                      |                 |                        |                         | 6                                 |
| Restated balance                                     | 146,200              | 173,664         | 4,385                  | 98,300                  | 14,535                            |
| Changes during the year                              |                      |                 |                        |                         |                                   |
| Distribution of retained earnings                    |                      |                 |                        |                         | (8,899)                           |
| Net income                                           |                      |                 |                        |                         | 9,356                             |
| Net change of items other than shareholders' equity  |                      |                 |                        |                         |                                   |
| Total changes                                        | -                    | -               | -                      | -                       | 456                               |
| Balance at March 31, 2015                            | 146,200              | 173,664         | 4,385                  | 98,300                  | 14,992                            |

|                                                      | 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, 2014                             | (5,662)              | 431,416                    | 31,613                                                | 463,029          |
| Cumulative effects of changes in accounting policies |                      | 6                          |                                                       | 6                |
| Restated balance                                     | (5,662)              | 431,423                    | 31,613                                                | 463,036          |
| Changes during the year                              |                      |                            |                                                       |                  |
| Distribution of retained earnings                    |                      | (8,899)                    |                                                       | (8,899)          |
| Net income                                           |                      | 9,356                      |                                                       | 9,356            |
| Net change of items other than shareholders' equity  |                      |                            | 34,964                                                | 34,964           |
| Total changes                                        | -                    | 456                        | 34,964                                                | 35,421           |
| Balance at March 31, 2015                            | (5,662)              | 431,880                    | 66,577                                                | 498,457          |

## NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

### **(Notes to the matters concerning significant accounting policies)**

#### **1. Valuation basis and methods for assets:**

Marketable securities:

Investment in shares of subsidiaries and affiliates:

At cost, determined by the moving average method

Other securities:

Those with market value:

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

Those without market value:

At cost, determined by the moving average method

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

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

#### **2. Method of depreciation of fixed assets:**

Tangible fixed assets:

Tangible fixed assets are depreciated by the declining balance method.

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

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

3. Basis for accounting for allowances and reserves:

Allowance for doubtful accounts:

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

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 under review.

Provision for loss on business of subsidiaries and affiliates:

To meet losses to be incurred from business restructuring of subsidiaries and affiliates, the Company sets aside an amount of the losses estimated to be incurred.

Reserve for employee retirement benefits:

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

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

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

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

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

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

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

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

4. Method and period of amortization of negative goodwill:

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

5. Accounting treatment of consumption taxes, etc.:

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

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

**(Note on Changes in Accounting Policies)**

Application of Accounting Standard for Retirement Benefits

Starting from the fiscal year under review, the Company has applied "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012, "Retirement Benefits Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015, "Retirement Benefits Application Guidance"), as prescribed by the purview of paragraph 35 of the Retirement Benefits Accounting Standard, and the purview of paragraph 67 of the Retirement Benefits Application Guidance. The method for calculating retirement benefit obligations and service cost has been revised, with the period attribution method for projected benefit obligations changed from a straight-line attribution to a benefit formula standard. The method for determining the discount rate has also been revised, with regard to the period for the bonds that are the basis for determining the discount rate, from a method that uses the

number of years approximate to the average remaining years of service for the employee, to a simple weighted average discount rate reflecting the projected benefit obligation period and amounts of each projected benefit obligation period.

For the application of the Retirement Benefits Accounting Standard, in accordance with the provisional treatment as prescribed by paragraph 37 of the Retirement Benefits Accounting Standard, from the beginning of the fiscal year under review, the amount of financial impact resulting from the change in the method for calculating retirement benefit obligations and service cost has been assessed to retained earnings carried forward.

As a result, reserve for employee retirement benefits at the beginning of the fiscal year under review decreased by ¥6 million and retained earnings carried forward increased by ¥6 million. The impact on operating income, recurring profit and income before income taxes is negligible.

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

(Non-consolidated statement of income)

"Gain on investment associations" (¥259 million for the previous fiscal year), which was included in the item of "Other income" in the previous fiscal year, is independently presented as from the fiscal year under review due to its increased significance.

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

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

|                                                         |                  |
|---------------------------------------------------------|------------------|
| Short-term money debts due from associated companies:   | ¥1,721 million   |
| Short-term money debts payable to associated companies: | ¥147,213 million |
| Long-term money debts payable to associated companies:  | ¥7,347 million   |
2. Accumulated depreciation of tangible fixed assets: ¥76,866 million
3. With regard to the tangible fixed assets acquired for and before the fiscal year under review, the amount of advanced depreciation by government subsidies was ¥106 million in structures. The amount thereof in the non-consolidated balance sheet is shown by deducting such amount of advanced depreciation.

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

Transactions with associated companies:

|                     |                 |
|---------------------|-----------------|
| Operating revenue:  | ¥18,453 million |
| Operating expenses: | ¥862 million    |



Transactions other than ordinary business: ¥318 million

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

Total number of shares of treasury stock As of March 31, 2015:

Shares of common stock: 2,235,200 shares

**(Notes on tax effect accounting)**

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

| (Deferred tax assets)                                          | (million yen) |
|----------------------------------------------------------------|---------------|
| Accrued enterprise taxes                                       | 87            |
| Accrued officers' retirement gratuities                        | 306           |
| Valuation losses on investment securities                      | 6,619         |
| Shares of associated affiliates associated with reorganization | 12,279        |
| Net operating loss carryforward                                | 752           |
| Others                                                         | 1,369         |
| Subtotal of deferred tax assets                                | 21,415        |
| Valuation reserve                                              | (21,149)      |
| Total deferred tax assets                                      | 266           |
| (Deferred tax liabilities)                                     |               |
| Shares of associated affiliates associated with reorganization | 4,195         |
| Valuation difference on available-for-sale securities          | 30,997        |
| Others                                                         | 128           |
| Total deferred tax liabilities                                 | 35,321        |
| Net deferred tax liabilities                                   | 35,055        |

2. Revision of deferred tax assets and deferred tax liabilities as a result of the revision of the rate of corporate tax, etc.

