[Translation for Reference and Convenience Purposes Only]

MATTERS DISCLOSED ON THE INTERNET RELATED TO THE CONVOCATION NOTICE OF THE 86TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Nippon Television Holdings, Inc.

We provide shareholders with the part of the Business Report, the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements, posted on the Company' website (http://www.ntvhd.co.jp/ir/holder/meeting/), in accordance with laws and regulations and Article 18 of the Company's Articles of Incorporation

[Translation for Reference and Convenience Purposes Only]

Contents

· Business Report

3. A System to Ensure Appropriateness of Business Operations and its Operating Situation 1

4. Basic Policy Regarding Control of the Company 3

· Consolidated Financial Statements, "Notes to the Consolidated Financial Statements" 7

· Non-Consolidated Financial Statements, "Notes to the Non-Consolidated Financial Statements" 15

[Translation for Reference and Convenience Purposes Only]

3. A System to Ensure Appropriateness of Business Operations and its Operating Situation

(1) A System to Ensure Appropriateness of Business Operations

The following is an outline of contents of decisions to be taken with respect to systems instituted to ensure that the execution of duties of Board Directors conforms to laws and the Articles of Incorporation.

1) A System to Ensure that the Execution of Duties of Board Directors and Employees Conforms to Laws and the Articles of Incorporation

The Company formulates the "NTV Compliance Charter," a charter that sets out corporate activities that conform to laws, the Articles of Incorporation and corporate ethics, to which full-time officers and employees of the Company and the Nippon TV Group shall pledge. To disseminate this Charter throughout the Company, officers and employees are educated by the Corporate Strategy Division and the Corporate Administration & Human Resources Division.

As Board Directors and observers, we promote compliance with laws, the Articles of Incorporation and corporate ethics as well as highly transparent corporate activities by organizing a Compliance Committee consisting of outside professionals such as lawyers.

The "Nippon TV Holdings Hotline" is installed as a reporting hotline to enable employees of the Company and the Nippon TV Group to directly report legally doubtful acts and behaviors inside the Company and request an investigation, in addition to their standard reporting line.

To ensure the legality of execution of duties by the Board Directors, the Company focuses on the supervisory function of Outside Board Directors and Outside Audit & Supervisory Board Members and activates the Board of Directors to pursue higher corporate governance.

By establishing a Business Audit Committee, we conduct internal audits and verify corporate governance.

We shall resolutely confront any antisocial entities and such entities will play no part in our business relationships or transactions. There will be no offer of illegal profits: any unjust demands or wrongful intervention will be reported to the police and other authorities concerned as part of an organized response based on close liaison with such agencies.

2) A System Related to Retaining and Managing Information Concerning Board Directors' Execution of Duties

Pursuant to the document handling regulations, information related to the Board Directors' execution of duties by Board Directors shall be recorded in writing or via electromagnetic media (hereinafter "documents, etc."), which shall be retained for a stipulated period.

Under the supervision of the Corporate Administration & Human Resources Division, such documents, etc., shall be retained at each division, at which a person in charge of and a responsible person for retaining the information assets are designated.

Board Directors and Audit & Supervisory Board Members shall be able to look at such documents, etc., anytime.

3) Regulations and Other Risk Management Systems for Losses

The Company installs the Internal Control Committee to manage risk on an overall company basis, and a Risk Management Committee to manage newly emerging risks on an expedited basis, with each committee being chaired by a representative director.

In Nippon TV Group, risks related to disasters, information management, program production, copyright contracts, broadcasting and fraudulent acts are addressed by installing various committees that encompass the entire Company, improving each system and renewing regulations.

Broadcasters such as Nippon TV Group have a special obligation to conduct emergency broadcasts following earthquakes and other disasters. The Company therefore maintains equipment and systems to enable uninterrupted broadcasting after such emergencies and creates the "Tokyo Metropolitan Area Anti-Disaster Manual" as the basis for training simulations.

4) System to Ensure Board Directors' Efficient Execution of Duties

The Company has a system for ensuring that duties are executed appropriately and efficiently based on the division of duties, approval rules and other company regulations and in accordance with authority and decision-making rules.

Moreover, we introduced an operating officer system to enhance the efficiency of the Board Directors' execution of duties to establish a system for the flexible execution of duties, and pursue corporate governance by having Outside Board Directors who have no interest relationships with the Company supervise the Board of Directors' execution of duties.

5) System to Ensure Appropriateness of Duties Conducted by the Company and a Corporate Group Consisting of its Subsidiaries

The Company establishes the Nippon TV Group Business Development Department within the Corporate Strategy Division, which addresses all aspects relating to compliance with laws and the Articles of Incorporation, development, and operation of the comprehensive strategies for Group management/business content, as well as enhancement of efficiency in execution of duties across the Nippon TV Group. The Department develops a group-wide system for compliance with laws and the Articles of Incorporation, management of risk, and efficient execution of duties.

The Company establishes the Nippon Television Holdings Group Management Regulations which includes basic provisions concerning risk management system for losses in Nippon TV Group companies, and set up a system through which the Group companies will report important matters to the Company.

The Company regularly holds Group Management Council meetings—consisting of representatives of the Group companies—to share information, reinforcing the appropriateness of operations and the efficiency in execution of duties.

Compliance-related training will be given to officers and employees of the Group companies as necessary.

6) Matters Related to Employees who Will Assist upon Audit & Supervisory Board Members' Request

Upon request by the Audit & Supervisory Board Members, employees to assist the Audit & Supervisory Board Members with their auditing duties shall be deployed at the Audit & Supervisory Board Management Office and perform their duties in accordance with the Audit & Supervisory Board Members; in such case, directors may not give any instructions contrary to those of the Audit & Supervisory Board Members.

Audit & Supervisory Board Members can order the employees who belong to the Audit & Supervisory Board Management Office to investigate matters necessary for auditing duties.

Employees working for the Audit & Supervisory Board Management Office shall assist the Audit & Supervisory Board Members with their auditing duties and concurrently work as a secretariat for the Business Audit Department.