The "Act for Partial Amendment of the Income Tax Act, etc." (2015 Act No. 9) and the "Act for Partial Amendment of the Local Tax Act, etc." (2015 Act No. 2) were promulgated on March 31, 2015. Consequently, the corporate tax rate, among others, will be reduced from the fiscal year commencing on or after April 1, 2015. Accordingly, the

statutory effective tax rate to be used for the calculation of deferred tax assets and deferred tax liabilities will be reduced from the previous 35.64% to 33.06% with regard to the temporary differences expected to be eliminated for the fiscal year commencing on April 1, 2015, and to 32.30% with regard to the temporary differences expected to be eliminated for the fiscal year commencing on April 1, 2016 and thereafter.

The tax rate revision has decreased the amount of deferred tax liabilities (after the deduction of the amount of deferred tax assets) by ¥3,624 million, increased valuation difference on available-for-sale securities by ¥3,205 million and decreased adjustment for income taxes by ¥419 million.

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

**Subsidiaries, etc.**

| Category   | 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                             | 7,059                                  | Advance<br>received<br>Guarantee<br>deposit | 694<br>6,539                            |
| Subsidiary | The Sankei<br>Building Co.,<br>Ltd. | Chiyoda-ku,<br>Tokyo | 19,120                         | Urban<br>development<br>business       | Direct 100.0%                                                                  | Interlocking<br>directorates                          | Acceptance of<br>the allotment<br>of new shares | 10,000                                 | -                                           | -                                       |

- (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.
  3. The acceptance of the allotment of new shares refers to the Company's accepting the allotment of new shares made by The Sankei Building Co., Ltd. for ¥10,000 million per share.

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

1. Net assets per share: ¥2,128.39
2. Net income per share: ¥39.95

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

INDEPENDENT AUDITOR'S REPORT

May 11, 2015

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

Ernst & Young ShinNihon LLC

By Shinichiro Suzuki (seal)  
Designated and Limited Engagement Partner  
Certified Public Accountant

By Munetake Kamiyama (seal)  
Designated and Limited Engagement Partner  
Certified Public Accountant

By Kazuhito Shiratori (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, 2014 to March 31, 2015 pursuant to Article 444, paragraph 4 of the Companies Act 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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, 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 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 Act of Japan.

- END -

Copy of Account Auditors' Audit Report

INDEPENDENT AUDITORS' REPORT

May 11, 2015

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

Ernst & Young ShinNihon LLC

By Shinichiro Suzuki (seal)  
Designated and Limited Engagement Partner  
Certified Public Accountant

By Munetake Kamiyama (seal)  
Designated and Limited Engagement Partner  
Certified Public Accountant

By Kazuhito Shiratori (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 74th fiscal year covering the period from April 1, 2014 to March 31, 2015 pursuant to Article 436, paragraph 2, item 1 of the Companies Act 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 the corporate 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 Act 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 74th fiscal year from April 1, 2014 to March 31, 2015, 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 Companies Act 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 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 12, 2015

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)

Nobuya 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:**

#### **<Proposed by the Company (Proposition No. 1 to Proposition No. 5)>**

Proposition No. 1 to Proposition No. 5 have been made by the Company.

#### **<Proposed by the Company>**

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

The Company regards the redistribution of profits to its shareholders as one of its most important management responsibilities. Our basic policy, under the certified broadcast holding company structure, is to provide distributions to its shareholders commensurate with performance, while making proactive investments for the growth of the Group's businesses, and entry into new business fields, in order to enhance its corporate value.

The Company's policy regarding the distribution of retained earnings is to determine the disbursement based on a target of a payout ratio of 40% on a consolidated basis, with consideration to the stability of dividends from the standpoint of emphasizing the redistribution of profits to its shareholders. Based on the operating results for the fiscal year under review and other factors, 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:

¥20 per share of common stock of the Company

Aggregate amount: ¥4,683,892,000

(Annual dividend: ¥40 per share, including ¥20 per share in interim dividends)

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

June 26, 2015

**<Proposed by the Company>**

**Proposition No. 2: Amendment to the Articles of Incorporation**

1. Reasons for the amendment:

The "Act to Amend Part of the Companies Act" (2014 Act No. 90) of Japan, which became effective on May 1, 2015, newly allows companies to enter into liability limitation agreements with directors who do not execute business operations and corporate auditors who are not outside corporate auditors. Accordingly, the Company will amend part of the provisions of Article 28 and Article 37 of its Articles of Incorporation to allow it to hire talented, proper persons, whereby making them fully play their expected roles.

Each Corporate Auditor has consented to the amendment to Article 28.

2. The particulars of the proposed amendment:

The particulars of the proposed amendment are as follows:

| (Underlines show the amendment.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Existing Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Proposed amendment to the Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Articles 1 to 27 (Descriptions omitted)<br><br>(Agreement with <u>outside Director</u> to limit liabilities)<br><br>Article 28. The Company may enter into an agreement with any <u>outside Director</u> to limit such liabilities as provided for in Article 423, paragraph 1 of the Companies Act of Japan, pursuant to Article 427, paragraph 1 of the said act; provided however, that the maximum amount of a liability under such agreement shall be the higher of the amount previously determined which shall not be less than ten (10) million yen, and the amount provided for in laws or ordinances. | Articles 1 to 27 (Same as existing)<br><br>(Agreement with <u>Director</u> to limit liabilities)<br><br>Article 28. The Company may enter into an agreement with any <u>Director</u> <u>(excluding any Director who executes business operations or the like)</u> to limit such liabilities as provided for in Article 423, paragraph 1 of the Companies Act of Japan, pursuant to Article 427, paragraph 1 of the said act; provided however, that the maximum amount of a liability under such agreement shall be the higher of the amount previously determined which shall not be less than ten (10) million yen, and the amount provided for in laws or ordinances. |
| Articles 29 to 36 (Descriptions omitted)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Articles 29 to 36 (Same as existing)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Existing Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Proposed amendment to the Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p data-bbox="248 349 818 416">(Agreement with <u>outside Corporate Auditor</u> to limit liabilities)</p> <p data-bbox="248 461 818 909">Article 37. The Company may enter into an agreement with any <u>outside Corporate Auditor</u> to limit such liabilities as provided for in Article 423, paragraph 1 of the Companies Act of Japan, pursuant to Article 427, paragraph 1 of the said act; provided however, that the maximum amount of a liability under such agreement shall be the higher of the amount previously determined which shall not be less than ten (10) million yen, and the amount provided for in laws or ordinances.</p> <p data-bbox="248 954 818 987">Articles 38 to 41 (Descriptions omitted)</p> | <p data-bbox="834 349 1410 416">(Agreement with <u>Corporate Auditor</u> to limit liabilities)</p> <p data-bbox="834 461 1410 909">Article 37. The Company may enter into an agreement with any <u>Corporate Auditor</u> to limit such liabilities as provided for in Article 423, paragraph 1 of the Companies Act of Japan, pursuant to Article 427, paragraph 1 of the said act; provided however, that the maximum amount of a liability under such agreement shall be the higher of the amount previously determined which shall not be less than ten (10) million yen, and the amount provided for in laws or ordinances.</p> <p data-bbox="834 954 1410 987">Articles 38 to 41 (Same as existing)</p> |

**<Proposed by the Company>**  
**Proposition No. 3: Election of 16 Directors**

The term of office of all of the (16) Directors will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that 16 Directors be elected.