7) Independence of the Employees who Assist Audit & Supervisory Board Members from Board Directors

Employees who assist the Audit & Supervisory Board Members shall not concurrently handle any duties pertaining to the business operations of the Company or its Group, and the personnel performance evaluation of such employees shall be conducted by the Audit & Supervisory Board Members. Transfer of and disciplinary actions relative to such employees shall be subject to the approval of the Audit & Supervisory Board Members.

8) A System that Requires Board Directors to Report to the Audit & Supervisory Board and a Means for Employees to Report to Audit & Supervisory Board Members

The Company's Board Directors shall report to the Audit & Supervisory Board on matters that could have a substantial impact on the Company or its Group based on the status of internal auditing.

In the event that the Company's employees find matters that could have a substantial impact on the Company or the Nippon TV Group, or facts that violate laws or the Articles of Incorporation, they can, in addition to using normal reporting line, directly report such instances to Audit & Supervisory Board Members or the Corporate Administration & Human Resources Division through the "Nippon TV Holdings Hotline," the reporting hotline. This shall also apply to the Nippon TV Group's Board Directors, Audit & Supervisory Board Members and employees, as well as persons who have received such reports.

The Business Audit Committee shall regularly report to the Audit & Supervisory Board Members the matters reported by the Company's employees or the Nippon TV Group Corporation's Board Directors, Audit & Supervisory Board Members or employees, as well as the results of internal audits.

The Company's Board Directors and employees, as well as the Nippon TV Group Corporation's Board Directors, Audit & Supervisory Board Members and employees, who have made said reports, or persons who have received such reports, shall not be subject to any disadvantageous treatment on the grounds of their having made such reports.

9) Other Systems to Ensure Effective Auditing by Audit & Supervisory Board Members

Standing Audit & Supervisory Board Members shall attend the Full-Time Directors Council and exchange opinions with full-time Board Directors.

Audit & Supervisory Board Members may attend the Group Management Council, which consists of representatives from the Group companies.

The Audit & Supervisory Board Members may receive advice regarding auditing duties from lawyers, Certified Public Accountants and other professionals, if necessary, and require the Company to pay in advance or reimburse expenses incurred by them with respect to their performance of duties including

expenses for receiving said advice. Upon such request, the Company shall, respecting their decision, pay in advance or reimburse said expenses.

(2) Outline of the Operating Situation of the System to Ensure Appropriateness of Business Operations

The Company strives for the establishment of an internal control system and its appropriate operation based on the system described in the above to ensure appropriateness of business operations at the Company and the Nippon TV Group. The outline of the operating situation in the fiscal year under review is as follows:

1) Compliance System

The Company and the Nippon TV Group strove to disseminate throughout the Company the "NTV Compliance Charter," a corporate code of conduct with which officers and employees must comply, and implemented various training programs (on information security, insider trading prevention, protection of personal information etc.) as needed. Additional steps were taken to ensure that all employees would be aware of the "Nippon TV Holdings Hotline," which is a reporting hotline that has been in place for some time.

2) Execution of Duties of the Board Directors

In addition to assembling the Full-Time Directors Council by full-time officers every week, in principle, the Company held Meetings of the Board of Directors seven times during the fiscal year, to decide matters stipulated by law and in the Articles of Incorporation, as well as important matters of corporate management. In addition, the Company received reports on each Board Director's execution of duties and on the Group companies' financial results, and carried out monitoring and/or supervision to ensure that the execution of duties of Board Directors and employees conformed to the laws and the Articles of Incorporation.

The materials and minutes of the Meetings of the Board of Directors, etc., are safely stored in a location where security is ensured, and are appropriately managed.

3) Risk Management System for Losses

In order to ensure appropriateness of business operations of the Nippon TV Group, we held various meetings—consisting of representatives of the Group companies—to share knowledge on the operation of subsidiaries' businesses, identify risks that affect corporate management, and took necessary measures. We also reviewed our internal rules, etc., in order to enhance governance of the Group companies.

Additionally, we wholly revised our disaster manual into a new "Tokyo Metropolitan Area Emergency Response Manual." We reviewed in detail the standard actions that those engaged in broadcasting should take during a disaster as well as subsequent responses so that the emergency broadcast can be continued while maintaining company management, and also reviewed the emergency system, etc., in divisions other than broadcasting.

4) Internal Audit and Verification of Corporate Governance

The Business Audit Committee verified corporate governance based on the assessment of the establishment and operation of an internal control system pertaining to financial reporting made by the Business Audit Department in accordance with the internal audit annual plan, as well as on audit results of systems pertaining to the management and operation of various management activities of the Company and the Nippon TV Group and their execution of duties.

5) Systems to Ensure Effective Auditing by Audit & Supervisory Board Members

The Internal Audit Department sought close liaison with Audit & Supervisory Board Members in order to improve the effectiveness of audits. The Audit & Supervisory Board Members held Meetings of the Audit & Supervisory Board nine times during the fiscal year, in which they audited the execution of duties of Board Directors and the status of compliance with the laws and the Articles of Incorporation based on the audit policies and audit plans they had discussed and decided upon. In addition, Audit & Supervisory Board Members attended the Meetings of the Board of Directors and other important meetings to exchange opinions with Board Directors and the Independent Auditor on a regular basis.

4. Basic Policy Regarding Control of the Company

1) Outline of Details of the Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value and will make it possible to continually and persistently ensure and enhance the Company's corporate value and the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of large-scale acquisitions of shares that benefit neither the corporate value of the target company nor the common interests of its shareholders. In addition, unless the acquirer of a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the mid- to long-term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who would control decisions on the Company's financial and business policies. The Company believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition by such persons.

2) Outline of Details of Measures to Realize the Basic Policy

a) Outline of Details of Special Measures to Realize the Basic Policy

The Company aimed to achieve, under its medium-term management plan covering fiscal years 2016 to 2018, the "Nippon TV Group Medium-Term Management Plan 2016-2018 Challenge 65", consolidated net sales of over 460 billion yen, consolidated operating profit of over 55 billion yen (an operating margin of 12.0%) and consolidated recurring profit of over 60 billion yen (a recurring margin of 13.0%) for fiscal year 2018. The Nippon TV Group had been working as one in the pursuit of "innovation and challenge" aimed at achieving the goals under the medium-term management plan; however, it resulted in achieving a consolidated recurring margin of 13.5% only.