The candidates for Director 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 Chief Executive Officer (CEO) of the Company (to date)</p> <p>October 2008   Chairman and Chief Executive Officer (CEO), Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/> Chairman and Chief Executive Officer (CEO), 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> | 192,800 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 |
|---------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 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 2007      President and Chief Operating Officer (COO) of the Company</p> <p>October 2008   President and Chief Operating Officer (COO), Fuji Television Network, Inc.</p> <p>June 2013      Vice Chairman and Executive Managing Director of the Company (to date);<br/>Vice Chairman and Executive Managing Director, Fuji Television Network, Inc. (to date)</p> <p>September 2014 President and Representative Director, Sankei Living Shimbun, Inc.(to date)</p> <p>(Important concurrent office)<br/>Vice Chairman and Executive Managing Director, Fuji Television Network, Inc.<br/>President and Representative Director, Sankei Living Shimbun, Inc.</p> | 56,400 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             | 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/>Executive Vice President, in charge of Finance and Budget Management of Fuji Television Network, Inc.</p> <p>June 2013      Senior Executive Vice President and Chief Financial Officer (CFO), in charge of Finance of the Company (to date)</p> <p>(Important concurrent office)<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> | 50,000 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             | Osamu Kanemitsu<br>(October 28, 1954)<br>[Note 1] | <p>April 1983      Joined the Company</p> <p>June 2009      General Manager, Management Planning Department of Fuji Television Network, Inc.</p> <p>June 2011      General Manager, Corporate Planning Department of the Company</p> <p>June 2012      Executive Managing Officer and General Manager, Corporate Planning Department of the Company;</p> <p>                    Executive Managing Officer and General Manager, Corporate Planning Department of Fuji Television Network, Inc.</p> <p>June 2013      Senior Executive Managing Director, in charge of Public Relations Department and Corporate Planning and General Manager, Corporate Planning Department of the Company (to date);</p> <p>                    Director, Dinos Inc., (current Dinos Cecile Co., Ltd.) (to date)</p> <p>(Important concurrent office)</p> <p>Director, Dinos Cecile Co., Ltd.</p> |  | 5,600 shares                                      |
| 5             | Takashi Wagai<br>(October 6, 1952)<br>[Note 1]    | <p>May 1986      Joined the Company</p> <p>June 2009      General Manager, Information System Department of Fuji Television Network, Inc.</p> <p>June 2011      General Manager, General Affairs Department of the Company;</p> <p>                    General Manager, General Affairs Department of Fuji Television Network, Inc.</p> <p>June 2012      Executive Managing Director, in charge of General Affairs of Fuji Television Network, Inc. and General Manager, General Affairs Department of the Company</p> <p>June 2013      Senior Executive Managing Director, in charge of Corporate Social Responsibility Office, Corporate Compliance Office, General Affairs and Human Resources of the Company (to date)</p>                                                                                                                                                   |  | 5,800 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 |
|---------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 6             | Chihiro Kameyama<br>(June 15, 1956)<br>[Note 1] | April 1980                                                                                                  | Joined the Company                                                                                                                                                                                                                                                                                                              | 20,300 shares                                     |
|               |                                                 | June 2001                                                                                                   | General Manager, Programming and Production Department of the Company                                                                                                                                                                                                                                                           |                                                   |
|               |                                                 | June 2003                                                                                                   | General Manager, Motion Picture Department of the Company                                                                                                                                                                                                                                                                       |                                                   |
|               |                                                 | June 2006                                                                                                   | Executive Managing Officer and General Manager, Motion Picture Department of the Company                                                                                                                                                                                                                                        |                                                   |
|               |                                                 | June 2007                                                                                                   | Senior Executive Managing Officer and General Manager, Motion Picture Department of the Company                                                                                                                                                                                                                                 |                                                   |
|               |                                                 | October 2008                                                                                                | Senior Executive Managing Officer and General Manager, Motion Picture Department of Fuji Television Network, Inc.                                                                                                                                                                                                               |                                                   |
|               |                                                 | June 2010                                                                                                   | Executive Managing Director and General Manager, Motion Picture Department of Fuji Television Network, Inc.                                                                                                                                                                                                                     |                                                   |
|               |                                                 | June 2012                                                                                                   | Executive Managing Director of the Company (to date);<br>Senior Executive Managing Director, in charge of Premium Content Business Group, Motion Picture, Business Development & Administration, Content Creation and Distribution Department, and General Manager, Motion Picture Department of Fuji Television Network, Inc.; |                                                   |
|               |                                                 | June 2013                                                                                                   | President and Chief Operating Officer (COO) of the Fuji Television Network, Inc. (to date)                                                                                                                                                                                                                                      |                                                   |
|               |                                                 | (Important concurrent office)<br>President and Chief Operating Officer (COO), Fuji Television Network, Inc. |                                                                                                                                                                                                                                                                                                                                 |                                                   |