In order to increase our corporate value even further, we have formulated a new medium-term management plan covering fiscal years 2019 through 2021, the "Nippon TV Group Medium-Term Management Plan 2019-2021 Nippon TV eVOLUTION".

Nippon TV Group recognizes that, looking well into the future, it should continue to be a "corporate group that provides enriching experiences" by producing new media and content as well as influencing life and culture, while fulfilling its social responsibilities as a media organization.

Based on this objective, Nippon TV Group has adopted the following medium-term management goals for fiscal years 2019-2021: (a) improve its "reliability" even further by fulfilling its social responsibilities as Nippon TV Group; (b) develop its broadcast and broadcast-related business and improve its "profitability" and "productivity" by leaps and bounds as a comprehensive content-providing corporation; (c) establish an internet business domain as another "pillar" of its business; (d) move forward with commencing new businesses, M&As, and alliances, and aim to achieve a non-broadcast-advertising revenue ratio of over 50%; and (e) develop its self-awareness, reform its organizational structure and think outside the box.

By achieving these goals, Nippon TV Group will seek to increase its corporate value, targeting consolidated net sales of 450 billion yen or more, consolidated operating profit of 52 billion yen (an operating profit margin of 11.6%) or more and consolidated recurring profit of 59 billion yen (a recurring profit margin of 13.1%) or more for fiscal year 2021. Furthermore, Nippon TV Group will, in order to move forward with new businesses and M&As, increase the current maximum investment amount of 50 billion yen up to 100 billion yen, and aim to achieve, adding the profits driven by the realization of M&A businesses, the goal of consolidated net sales of 500 billion yen or more, consolidated operating profit of 54 billion yen or more and consolidated recurring profit of 62 billion yen or more. Nippon TV Group will work as one in the pursuit of "innovation and challenge" aimed at achieving the goals under the medium-term management plan.

Further, for the purpose of upgrading the organizational structure to effect the above measures, the Company has elected four of its 10 Directors as Outside Directors in order to strengthen the monitoring of the Company's management from outside the Company and to further enhance the Company's sound management and transparency in its decision-making process. Also, in order to crystallize management's responsibilities to its shareholders, the Company has made the term of office of directors one year. The Company intends to continue to further strengthen its corporate governance practices in addition to making these efforts.

b) Outline of Details of Measures to Prevent Decisions on the Company's Financial and Business Policies from Being Controlled by Persons Viewed as Inappropriate Under the Basic Policy

The Company passed a resolution at its 83rd ordinary general meeting of shareholders held on June 29, 2016, to renew the plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) (that plan after its renewal, the "Plan").

[Translation for Reference and Convenience Purposes Only]

The purpose of the Plan is to ensure and enhance the corporate value of the Company and the common interests of its shareholders by ensuring that all shareholders have the necessary and adequate information and time to make appropriate decisions and by securing the opportunity to negotiate with the acquirer or by other means, in the case of large-scale acquisitions of the shares in the Company.

The Plan will apply, as a general rule, in cases where there is a purchase or any other acquisition of the Company's share certificates, etc., or any similar acts (the "Acquisition"), that falls under either of (a) a purchase or other acquisition that would result in the holding ratio of share certificates, etc,. (*kabuken tou hoyuu wariai*) of a holder (*hoyuusha*) amounting to 20% or more of the share certificates, etc., (*kabuken tou*) issued by the Company, or (b) a tender offer (*koukai kaitsuke*) that would result in the owning ratio of share certificates, etc,. (*kabuken tou shoyuu wariai*) of a person conducting the tender offer and the owning ratio of share certificates, etc., of persons in a special relationship (*tokubetsu kankeisha*) totaling at least 20% of the share certificates, etc., (*kabuken tou*) issued by the Company. The party effecting the Acquisition (the "Acquirer") shall follow the procedures set out in the Plan.

The Company will require the Acquirer to submit to the Company before the Acquisition, an acquirer's statement and a document (the "Acquisition Document") which includes the information prescribed by the Company and other matters.

If an independent committee for the assessment of corporate value (to be composed of independent members such as Outside Directors of the Company in order to eliminate arbitrariness in decision-making by Directors and to objectively make a merits-based judgment in connection with matters such as the triggering of the Plan; the "Independent Committee") reasonably determines that the Acquirer has submitted the Acquisition Document, etc., the Independent Committee may set a reply period (up to sixty days, as a general rule) and request the Board of Directors to present an opinion on the Acquirer's Acquisition terms, materials supporting such opinion, alternative proposals, or otherwise.

The Independent Committee will consider the Acquisition terms, collect information on materials such as the management policies and business plans of the Acquirer and the Board of Directors and compare such materials, consider any alternative proposals, and discuss and negotiate with the Acquirer and the like for a period of time that does not, as a general rule, exceed sixty days after the time when the Independent Committee reasonably determines that it has received the information from the Acquirer and the Board of Directors.

If the Acquirer does not comply with the procedures set out in the Plan or the Acquisition by the Acquirer threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders and if the requirements prescribed under the Plan are met, the Independent Committee will recommend the implementation of the gratis allotment of stock acquisition rights with a selective exercise condition and a selective acquisition provision or the implementation of any other appropriate measures that could be taken under laws and ordinances and the Company's Articles of Incorporation. The Independent Committee may, in certain cases, recommend the implementation of the gratis allotment of stock acquisition rights or other measures subject to obtaining approval at a shareholders meeting.

The Board of Directors, in exercising their role as an organ under the Companies Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of stock acquisition rights or other measures set out above respecting any recommendation made by the Independent Committee described above to the maximum extent, provided, however, that if the Independent Committee recommends the implementation of the gratis allotment of stock acquisition rights or other measures set out above subject to obtaining approval at a shareholders meeting in advance, the Board of Directors may convene a shareholders meeting and confirm the intent of the Company's shareholders.