| 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             | 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;<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.</p> <p>June 2012      Executive Managing Director, in charge of Public Relations Office, Corporate Social Responsibility Office, Corporate Compliance Office, General Affairs and Human Resources of the Company;<br/>Senior Executive Managing Director, in charge of TV Code Affairs, Corporate Social Responsibility Office, Corporate Compliance Office, Human Resources and Public Relations of Fuji Television Network, Inc.</p> <p>June 2013      Executive Managing Director of the Company (to date);<br/>Executive Vice President in chief, in charge of Culture Promotion &amp; Broadcasting Social Accountability, General Affairs, Human Resources, Business Development &amp; Enterprises and Public Relations of Fuji Television Network, Inc. (to date)</p> <p>June 2014      Director, Hokkaido Cultural Broadcasting Co., Ltd. (to date)</p> <p>(Important concurrent office)<br/>Executive Vice President, Fuji Television Network, Inc.<br/>Director, Hokkaido Cultural Broadcasting Co., Ltd.</p> |  | 36,000 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 |
|---------------|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 8             | Toru Ota<br>(November 3, 1958)<br>[Note 1] | <p>April 1981<br/>June 2007</p> <p>October 2008</p> <p>June 2009</p> <p>June 2010</p> <p>June 2011<br/>June 2012</p> <p>June 2013</p> <p>June 2014</p> <p>(Important concurrent office)</p> | <p>Joined the Company</p> <p>Executive Managing Officer and General Manager in charge of Drama Programming Department, Programming and Production Department of the Company</p> <p>Executive Managing Officer and General Manager in charge of Drama Programming Department, Programming and Production Department of Fuji Television Network, Inc.</p> <p>Executive Managing Officer and General Manager, Digital Contents Department of Fuji Television Network, Inc.</p> <p>Executive Managing Officer and General Manager, Creative Business Department of Fuji Television Network, Inc.</p> <p>Director, Pony Canyon Inc. (to date)</p> <p>Executive Managing Director of the Company (to date);</p> <p>Senior Executive Managing Director, in charge of Programming and Production and Art Design of Fuji Television Network, Inc.;</p> <p>Director, Dinos Inc. (current Dinos Cecile Co., Ltd.) (to date)</p> <p>Senior Executive Managing Director, in charge of Programming and Production, Motion Picture, Content Creation and Distribution, and General Manager of Programming and Production Department of Fuji Television Network, Inc.</p> <p>Senior Executive Managing Director, in charge of Programming and Production, Motion Picture, Content Creation and Distribution and International Development of Fuji Television Network, Inc. (to date)</p> <p>Senior Executive Managing Director, Fuji Television Network, Inc.</p> <p>Director, Pony Canyon Inc.</p> <p>Director, Dinos Cecile Co., Ltd.</p> | 6,500 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 |
|---------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------|
| 9             | Koji Inaki<br>(August 1, 1955)<br>[Note 1]                     | <p>April 1979      Joined the Company</p> <p>June 2005      General Manager, Sales Department of the Company</p> <p>June 2007      Executive Managing Officer and General Manager, Sales Department of the Company</p> <p>October 2008   Executive Managing Officer and General Manager, Sales Department of Fuji Television Network, Inc.</p> <p>June 2009      Executive Managing Director of the Company; Executive Managing Director, in charge of Sales of Fuji Television Network, Inc.</p> <p>June 2012      Senior Executive Managing Director, in charge of Sports and Events of Fuji Television Network, Inc.;</p> <p>June 2014      Director, Sendai Television Incorporated (to date)</p> <p>Executive Managing Director of the Company (to date);</p> <p>Senior Executive Managing Director, in charge of Sales and Affiliate Relation of Fuji Television Network, Inc. (to date);</p> <p>Director, TSS-TV Co., Ltd. (to date)</p> <p>(Important concurrent office)</p> <p>Senior Executive Managing Director, Fuji Television Network, Inc.</p> <p>Director, Sendai Television Incorporated</p> <p>Director, TSS-TV Co., Ltd.</p> |  | 24,000 shares                                     |
| 10            | 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)</p> <p>Honorary Chairman, Toho Co., Ltd.</p> <p>Executive Managing Director, Fuji Television Network, Inc.</p>                                                                                                                                                                                                                                                                                                                                                                                                |  | 60,000 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            | 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                                           |
| 12            | 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> | 8,900 shares                                      |
| 13            | 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>                                                                                                                                                                                                                         | 4,800 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 |
|---------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 14            | 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</p> <p>June 2010 Executive Managing Director of the Company (to date);<br/>Executive Managing Director, Fuji Television Network, Inc. (to date)</p> <p>June 2013 Chairman and Representative Director, Television Nishinippon Corporation (to date)</p> <p>(Important concurrent office)<br/>Chairman and Representative Director, Television Nishinippon Corporation<br/>Executive Managing Director, Fuji Television Network, Inc.</p>                                                                                                                                                                                                                                                                                                            | 0 share                                           |
| 15            | Takehiko Kiyohara<br>(October 31, 1937)<br>[Notes 1, 2, 8, 9] | <p>June 1990 Director, in charge of Editorial and 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, Sankei Shimbun Co., Ltd.</p> <p>June 1994 Senior Managing Director, in charge of Editing, Editorial and Just Arguments, 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> | 13,800 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 |
|---------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 16            | Katsuaki Suzuki<br>(July 30, 1958)<br>[Note 1] | April 1981<br>June 2005<br><br>June 2007<br><br><br>October 2008<br><br><br>June 2009<br><br>June 2010<br><br>June 2011<br><br>June 2012<br><br>June 2014<br><br>(Important concurrent office)<br>Senior Executive Managing Director, Fuji Television Network, Inc.<br>Director, Sankei Living Shimbun Co., Ltd. | Joined the Company<br>General Manager, Programming and Production Department of the Company<br>Director, in charge of Programming and Production and General Manager, Programming and Production Department of the Company;<br>Director, Sankei Living Shimbun Co., Ltd. (to date)<br>Executive Managing Director of the Company;<br>Executive Managing Director, in charge of Programming and Production, Rights Development and Digital Contents and General Manager, Programming and Production Dept. of Fuji Television Network, Inc.<br>Executive Managing Director, in charge of Programming and Production and Art Design and General Manager, Programming and Production Dept. of Fuji Television Network, Inc.<br>Senior Executive Managing Director, in charge of Programming and Production and Art Design and General Manager, Programming and Production Dept. of Fuji Television Network, Inc.<br>Senior Executive Managing Director, in charge of Programming and Production and Art Design of Fuji Television Network, Inc.<br>Senior Executive Managing Director, in charge of Sales and Affiliate Relations of Fuji Television Network, Inc.<br>Senior Executive Managing Director, in charge of News and Information and Documentary of the Fuji Television Network, Inc. (to date) | 38,100 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 Director.

[Note 3] Management expects Mr. Isao Matsuoka to use his wide experience and expertise as a former 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 26 years and six months at the close of this General Meeting of Shareholders.

[Note 4] Management expects 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 six 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 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 nine 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 six years at the close of this General Meeting of Shareholders. He is an executive of Kansai Telecasting Corporation, which is a company having specific relationships with the Company.
- [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 five 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 a former representative director of a newspaper business corporation for the management of the Company and proposes to elect him as outside Director. He will have served as outside Director of the Company for ten 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. He is expected to retire from the office of Chairman and Director of Sankei Shimbun Co., Ltd. and assume the office of Director and Counselor of the said company as of June 23, 2015.
- [Note 9] Each of outside Directors of the Company Messrs. Isao Matsuoka, Akihiro Miki, Taizan Ishiguro, Masafumi Yokota, Kazuo Terasaki and Takehiko Kiyohara has, in accordance with Article 427, paragraph 1 of the Companies Act, entered into an agreement with the Company to limit the liability for damages as provided for in Article 423, paragraph 1 of the said act. 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.

**<Proposed by the Company>**  
**Proposition No. 4: Election of one (1) Corporate Auditor**

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

The Board of Corporate Auditors has consented to this proposition.

The candidate for Corporate Auditor is as set forth below:

| Name<br>(Date of birth)                               | Brief history, important concurrent office and position in the Company                                                                                                           |                                                                                                       | Number of shares of the Company held by Candidate |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Yuzaburo Mogi<br>(February 13, 1935)<br>[Notes 1,2,3] | March 1979                                                                                                                                                                       | Director, Kikkoman Corporation                                                                        | 3,000 shares                                      |
|                                                       | March 1982                                                                                                                                                                       | Managing Director, Kikkoman Corporation                                                               |                                                   |
|                                                       | October 1985                                                                                                                                                                     | Managing Director and Representative Director, Kikkoman Corporation                                   |                                                   |
|                                                       | March 1989                                                                                                                                                                       | Senior Managing Director and Representative Director, Kikkoman Corporation                            |                                                   |
|                                                       | March 1994                                                                                                                                                                       | Vice President and Representative Director, Kikkoman Corporation                                      |                                                   |
|                                                       | February 1995                                                                                                                                                                    | President and Representative Director, Kikkoman Corporation                                           |                                                   |
|                                                       | June 2003                                                                                                                                                                        | Corporate Auditor of the Company (to date)                                                            |                                                   |
|                                                       | June 2004                                                                                                                                                                        | Chairman and Representative Director, Kikkoman Corporation                                            |                                                   |
|                                                       | October 2008                                                                                                                                                                     | Corporate Auditor, Fuji Television Network, Inc. (to date)                                            |                                                   |
|                                                       | June 2011                                                                                                                                                                        | Honorary Chairman and Director and Chairman of the Board of Directors, Kikkoman Corporation (to date) |                                                   |
|                                                       | (Important concurrent office)<br>Honorary Chairman and Director and Chairman of the Board of Directors, Kikkoman Corporation<br>Corporate Auditor, Fuji Television Network, Inc. |                                                                                                       |                                                   |

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

[Note 2] Mr. Yuzaburo Mogi is a candidate for outside Corporate Auditor. Management expects him to use his wide experience and expertise as a representative director of a listed company for the audit system of the Company and proposes to elect him as outside Corporate Auditor. He will have served as outside Corporate Auditor of the Company for 12 years at the close of this General Meeting of Shareholders. In accordance with Article 427, paragraph 1 of the Companies Act, he has entered into an agreement with the Company to limit the liability for damages as provided for in Article 423, paragraph 1 of

the said act. The maximum amount of the liability for damages under such agreement shall be the higher of (i) ¥10,000,000 and (ii) such amount as provided for in laws or ordinances.

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

**<Proposed by the Company>**

**Proposition No. 5: 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 ¥20,726,100 (¥17,290,300 for Directors (including ¥3,000,000 for outside Directors) and ¥3,435,800 for Corporate Auditors) be paid to 16 Directors (including six outside Directors) and five Corporate Auditors in office as of March 31, 2015.

**<Proposed by Shareholders (Proposition No. 6 to Proposition No. 14)>**

Proposition No. 6 to Proposition No. 14 have been made by two and the same shareholders; however, Proposition No. 7, Proposition No. 9, Proposition No. 11, Proposition No. 12 and Proposition No. 14 have been made by the shareholders, jointly with another shareholder; Proposition No. 8 has been made jointly with two other shareholders; and Proposition No. 10 has been made jointly with another shareholder.

**<Proposed by Shareholders>**

**Proposition No. 6: Election of Director (Amendment proposition as to Isao Matsuoka)**

1. Content of the proposition

It is hereby proposed that in place of Isao Matsuoka, Mitsutaka Yamaguchi (date of birth: January 26, 1967, previous shareholder of The Sankei Building Co., Ltd.) be a candidate for Director.

Brief history:

|                                |                                                    |
|--------------------------------|----------------------------------------------------|
| March 1991                     | Graduated from the Faculty of Law, Chuo University |
| 1998                           | Passed the Real-Estate Appraiser Examination       |
| Current                        | Company employee                                   |
| Consented to assume the office |                                                    |

Shares of the Company held: 30,000 shares

2. Reasons for the proposition

Isao Matsuoka is not suitable for an officer of the Company because he is not only old, at 80 years of age, but serves as Honorary Chairman of Toho Co., Ltd.

Toho forcefully acquired the shares of Toho Real Estate Co., Ltd. from its shareholders for ¥735, much lower than its net worth. The value of Toho Real Estate is ¥1,500 at book value and if the unrealized value is considered, it would be ¥2,500. A shareholder of Toho Real Estate offered to purchase its shares for ¥1,000 per share and Toho declined. While Toho did not intend to sell the shares for ¥1,000, it forcefully acquired the shares from its shareholders for ¥735. This act is blasphemy against the market and is never forgiven. Also, the election of a person who committed such act as an officer of the Company will seriously hurt the reputation of the Company.

(Note by the Company) The above descriptions are the exact reproduction of the content of the proposition and reasons for the proposition described in the written proposition submitted by the shareholder.

## ◇ Opinion of the Board of Directors of the Company

### **The Board of Directors objects to this proposition.**

The Board of Directors of the Company believes that the structure comprising the candidates for Director as proposed by the Company in Proposition No. 3 is the most appropriate for the Company. Mr. Isao Matsuoka is selected as a candidate for Director because management expects him to use his wide experience and expertise as a former representative director of a listed movie and drama business corporation for the management of the Company.