The effective period of the Plan will, as a general rule, be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years of the conclusion of the 83rd ordinary general meeting of shareholders.

3) Decisions and Reasoning of the Board of Directors Regarding Above Measures

a) Decisions and Reasoning Regarding the Special Measures to Realize the Basic Policy (measures set out in 2) a) above)

The Company has, as mentioned in 2) a) above, implemented such measures as establishing the management policy and strengthening its corporate governance practices as specific measures to continually and persistently enhance the Company's corporate value and the common interests of its shareholders. These measures are certain to contribute to the realization of the Basic Policy.

Therefore, these measures comply with the Basic Policy and are consistent with the common interests of the Company's shareholders, and are not implemented for the purpose of maintaining the positions of the Directors and the Audit & Supervisory Board Members of the Company.

b) Decisions and Reasoning Regarding the Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Viewed as Inappropriate under the Basic

Policy (measures set out in 2) b) above)

The Company has, as mentioned in 2) b) above, introduced the Plan for the purpose of ensuring and enhancing the corporate value and the common interests of its shareholders, and the Plan complies with the Basic Policy.

In particular, the Board of Directors believes that the Plan is fair and objective, contributes to the corporate value of the Company and, in turn, the common interests of its shareholders, and does not aim to maintain the positions of Directors and Audit & Supervisory Board Members of the Company for reasons such as the following.

(a) The Plan satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholder's Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

(b) The Plan has been renewed after obtaining shareholder approval at the general meeting of shareholders.

(c) The decision on whether it is appropriate to trigger the Plan is submitted to the general meeting of shareholders for its resolution in certain circumstances.

(d) The Company has established the Independent Committee composed only of Outside Directors or other persons who are independent from the Company, and it is required that a decision for the triggering of the Plan must be made through the judgment of the Independent Committee.

(e) Reasonable and objective requirements have been established regarding the triggering of the Plan.

(f) The Independent Committee may obtain advice from third-party experts at the Company's expense.

(g) An effective period of the Plan is prescribed as three years and either the general meeting of shareholders or the Board of Directors may abolish the Plan at any time.

(h) The term of office of Directors of the Company is one year.

Note: The effective period of the Plan is until the conclusion of the 86th ordinary general meeting of shareholders of the Company scheduled to be held on July 27, 2019; however, the Company decided at its Board of Directors meeting held on May 16, 2019 not to renew the Plan.

[Translation for Reference and Convenience Purposes Only]

Notes to the Consolidated Financial Statements

1. Basis of Presenting the Consolidated Financial Statements

(1) Scope of Consolidation

1) Number of Consolidated Subsidiaries: 22

The Company has twenty-two (22) consolidated subsidiaries: Nippon Television Network Corporation, BS Nippon Corporation, CS Nippon Corporation, NTV Technical Resources Inc., AX-ON Inc., NTV EVENTS Inc., Nippon Television Art Inc., Nippon Television Music Corporation, VAP Inc., TIPNESS Limited, NTV Services Inc., Nippon Television Work 24 Corporation, Forecast Communications Inc., Eiho Produce Corporation, NitteleSeven Co., Ltd., Tatsunoko Production Co., Ltd., HJ Holdings, Inc., Anpanman Children's Museum, NTV IT Produce Corporation, SkillUP Video Technologies Corporation, NTV America Company, and NTV International Corporation.

SkillUp Video Technologies Corporation, a newly established subsidiary, has been included in the scope of consolidation from the fiscal year under review. NTV IT Produce Corporation was renamed Eiho Produce Corporation on July 2, 2018. NTV IT Produce Corporation, which was newly established and spun off from Eiho Produce Corporation, has been included in the scope of consolidation as of the same date.

2) Number of Non-Consolidated Subsidiaries: 30

The Company has thirty (30) non-consolidated subsidiaries, including NTV Personnel Center Corp. These non-consolidated subsidiaries are individually small and their respective sums of total assets, net sales, profit (loss) and retained earnings have no significant impact on the consolidated financial statements, on the whole.

AX Entertainment, Inc. and two other companies became non-consolidated subsidiaries due to their establishment during the fiscal year under review.

One company ceased to be a non-consolidated subsidiary due to the completion of liquidation in the fiscal year under review.

(2) Application of the Equity Method

1) Companies Accounted for by the Equity Method

All thirty (30) non-consolidated subsidiaries, including NTV Personnel Center Corp. and thirty (30) affiliates are accounted for by the equity method.

AX Entertainment, Inc. and one other company, and Nagasaki Vision, Corp., an equity method affiliate, became non-consolidated subsidiaries accounted for by the equity method, due to establishment and making Nagasaki International Television Broadcasting, Inc. an affiliate, respectively, during the fiscal year under review. In addition, Nagasaki International Television Broadcasting, Inc. and two companies became equity method affiliates pursuant to the provisions of Item 3, paragraph 6, Article 8 of the Regulations, etc., Including Financial Statements, and due to establishment, respectively.

One non-consolidated subsidiary has been excluded from the scope of the equity-method application due to the completion of liquidation in the fiscal year under review.

2) Companies Not Accounted for by the Equity Method None applicable

(3) Closing Date for the Settlement of Accounts of Consolidated Subsidiaries

The closing date of the Company's consolidated subsidiaries corresponds to the consolidated closing date (March 31) except for Anpanman Children's Museum, NTV America Company, and NTV International Corporation.

The closing date of Anpanman Children's Museum, NTV America Company, and NTV International Corporation, is December 31. In preparing the consolidated financial statements, the financial statements as of the respective closing dates are used for these companies with necessary adjustments provided for consolidation purposes with regard to material transactions between their closing dates and the consolidated closing date, as the difference in the closing date of these companies with the consolidated closing date is within three (3) months.

(4) Summary of Significant Accounting Policies

1) Valuation Basis and Method for Important Assets

Marketable securities and investment securities:

Held-to-maturity debt securities:

Held-to-maturity debt securities are stated at amortized cost (determined by the straight-line method).

Other securities:

Available-for-sale securities, classified as other securities for which the market value is readily determinable, are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined based

on the moving-average method.