### **<Proposed by Shareholders>**

#### **Proposition No. 7: Amendment to the Articles of Incorporation (Proper Steering of General Meetings of Shareholders)**

##### **1. Content of the proposition**

It is hereby proposed that the following provision be inserted into the Articles of Incorporation:

"In steering a general meeting of shareholders, the chairman of the meeting shall keep in mind that he/she will not designate shareholders who are employees of the Company or employees of its affiliated companies or so-called OB shareholders who were employees of the Company or employees of its affiliated companies. If any of such shareholders is designated, his/her company/division and position shall be disclosed."

##### **2. Reasons for the proposition**

According to an article "Unrepentant TV - Behind the birth of Fuji TV holding company" in the November 2008 edition of "SEKAI", a general monthly magazine published by Iwanami Shoten, at the General Meeting of Shareholders in June 2008 at which the Company's shift to a certified broadcast holding company structure was approved, nine out of 14 questioners were shareholders who were employees, who all concealed the fact. Furthermore, two of them were found to have more actively lied about their identities, declaring them as "fans of Fuji TV".

Nothing has changed since then. Consequently, ordinary shareholders have only a marginal chance to be designated even if they raise hands. Such situation in which ordinary shareholders are deprived of the right to question is extremely unfair and should be remedied.

If shareholders who are employees of the Company or employees of its affiliated companies or so-called OB shareholders who were employees of the Company or employees of its affiliated companies are designated, their companies/divisions and positions must be identified and disclosed.

(Note by the Company)      The above descriptions are the exact reproduction of the content of the proposition and reasons for the proposition described in the written proposition submitted by the shareholder.

◇ **Opinion of the Board of Directors of the Company**

**The Board of Directors objects to this proposition.**

The Board of Directors believes that any shareholder of the Company, whether he/she is or was an employee of the Company or any of its affiliated companies, has the right to be present, question and vote at any General Meeting of Shareholders in accordance with law. We consider that it is against the principle of shareholder equality and raises a privacy issue to disclose his/her company/division and position irrespective of his/her will because he/she is an employee of the Company.

The Company has steered the General Meetings of Shareholders properly and adequately.

Hence, the Board of Directors does not find it necessary to establish such provision as proposed herein in the Articles of Incorporation.

**<Proposed by Shareholders>**

**Proposition No. 8: Amendment to the Articles of Incorporation (Prevention of False Accusation of Molesting)**

1. Content of the proposition

It is hereby proposed that the following provision be inserted into the Articles of Incorporation:

"The Group shall, in conducting broadcasting and other business, take into consideration the prevention of false accusation of molesting that would disturb the social order."

2. Reasons for the proposition

There are many cases of molesting and false accusation of molesting on the train in Japan and countermeasures must be taken. As to molesting, such measures as the designation of cars exclusive to women have produced some fruit. However, there is no measure to false accusation of molesting. In the Kansai area, there are cases of false accusation of molesting, for which many decisions of "not guilty" have been rendered because of false recognition and excessive responses. Thus risk of false accusation of molesting is really serious.

Therefore, the Group, as a broadcaster of a public nature, must send messages to

society in general for the designation of cars exclusive to men and the installation of security cameras in cars on the train. It also must exert efforts to prevent false accusation of molesting by a repeat broadcast of a movie "*I Just Didn't Do It.*" and a drama "*Someone Is Lying.*" in which persons from Fuji TV have involved and the use thereof as training content in the fields of education and justice.

(Note by the Company) The above descriptions are the exact reproduction of the content of the proposition and reasons for the proposition described in the written proposition submitted by the shareholder.

#### ◇ **Opinion of the Board of Directors of the Company**

##### **The Board of Directors objects to this proposition.**

The Group's broadcasters, including its core subsidiary Fuji Television Network, Inc., are always aware of the public mission and social responsibility of broadcasting and engage in proper broadcasting in compliance with the Broadcasting Act. In addition, the Board of Directors believes that it is not appropriate to provide for such individual matter concerning execution of business of the Company or its subsidiaries in the Articles of Incorporation in consideration of the nature of the articles of incorporation as the basic rules of a company.

Hence, the Board of Directors does not find it necessary to establish such provision as proposed herein in the Articles of Incorporation.

#### **<Proposed by Shareholders>**

##### **Proposition No. 9: Appropriation of retained earnings**

###### **1. Content of the proposition**

|                                                  |                                                                                          |
|--------------------------------------------------|------------------------------------------------------------------------------------------|
| Kind of dividend:                                | Cash                                                                                     |
| Amount of dividend:                              | ¥22 per share                                                                            |
| Aggregate amount of dividends:                   | ¥22 multiplied by the total number of issued shares (excluding shares of treasury stock) |
| Effective date of the distribution of dividends: | The day next following the date of the Ordinary General Meeting of Shareholders          |

###### **2. Reasons for the proposition**

At the 73rd Ordinary General Meeting of Shareholders in 2014, the Company approved the proposition by the Company for the appropriation of retained earnings at ¥18 per share. It was a substantial 18.2% decrease from a ¥22 dividend per share in and before the previous year. Nonetheless, bonuses for officers increased 6.2% in the aggregate from the previous year and 1.1% per person on average. Specifically, Chairman and

Representative Director Hisashi Hieda earned ¥167 million of remuneration (including bonus for officer), an increase of 2.5% from the previous year and Vice Chairman and Director Kou Toyoda earned ¥113 million of remuneration (including bonus for officer), an increase of 1.8% from the previous year. It cannot be allowed in terms of management ethics that only officers receive increased "self-serving" bonuses while forcing shareholders to accept a substantial decrease in dividends. The Company should return the dividend to ¥22 per share this year to repair damage incurred by the shareholders due to decreased dividends last year, if only a little.

(Note by the Company) The above descriptions are the exact reproduction of the content of the proposition and reasons for the proposition described in the written proposition submitted by the shareholder.

#### ◇ **Opinion of the Board of Directors of the Company**

##### **The Board of Directors objects to this proposition.**

The Company regards the redistribution of profits to its shareholders as one of its most important management responsibilities. Our basic policy, under the certified broadcast holding company structure, is to provide distributions to its shareholders commensurate with performance, while making proactive investments for the growth of the Group's businesses, and entry into new business fields, in order to enhance its corporate value. The Company's policy regarding the distribution of retained earnings is to determine the disbursement based on a target of a payout ratio of 40% on a consolidated basis, with consideration to the stability of dividends from the standpoint of emphasizing the redistribution of profits to its shareholders. Based on the operating results for the fiscal year under review, the Company proposes to pay ¥20 per share as a year-end dividend for the fiscal year under review as proposed in Proposition No. 1. Officers' remuneration is determined in consideration of their respective ranks, the operating results for the fiscal year under review and other factors.

#### **<Proposed by Shareholders>**

##### **Proposition No. 10: Amendment to the Articles of Incorporation (Disclosure of Minutes of the General Meeting of Shareholders)**

###### **1. Content of the proposition**

It is hereby proposed that the following provision be inserted into the Articles of Incorporation:

"The Company shall endeavor to proactively and promptly disclose minutes of the General Meeting of Shareholders to all shareholders."



## 2. Reasons for the proposition

A general meeting of shareholders is a valuable opportunity to directly hear what management says and through answers to questions from the shareholders, important information may be disclosed. However, General Meetings of Shareholders of the Company are held during daytime on a business day and it is difficult for a great majority of shareholders to attend the meetings. Therefore, the Company must proactively and promptly disclose minutes of the General Meeting of Shareholders to all shareholders by mail and other means before receiving disclosure requests from the shareholders. In so doing, the Company's value may be enhanced as a company committed to information disclosure.

(Note by the Company) The above descriptions are the exact reproduction of the content of the proposition and reasons for the proposition described in the written proposition submitted by the shareholder.

## ◇ **Opinion of the Board of Directors of the Company**

### **The Board of Directors objects to this proposition.**

The Company takes adequate measures with regard to the inspection and reproduction of the minutes of the General Meeting of Shareholders upon request from the shareholders in accordance with the Companies Act.

Hence, the Board of Directors does not find it necessary to establish such provision as proposed herein in the Articles of Incorporation.

## **<Proposed by Shareholders>**

### **Proposition No. 11: Amendment to the Articles of Incorporation (Selection of Candidates for Officer Who are Able to Attend General Meetings of Shareholders)**

## 1. Content of the proposition

It is hereby proposed that the following provision be inserted into the Articles of Incorporation:

"In selecting candidates for Director and Corporate Auditor of the Company, it shall endeavor to select persons who will be able to attend the Ordinary General Meetings of Shareholders."

## 2. Reasons for the proposition

Director of the Company Mr. Takehiko Kiyohara (Chairman and Director of Sankei Shimbun Co., Ltd., 77 years old) scarcely attended the Ordinary General Meetings of Shareholders in the past, except for the Ordinary General Meeting of Shareholders in 2014.

Corporate Auditor of the Company Yuzaburo Mogi (Honorary Chairman and Director of Kikkoman Corporation, 80 years old) has been absent from the Ordinary General Meetings of Shareholders.

However, in the first place, a general meeting of shareholders is the supreme decision-making organ of a company and it is the most important duties of officers to attend ordinary general meetings of shareholders. If so, in selecting candidates for Director and Corporate Auditor, the Company should endeavor to select persons who will be able to attend the Ordinary General Meetings of Shareholders.

(Note by the Company) The above descriptions are the exact reproduction of the content of the proposition and reasons for the proposition described in the written proposition submitted by the shareholder.

#### ◇ **Opinion of the Board of Directors of the Company**

##### **The Board of Directors objects to this proposition.**

In selecting candidates for Director and Corporate Auditor of the Company, the Board of Directors select such persons that have wide experience and expertise and are considered appropriate as Directors and Corporate Auditors of the Company. Outside officers often serve as directors and/or corporate auditors of other companies and may sometimes be prevented from attending the Ordinary General Meetings of Shareholders. However, they perform duties of supervising and controlling execution of business at meetings of the Board of Directors and otherwise and conducting audits and otherwise. Additionally, through very useful recommendations and valuable advice from a broader perspective, they function appropriately as outside officers.

Hence, the Board of Directors does not find it necessary to establish such provision as proposed herein in the Articles of Incorporation.

#### **<Proposed by Shareholders>**

##### **Proposition No. 12: Amendment to the Articles of Incorporation (Individual Disclosure of Officers' Remuneration)**

###### **1. Content of the proposition**

It is hereby proposed that the following provision be inserted into the Articles of Incorporation:

"The Company shall disclose the amounts of remuneration and bonuses to officers of Directors and Corporate Auditors individually by Director and Corporate Auditor, irrespective of whether the amount exceeds ¥100 million or not, by stating in the reference document to be attached to the notice of the General Meeting of Shareholders for the relevant fiscal year."

## 2. Reasons for the proposition

It is an important obligation of officers, who are entrusted by the shareholders with management, to the shareholders to inform them of the individual amount of remuneration and bonuses of each officer. If the Company takes the initiative in disclosing the individual amount of remuneration and bonuses of each officer, it will raise the level of international credibility as a transparent company committed to information disclosure and win praise for fulfilling the mandate from the shareholders, whereby increasing its corporate value. In the capital market in the United States and Britain where shareholders get higher returns, individual disclosure is taken for granted and causes no inconvenience. It is a precondition of the introduction of a "say on pay" system (a system to allow shareholders to say something on remuneration at general meetings of shareholders). It is justified to pay decent, reasonable remuneration to hire better executive who may increase the shareholder value. For the similar propositions, approval rates at the general meetings of shareholders of Sony, Hoya and Mizuho FG were 44.3%, 48.5% and 32%, respectively.

(Note by the Company) The above descriptions are the exact reproduction of the content of the proposition and reasons for the proposition described in the written proposition submitted by the shareholder.

### ◇ **Opinion of the Board of Directors of the Company**

#### **The Board of Directors objects to this proposition.**

With regard to remuneration of officers of the Company, pursuant to the Financial Instruments and Exchange Act, the Company discloses in its annual securities reports information on the basic remuneration of each Director, Corporate Auditor and outside officer and the aggregate amount of bonuses, as well as any officer receiving ¥100 million or more in aggregate remuneration on a consolidated basis. The Board of Directors believes that the Company discloses important information for the shareholders and investors to make investment decisions.

Hence, the Board of Directors does not find it necessary to establish such provision as proposed herein in the Articles of Incorporation.