Available-for-sale securities, classified as other securities for which the market value is not readily determinable, are carried at cost determined by the moving-average method. As for investments in limited-liability investment partnerships and other similar partnerships (which are deemed as securities under Article 2, Paragraph 2, of the Securities and Exchange Law), net amounts corresponding to the Company's equity are included in this category based on the statements for settlement of accounts stipulated in the partnership agreements.

Inventories:

Cost method based primarily on first-in first-out basis. (Figures stated on the balance sheet are calculated in the write-down method based on decrease in profitability.)

Program rights:

Program rights are carried at cost, determined by the specific identification method. (The amount reported on the balance sheet is calculated by writing down the book value based on declining profitability.)

2) Depreciation Method of Important Depreciable Assets

Property and equipment: (Excluding leased assets)

Note that the straight-line method is applied to buildings (excluding building improvements) acquired on or after April 1, 2000, and to building improvements and structures acquired on or after April 1, 2016.

The range of useful lives of major property and equipment is 2–50 years for buildings and structures, 2–17 years for machinery, vehicles and 2–20 years for tools, furniture and fixtures.

Intangible assets: (Excluding leased assets)

The amortization of intangible assets is computed by the straight-line method. Computer software for internal use is amortized by the straight-line method over the period it is expected to be usable (2 to 10 years).

Trademarks and customer-related assets are also amortized by the straight-line method, the former for 16 years and the latter for 8 to 16 years.

Leased assets:

The lease period of leased assets is deemed to be the useful life, and such assets are amortized by the straight-line method with a salvage value of zero.

3) Accounting for Important Reserves

Allowance for doubtful accounts:

The allowance for doubtful accounts is provided at an amount of possible losses from uncollectible loans and receivables based on the actual rate of losses from the bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

Allowance for sales returns:

The allowance for sales returns is provided based on the expected return amount to prepare for possible losses from returns of packaged media such as music and video.

4) Accounting for Retirement Benefits

a. Method for attributing estimated retirement benefits to the period
   To calculate the estimated benefit obligations, the benefit calculation formula method is applied to attribute the estimated retirement benefits to the period until the end of the fiscal year under review.
b. Recognition of actuarial difference
   Variance in actuarial gain or loss is expensed in the fiscal year of accrual.
c. Accounting for Past Service Cost
   Past service cost is expensed in the fiscal year of accrual.
d. Use of a Simplified Method for Small Companies Etc.
   Some consolidated subsidiaries use a simplified method for calculating retirement benefit obligations and retirement benefit expenses. Under this method, the amount that the Company must pay for retirement benefits at the end of the fiscal year is deemed to be the retirement benefit obligation.

5) Translation of Important Assets and Liabilities Denominated in Foreign Currencies into Yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot rate of foreign exchange in effect on the consolidated balance sheet date. The resulting differences are

charged or credited to income.

The assets and liabilities, as well as revenue and expense accounts, of consolidated overseas subsidiaries are translated into yen at the spot rate of foreign exchange in effect on the balance sheet date of the relevant company. The resulting translation exchange differences have been presented as "Foreign currency translation adjustments" in Net Assets.

6) Amortization of the Goodwill and the Negative Goodwill

The amount corresponding to the goodwill and the negative goodwill is evenly amortized on a straight-line basis over a period within 6 to 16 years, depending on the cause for accrual. If the amount is small, however, it is amortized at one time.

7) Accounting for Consumption Taxes

Transactions subject to the consumption tax and the local consumption tax are recorded at amounts exclusive of the consumption tax.

2. Notes to Changes in Presentation

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.")

Starting from the fiscal year under review, the Company applies the "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No.28, February 16, 2018), among others, and presents deferred tax assets under investments and other assets, and deferred tax liability under non-current liabilities.

3. Notes to the Consolidated Balance Sheet

(1) Itemization of Inventories

Merchandise and products	¥2,446 million
Partly-finished goods	¥583 million
Materials and supplies	¥1,135 million

(2) Accumulated Depreciation for Property and Equipment: ¥160,237 million

(3) Investments in Non-consolidated Subsidiaries and Affiliates

Investment securities (shares)	¥66,934 million
Other investments and other assets	¥7,977 million

(Of the above, investments in companies that the Company co-owns with another company: ¥5,196 million)

(4) Assets Pledged as Collateral

Assets pledged as collateral	
Land	¥101,031 million
Liabilities for guarantee	
Long-term guarantee deposits received	¥19,000 million

(5) Liabilities on Guarantees

The Company guarantees borrowings made for leasing contracts by unions of a non-consolidated subsidiary and employee borrowings from a financial institution as follows:

Joint liability guarantee for building lease for Kobe Anpanman Children's Museum & Mall	¥2,019 million
Employees' loans from banks to finance housing	¥52 million

4. Notes to the Consolidated Statements of Changes in Net Assets

(1) Matters Related to the Type and Total Number of Shares Issued by the Company

(Thousand shares)

Type of Shares	The Number of Shares as of April 1, 2018	Increase from a Year Earlier	Decrease from a Year Earlier	The Number of Shares as of March 31, 2019
Common stock	263,822	—	—	263,822

(2) Matters Related to the Type and Number of Shares of Treasury Stock

(Thousand shares)

Type of Shares	The Number of Shares as of April 1, 2018	Increase from a Year Earlier	Decrease from a Year Earlier	The Number of Shares as of March 31, 2019
Common stock	10,666	489	2,679	8,476

Note: 1. The 489,000-share increase in treasury stock is the total increase from the purchase of shares comprising less than one trading unit, treasury stock acquired by equity-method affiliates, and increases in treasury stock resulting from changes in the equity interests held in equity-method affiliates.
2. The 2,679,000-share decrease in treasury stock is the disposal of treasury stock by share exchange.

(3) Matters Related to Dividends

1) Amounts of Dividends Paid, etc.

a) Matters related to dividends determined by the 85th Ordinary General Meeting of Shareholders held on June 28, 2018.

* Type of shares: Common stock
* Aggregate amount of dividends: ¥5,767 million
* Dividend per share: ¥24
* Reference dates: March 31, 2018
* Effective date: June 29, 2018

b) Matters related to dividends determined by the Board of Directors at a meeting held on November 8, 2018.

* Type of shares: Common stock
* Aggregate amount of dividends: ¥2,474 million
* Dividend per share: ¥10
* Reference dates: September 30, 2018
* Effective date: December 3, 2018

2) Of the Dividend Reference Dates That are Within the Year under Review, Those Effective Dates Which Fall in the Following Consolidated Fiscal Year

a) The Company will propose the following as an agenda item for the 86th Ordinary General Meeting of Shareholders to be held on June 27, 2019.

* Type of shares: Common stock
* Aggregate amount of dividends: ¥6,299 million
* Underlying asset for dividends: Retained Earnings
* Dividend per share: ¥25
* Reference dates: March 31, 2019
* Effective date: June 28, 2019

5. Notes on Financial Instruments

(1) Matters Related to Financial Instruments

1) Policy for Financial Instruments

The Nippon TV Group manages funds with highest priority on appropriate and safe management of marketable securities and other financial instruments. The Group primarily procures funds from retained earnings. As a general rule, the Group has a policy not to engage in derivative transactions. However, some of the Group's affiliated companies of equity-method affiliates use forward exchange contracts to hedge exchange-rate risk relating to transactions denominated in foreign currencies. Furthermore, if derivatives are included in compound financial products, their risk level must not impact the original principal of the financial assets employed.

2) Financial instrument details and related risks

Trade notes and accounts receivable, and long-term loans receivable to companies with which we have business relationships are exposed to credit risk.

Marketable and investment securities are exposed to risks associated with market price fluctuations.

[Translation for Reference and Convenience Purposes Only]

Almost all trade notes and accounts payable, accrued expenses and short-term borrowings have payment deadlines of within one year. Note that trade payable is exposed to risk of foreign exchange fluctuations and liquidity risk.

Lease obligations and long-term guarantee deposits received are exposed to liquidity risks.

3) Risk Management Systems for Financial Instruments

a. Management of credit risk (risk of business partners defaulting on contracts)
We management the due dates and balances for trade notes and long-term loans receivable by each company. Also, bonds have minimal credit risk as we investment in bonds with high credit ratings.

b. Management of market risk (risk from price and other fluctuations)
Regarding marketable and investment securities, we regularly monitor the fair value and the issuer's financial condition (business partner). We constantly review our shareholdings taking into account market trends and our relationship with business partners.

c. Management of liquidity risk for fund procurement (risk of failure to execute payment on due date)
We create and update cash flow plans in a timely manner. In addition, we manage liquidity risk, including maintaining liquidity on hand.

4) Supplementary explanations on matters related to fair values of financial instruments

The fair value of financial instruments is based on their respective market price or, if no market prices are available, a reasonably estimated value. These estimated values incorporate variable factors, and therefore they may vary according to differently employed assumptions, etc.

5) Concentration of credit risk

Of the total trade notes and accounts payable as of the consolidated closing date for the fiscal year under review, the top two companies account for 73.1%.

(2) Matters Related to Fair Values of Financial Instruments

Amounts reported on the consolidated balance sheet, fair values and the difference between the two amounts as of March 31, 2019 are as follows.

(Millions of yen)

	Consolidated Balance Sheet Amount reported	Fair value	Difference
(1) Cash and time deposits	47,420	47,420	―
(2) Trade notes and accounts receivable	100,971	100,971	―
(3) Marketable securities and investment securities			
1) Held-to-maturity debt securities	164,000	163,727	(272)
2) Stocks in affiliated companies	2,002	2,298	296
3) Other securities	173,022	173,022	―
(4) Long-term loans receivable	4,913		
Allowance for doubtful accounts (*)	(807)		
	4,106	4,160	53
Total Assets	491,523	491,600	77
(5) Trade notes and accounts payable	8,915	8,915	―
(6) Short-term borrowings	2,605	2,605	―
(7) Accrued expenses	54,431	54,431	―
(8) Leased obligations	19,398	20,360	962
(9) Long-term guarantee deposits received	20,356	17,388	(2,967)
Total Liabilities	105,707	103,702	(2,004)

*The allowance for doubtful accounts presented separately in long-term loans receivable is deducted.

Notes: 1. Methods used to calculate fair values of financial instruments

(1) Cash and time deposits, (2) Trade notes and accounts receivable

These are settled short-term, so fair values are nearly equivalent to book values.

(3) Marketable securities and investment securities

Fair values of stock use exchange prices. Bonds use exchange prices or prices disclosed by the transacting financial institution, etc.

(4) Long-Term Loans Receivable

Long-term loans receivable with variable interest rates, which reflect short-term market interest rates, are presented at book value unless the borrower's creditworthiness changes significantly after the provision of the loan because the fair value of the loan is similar to its book value. Regarding

long-term loans receivable with fixed interest rates, fair value is calculated by discounting the sum of principal and interest using an interest rate that would be applied to a new loan made on similar terms. However, for doubtful accounts receivable, the amount of such accounts on the balance sheet on the closing date less the current estimate for defaults is similar to its fair value, so this amount is deemed to be its fair value. Note that the amount of long-term loans receivable due within one year is included.

(5) Trade notes and accounts payable, (6) Short-term borrowings, (7) Accrued expenses

These are settled short-term, so fair values are nearly equivalent to book values. For this reason book values are used. Accrued expenses include obligations that do not qualify as monetary obligations.

(8) Lease obligations, (9) Long-term guarantee deposits received

Fair value is calculated by discounting using an interest rate that would be applied if the principal and principal and interest were newly procured. Note that the amount of lease obligations due within one year is included. This is recorded on the consolidated balance sheet by the amount before deducting the amount equivalent to interest. The amount recorded on the consolidated financial statements is stated in the fair value column.