#### **<Proposed by Shareholders>**

#### **Proposition No. 13: Amendment to the Articles of Incorporation (Record Date of the Ordinary General Meeting of Shareholders, Etc.)**

##### 1. Content of the proposition

It is hereby proposed that the provisions for the record date of the Ordinary General Meeting of Shareholders and the holding of the Ordinary General Meeting of Shareholders in the Articles of Incorporation be amended as follows:

"The record date of the Ordinary General Meeting of Shareholders shall be May 31 of each year and the Ordinary General Meeting of Shareholders shall be held in July."

2. Reasons for the proposition

The Group hold its Ordinary General Meeting of Shareholders on the Day on which Many Companies Hold General Meetings of Shareholders in June every year without exception. As the reasons, it asserts that it takes time to audit the financial statements and that a certain period of time is required between the dispatch of notices of the meeting and the date of the meeting to allow foreign investors to investigate the details of the propositions. However, if a general meeting of shareholders with the record date thereof fixed on March 31 is held on the Day on which Many Companies Hold General Meetings of Shareholders in June, three months elapse from the record date to the date of the Ordinary General Meeting of Shareholders and it is highly possible that shareholders may change during the period.

If the record date is fixed on May 31 of each year and the Ordinary General Meeting of Shareholders is held in July, the period between the record date to the date of the Ordinary General Meeting of Shareholders will be shorter and the meeting on the Day on which Many Companies Hold General Meetings of Shareholders will be avoided.

(Note by the Company)      The above descriptions are the exact reproduction of the content of the proposition and reasons for the proposition described in the written proposition submitted by the shareholder.

◇ **Opinion of the Board of Directors of the Company**

**The Board of Directors objects to this proposition.**

To change the record date for the exercise of voting rights at the Ordinary General Meeting of Shareholders and the timing to hold the Ordinary General Meeting of Shareholders, the Board of Directors considers it necessary to decide from a comprehensive perspective by taking into consideration the schedule of statutory audits, the timing to disclose statutory disclosure documents, the timing to dispatch notices of the meeting, the relationship with the record date of dividends, the effect thereof on the business of dividend payment and various other circumstances. Hence, at present, the Board of Directors does not find it necessary to establish such provision as proposed herein in the Articles of Incorporation.

**<Proposed by Shareholders>**

**Proposition No. 14: Amendment to the Articles of Incorporation (Restriction on Officers' Term of Office)**

1. Content of the proposition

It is hereby proposed that the following provision be inserted into the Articles of

Incorporation:

"The term of office of Directors shall not exceed 25 years and the term of office of Corporate Auditors shall exceed eight years."

2. Reasons for the proposition

It is pointed out that the Company has negative effects of the lengthy term of office of officers and their aging. Chairman and Representative Director Hisashi Hieda (77 years old) has served as Director of the Company for 32 years (in June this year) since he assumed the office as such in 1983 and as Representative Director for 27 years since he assumed the office of President in 1988. An article of the Asahi Shimbun dated March 16 this year with the heading "Arrogant Top - Management Risk" warns, "People remaining in power for so long will be overly confident and have a narrow view of things." The Company has shown poor business results as Fuji TV fell behind in viewer rating competition. This is due principally to Chairman Hieda. In addition, Isao Matsuoka (80 years old) has served as Director for 27 years. As Corporate Auditors, Yuzaburo Mogi (80 years old) has served for 12 years, Kiyoshi Onoe (80 years old) for ten years and Nobuya Minami (79 years old) for nine years. It is urgently needed to break through the situation in which the officers remains for so long and build a management structure that will promptly respond to changes of the times.

(Note by the Company)      The above descriptions are the exact reproduction of the content of the proposition and reasons for the proposition described in the written proposition submitted by the shareholder.

◇ **Opinion of the Board of Directors of the Company**

**The Board of Directors objects to this proposition.**

The Board of Directors recognizes that Directors and Corporate Auditors of the Company are required to use their wide experience and expertise nurtured through their lengthy careers in business or otherwise for the management of the Company. In addition, the Board of Directors believes that aptitudes for Directors and Corporate Auditors should not be judged solely by their ages.

The Board of Directors selects its candidates for Director and Corporate Auditor from among the persons who have superb experience and knowledge and are considered to be competent as Directors and Corporate Auditors of the Company. Only after that, the Board of Directors requests the General Meeting of Shareholders to elect Directors and Corporate Auditors.

Hence, the Board of Directors does not find it necessary to establish such provision as proposed herein in the Articles of Incorporation.

## **Guidance on Exercise of Voting Rights via the Internet**

### **1. Exercise of voting rights via the Internet:**

- (1) Voting rights can be exercised on the "website for the exercise of voting rights" (<http://www.it-soukai.com>) specified by the Company in lieu of exercising voting rights in writing. If you desire to do so, please log into the website by using the "code for the exercise of voting rights" and the "password" printed on the right in the enclosed voting form and make entries by following the guidance on the screen. To enhance security, please be sure to change the password when you first login.
- (2) Voting rights may be exercised, and entries must be completed, no later than 5:30 p.m., Wednesday, June 24, 2015. However, it would be appreciated if you could exercise your voting rights early.
- (3) 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. If voting rights are exercised twice or more, the latest exercise thereof shall be treated as effective.
- (4) The password (including the one you may have changed) is good only for this General Meeting of Shareholders. A new password will be issued for any subsequent General Meeting of Shareholders.
- (5) All expenses for accessing the Internet must be borne by the shareholders.

Please be advised:

- The password is a means for proof of identification of the person to exercise voting rights. We never inquire of any shareholder about his/her password.
- If you enter any wrong password more than the specified times, the website will be locked and the password cannot be used. If the website is locked, please take steps by following the guidance on the screen.
- The website for the exercise of voting rights has been confirmed to run on ordinary Internet access devices. However, it might not run on your device.

## **2. Contact for inquiries:**

If you have any question, please contact the administrator of shareholder registry **Mizuho Trust & Banking Co., Ltd., Stock Transfer Agency Department** (as listed below):

- (1) Inquiries about operations, etc. of the website for the exercise of voting rights:

Tel: **0120-768-524** (toll-free)

Office hours: 9:00 – 21:00 (not on Saturdays, Sundays and national holidays)

- (2) Inquiries about the handling of shares other than those in item (1) above:

Tel: **0120-288-324** (toll-free)

Office hours: 9:00 – 17:00 (not on Saturdays, Sundays and national holidays)

- END -