2. Financial instruments for which fair values are deemed exceedingly difficult to ascertain

Regarding stocks in non-consolidated subsidiaries and affiliates (¥64,931 million reported on consolidated balance sheet), unlisted stock (¥10,220 million reported on consolidated balance sheet), and investment in limited-liability investment partnerships and other similar partnerships (¥1,506 million reported on consolidated balance sheet), fair values are deemed to be exceedingly difficult to ascertain due to the lack of market prices and the fact that future cash flows cannot be estimated. For this reason they are not included in (3) Marketable securities and investment securities.

6. Notes on Rental Property

(1) Matters Related to Rental Property

The company has land for rental in the Shiodome district of Tokyo's Minato-ku and office buildings, etc. (including land) for rental in the Kojimachi district of Tokyo's Chiyoda-ku.

(2) Matters Related to Fair Value of Rental Property

Amount reported on consolidated balance sheet	Fair value
¥96,566 million	¥116,450 million

Notes: 1. Amounts reported on the consolidated balance sheet are acquisition costs net of cumulative depreciation.

2. Fair values at the end of the consolidated fiscal year under review for major properties are amounts based on property appraisals made by licensed independent appraisers (including those adjusted using indicators, etc.) and for other properties are amounts, etc. based on indicators thought to appropriately reflect market prices.

7. Notes on the Per-Share Information

(1) Net Assets per Share ¥2,902.57

(2) Profit per Share ¥152.07

8. Notes on Subsequent Events

None applicable

9. Notes on Others

(Notes concerning the business combination)

Transactions, etc. under common control

(A consolidated subsidiary becoming a wholly owned subsidiary by share exchange)

(1) Overview of the Transaction

1) Name and Business Content of the Target Company

Name of company: VAP Inc.

Business content: Planning, production, and marketing of packaged media

2) Date of the Business Combination

July 1, 2018

3) Legal Form of the Business Combination

Share exchange

4) Name of the Company after the Combination
VAP Inc.

5) Other Matters Related to the Transaction

The environment surrounding the media and content industry has entered a period of significant changes due to technological innovations such as digitization and mobile technologies and the evolution of transmission lines and devices.

While the Internet video service business, in particular, is seeing dramatic growth in recent years due in part to the entry of providers one after another both from Japan and abroad, the packaged video market is facing a reduction of market size from ¥375.3 billion in 2004 to ¥187.6 billion*, roughly half, in 2017. The basis of the conventional business model for packaged media is being jeopardized.

As a planning, production, and marketing company of the Nippon TV Group's music and video software, VAP Inc. (hereinafter, "VAP") has managed so far its business independently through the production and marketing of packaged products of artists that belong to its record label, such as Maximum the Hormone, and consignment sale of packaged products of artists that belong to Toy's Factory Inc., such as Mr. Children, while cooperating with the Group in creating packaged products of videos and theme songs of dramas, films, etc. However, due to the long-term declining trend of the conventional music and video software market centered around packaged media as described above, VAP is expected to face further deterioration of its business environment in the future.

In order to break through this situation, VAP has been making efforts to improve its corporate structure with the aim of becoming a comprehensive content company; however, further improvement of management speed is required to respond to the rapid changes in the market environment.

To overcome these difficulties, the Company and VAP have decided, after careful deliberation, to enable prompt decision making by making VAP a wholly owned subsidiary of the Company and to accelerate structural reforms at VAP.

Through this move, we will establish a system that facilitates new businesses with an eye toward online distribution and overseas expansion under the Group's comprehensive content strategy.

In addition, we will create new business opportunities for VAP by further emphasizing Nippon TV's strong brand power through collaboration with the Group's programs and businesses.

*The market size of the packaged video market is from a survey by the Japan Video Software Association.

(2) Overview of Accounting That Has Been Implemented

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21; September 13, 2013) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10; September 13, 2013), we have processed the share exchange as a transaction under common control.

(3) Matters Shown when Additionally Acquiring Subsidiary Shares

Acquisition cost of the acquired company and breakdown of consideration for acquisition by type

Consideration for acquisition	Common stock of the Company	¥4,956 million
Acquisition cost		¥4,956

(4) Exchange Ratio by Share Type and its Calculation Method, and the Number of Shares Delivered

1) Exchange Ratio by Share Type
1 common stock of the Company to 5.7 common stock of VAP

2) Calculation Method of the Share Exchange Ratio

The share exchange ratio was decided after careful discussions between the two companies, taking into consideration the Company's stock value, which was calculated by the market value method and the DCF (discounted cash flow) method, in consideration of the fact that the Company is a listed company, and VAP's stock value, which was calculated by a comparable company analysis and the DCF method, in consideration of the fact that VAP is an unlisted company.

3) Number of Shares Delivered
2,679,000 shares

(5) Matters Concerning Changes in the Company's Equity Interests Relating to Transactions with Noncontrolling Shareholders

1) Key Variable Factor for Capital Surplus
Additional acquisition of subsidiary shares

2) Amount of capital surplus increased through transactions with noncontrolling shareholders
¥3,927 million

(Notes concerning impairment loss)

The Group booked impairment loss mainly on the following asset group during the fiscal year under review.

Location	Usage	Type
Minato-ku, Tokyo	Assets for video service business	Software

The Group decides its asset groups mainly in consideration of management accounting classifications. Assets that have been decided to be sold are grouped individually to determine the recognition of impairment loss.

HJ Holdings, Inc., a consolidated subsidiary of the Company and operator of the monthly flat rate online video service Hulu, has decided to replace part of its video service platform (hereinafter, the "Service Platform") in stages to further improve Hulu's competitive edge amid intensified competition in the Internet video service business. Following this decision, Forecast Communications Inc., a consolidated subsidiary of the Company that owns the Service Platform and carries out development and operations, decided to reduce the initially expected usage period for part of the Service Platform. Therefore, the carrying value of the relevant asset group has been reduced to the recoverable value and the reduced value was booked as impairment loss (¥2,065 million) in extraordinary losses. The breakdown is ¥2,065 million for software.

The recoverable value for said asset group is calculated by estimating the value in use, while the discount rate is not considered since the expected usage period is short and the quantitative impact is minor.

[Translation for Reference and Convenience Purposes Only]

Notes to the Non-Consolidated Financial Statements

1. Matters Related to Significant Accounting Policies

(1) Valuation Basis and Method for securities

Held-to-maturity debt securities:

Stated at amortized cost (straight-line method)

Stocks of subsidiaries:

Stated at cost determined by the moving-average method

Other securities:

Available-for-sale securities, classified as other securities for which the market value is readily determinable, are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined based on the moving-average method.

Available-for-sale securities, classified as other securities for which the market value is not readily determinable, are carried at cost determined by the moving-average method. As for investments in limited-liability investment partnerships and other similar partnerships (which are deemed as securities under Article 2, Paragraph 2, of the Securities and Exchange Law), net amounts corresponding to the Company's equity are included in this category based on the statements for settlement of accounts stipulated in the partnership agreements.

(2) Transactions Subject to the Consumption Tax and the Local Consumption Tax

Transactions subject to the consumption tax and the local consumption tax are recorded at amounts exclusive of the consumption tax.

2. Notes to Changes in Presentation

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.")

Starting from the fiscal year under review, the Company applies the "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No.28, February 16, 2018), among others, and presents deferred tax assets under investments and other assets, and deferred tax liability under non-current liabilities.

3. Notes to the Non-Consolidated Balance Sheet

(1) Assets Pledged as Collateral

Assets pledged as collateral

Land	¥101,031 million

Liabilities for guarantee

Long-term guarantee deposits received	¥19,000 million

(2) Obligations of Guarantee

We have made the following obligations of guarantee:

Joint guarantee to fulfill obligations under building lease contracts concluded by TIPNESS Limited ¥249 million

(3) Monetary Receivables/payables due from/to Subsidiaries and Affiliates without a Displayed Category:

1) Short-term monetary receivables	¥4,986 million
2) Short-term monetary payables	¥93,481 million

4. Notes to the Non-Consolidated Statement of Income

Transactions with Subsidiaries and Affiliates

1) Operating Revenue	¥6,667 million
2) Operating Expenses	¥231 million
3) Transactions Other than Operating Transactions	¥261 million

5. Notes to the Non-Consolidated Statements of Changes in Net Assets

Matters related to the Type and Number of Shares of Treasury Stock

(Thousand shares)

Type of Shares	Number of Shares as of April 1, 2018	Increase from a Year Earlier	Decrease from a Year Earlier	Number of Shares as of March 31, 2019
Common stock	5,992	0	2,679	3,314

Note: 1. The increase of 0 thousand shares in the number of common stock treasury shares is due to the purchases of less than one unit shares.

2. The 2,679,000-share decrease in common treasury stock represents the disposal of treasury stock by share exchange.

6. Notes on Tax-Effect Accounting

Breakdown by Cause of Deferred Tax assets and Liabilities

(Millions of yen)

Deferred tax assets	
Accrued enterprise taxes	39
Stocks of subsidiaries and affiliates associated with company reorganization	4,013
Other	50
Sub-total of deferred tax assets	4,104
Valuation allowance	(50)
Total deferred tax assets	4,053
Deferred tax liabilities	
Reserve for advanced depreciation of fixed assets	4,240
Total deferred tax liabilities	4,240
Net deferred tax liabilities	187

[Translation for Reference and Convenience Purposes Only]

7. Notes on Transactions with Non-Consolidated Subsidiaries and Affiliates

Subsidiaries, etc.

Attributes	Name of company, etc.	Percentage (%) of ownership by voting rights	Related party relationships	Details of transactions	Transaction amount (Millions of yen)	Account item	End-of-term balance (Millions of yen)
Subsidiary	Nippon Television Network Corporation	Ownership Direct 100.0	Business management, Loan business, Lease of real estate Concurrently held positions by directors	Income from real estate rental and leasing	3,120	Trade accounts receivable	400
				Income from business management	1,244		
				Borrowing of funds through cash management service	25,593	Short-term borrowings	40,865
				Interest expense	60	-	-
Subsidiary	BS Nippon Corporation	Ownership Direct 100.0	Business management, Loan business Concurrently held positions by directors	Borrowing of funds through cash management service	15,176	Short-term borrowings	5,713
				Interest expense	35	-	-
				Capital reduction with compensation	10,000	-	-
Subsidiary	AX-ON Inc	Ownership Direct 100.0	Business management, Loan business Concurrently held positions by directors	Borrowing of funds through cash management service	6,381	Short-term borrowings	6,446
				Interest expense	15	-	-
Subsidiary	VAP Inc.	Ownership Direct 100.0	Business management, Loan business	Borrowing of funds through cash management service	13,726	Short-term borrowings	11,919
				Interest expense	32	-	-
Subsidiary	Eiho Produce Corporation	Ownership Indirect 100.0	Business management, Loan business	Loaning of funds through cash management service	6,601	Other current assets (Short-term loans receivable from subsidiaries and associates)	548
						Long-term loans receivable from subsidiaries and associates	8,052
				Interest income	15	-	-

Notes: Transaction conditions and policies on transaction conditions, etc.

1. The rental charges for real estate are decided in consideration of general rents, etc. in the surrounding area.
2. Business management revenue is determined taking into account business details.
3. Amounts of borrowed funds and loanable funds are average balances for the term.
4. Borrowing rates and loaning rates are determined taking market interest rates into account.
5. The amount of capital reduction with compensation is the amount of capital reduction with compensation conducted by BS Nippon Corporation.
6. The amounts shown above, the transaction amount is exclusive of the consumption tax, etc., whereas the end-of-term balance is inclusive of the consumption tax, etc.

[Translation for Reference and Convenience Purposes Only]

8. Notes on Per-Share Information

(1) Net Assets per Share	¥1,457.20
(2) Profit per Share	¥12.46

9. Notes on Subsequent Events

None applicable

10. Notes on Others

(Notes concerning the business combination)

The Company carried out a share exchange with VAP Inc. effective July 1, 2018 and make it its wholly owned subsidiary.

Notes on the details are omitted since the same content is described in “9. Notes on Others (Notes concerning the business combination)” of the Notes to the Consolidated Financial Statements.