[Translation for Reference and Convenience Purposes Only]

MATTERS DISCLOSED ON THE INTERNET RELATED TO THE CONVOCATION NOTICE OF THE 88TH 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 (https://www.ntvhd.co.jp/english/ir/stock/), in accordance with laws and regulations and Article 18 of the Company's Articles of Incorporation

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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 and the appropriateness of the Company's business operations.

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 and 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.

The Business Audit Committee reports its results to the Full-Time Directors Council and reports directly to the Board of Directors and the Audit & Supervisory Board appropriately to enable them to fully exercise their functions.

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 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 and 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 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 a Corporate Group Consisting of the Company and 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 promotes to develop 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 and the Nippon Television Holdings Group Company Decision-making Regulations, and sets up a Group company management system through which the Group companies will seek approval for important matters from the Company or report them to the Company.

The Company regularly holds meetings of Group Management Council—consisting of the Company's officers in charge and representatives of the Group companies—to ensure the appropriateness of operations, share information, and enhance the efficiency in execution of duties.

The Company provides compliance-related trainings to officers and employees of the Group companies as necessary.

6) Matters Related to Employees who Will Assist Audit & Supervisory Board Members upon Their 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 the Nippon TV 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 the Nippon TV 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 Financial Management Division through the "Nippon TV Holdings Hotline," the reporting hotline. This shall also apply to the Group companies' 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 Group companies' 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 Group companies' 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 enhancement 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 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, prevention of delay in payment of subcontracting proceeds, etc. and protection of personal information, etc.) as needed.

Deeming all information, it possesses in relation to its operations as important assets, the Nippon TV Group established the Information Protection Promotion Secretariat and the Cyber-Security Promotion Secretariat in June 2015 at the Company and Nippon Television Network Corporation, a consolidated subsidiary of the Company, in order to enhance initiatives to protect the assets. With these two Secretariats at the core, we have established company-wide rules on information asset protection and are taking steps to ensure that all employees are aware of and comply with the rules, as well as making efforts to reinforce information security by providing multiple training programs on matters such as responses to targeted attacks.

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 and Retaining and Managing the Information

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 under review, 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 are safely stored in a location where security is ensured, and are appropriately managed.

3) Risk Management System for Losses

In order to ensure the appropriateness of the business operations of the Company and the Nippon TV Group, we held meetings consisting of representatives of the Company and Group companies pursuant to the Nippon Television Holdings Group Management Regulations to share knowledge on the subsidiaries' business operations, identify risks that affect corporate management, and take necessary measures. To further enhance the internal control of the Nippon TV Group, we also established the Nippon TV Group Officer Regulations, which stipulate the responsibilities of officers of Group companies.

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 Audit & Supervisory Board Members conducted audits based on the audit policies and audit planning they had discussed and decided upon at the meetings of the Audit & Supervisory Board and held the meetings eight times during the fiscal year under review. Audit & Supervisory Board Members also 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. Standing Audit & Supervisory Board Members audited the execution of duties of Board Directors and the status of compliance with laws and the Articles of Incorporation, as well as receiving reports on business from major subsidiaries including consolidated subsidiaries. Furthermore, Audit & Supervisory Board Members sought close liaison with the Internal Audit Department and compliance departments to improve the effectiveness of audit.

4. Basic Policy Regarding Control of the Company

(1) Measures for enhancing the Company's corporate value

As a corporate group engaging in broadcasting based on radio wave resources, which are the common property of the nation, the Nippon TV Group operates its business by focusing on providing services that are trusted by all stakeholders through timely and accurate information dissemination while maintaining equality and fairness. As a leading company in the media content industry, the Group is committed to achieving the four creation goals, creating high quality content, creating new culture, creating an affluent society and creating a hopeful future.

In order to enhance our corporate value on this basis, we have been promoting our businesses by formulating The Nippon TV Group Medium-Term Management Plan 2019–2021 Nittele eVOLUTION under the theme of "More than just TV." In response to the ongoing COVID-19 pandemic, we also formulated a new growth strategy in November 2020 to pave the way for the Group to rise to further heights as a top company after the return to normal. We are pursuing the following three reforms with the aim of developing our core broadcasting business as well as increasing the percentage of non-broadcast business revenue to more than 50% by the mid-2020s to strengthen the Group's fundamental profitability: 1) Achieve dramatic growth of the digital segment business; 2) Review strategic investment in content and our revenue structure; and 3) Enhance Group businesses. In particular, we will focus on the digital domain business, which is expected to see the most significant growth, as a top priority, and aim to achieve consolidated net sales of ¥100 billion by 2023.

The Group will also be conscious of sustainability at all times as a news media with a responsibility to act in the public interest and with fairness and contribute to the achievement of the SDGs (sustainable development goals) advocated by the United Nations. We will actively work to become a sustainable company and realize a sustainable society by being conscious of SDG principles not only in the broadcasting business but also in all areas of our corporate activities.

The Nippon TV Group will work as one in the pursuit of "innovation and challenge" to maximize our corporate value.

(2) Measures toward large-scale acquisition of shares

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. In addition, 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 medium- to long-term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company will make efforts to ensure and enhance its corporate value as well as the common interest of its shareholders. If a large-scale acquisition of shares in the Company, etc. is carried out, the Company will take appropriate measures to the extent permitted by relevant laws and regulations, such as requesting provision of necessary and adequate information for its shareholders to appropriately determine whether the large-scale acquisition is acceptable or not, disclosing the opinions of the Board of Directors at the same time, and ensuring that its shareholders are given the time and information necessary for examining the acquisition.

(3) Measures toward the Handling of Shares Acquired by Foreign Nationals, etc.

The Company's approval as a certified broadcasting holding company will be revoked under the Broadcasting Act if, of the voting rights held by a foreign national ((i) a person who does not have Japanese nationality; (ii) a foreign government or its representative; (iii) a foreign corporation or organization; and (iv) a corporation or organization where the ratio of voting rights held directly by the person given in (i) to (iii) above is the same as or more than the ratio stipulated by Order of the Ministry of Internal Affairs and Communications), the ratio of voting rights obtained by adding the ratio of the voting rights held directly by the person given in (i) to (iii) and the ratio provided for by Order of the Ministry of Internal Affairs and Communications as the ratio of the voting rights indirectly held by the person given in (iv) through the person is 20% or more.

We will strive to take appropriate measures to the extent permitted by relevant laws and regulations in order to avoid such a situation from occurring.

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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, PLAY, inc., NTV America Company, and NTV International Corporation.

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. Spotlight 1 Co., Ltd. became a non-consolidated subsidiary due to its establishment in the fiscal year under review. Bank of Street Co., Ltd. and two other companies that used to be non-consolidated subsidiaries of the Company have ceased to exist due to an absorption-type merger with non-consolidated subsidiary Weekday, Inc. as the surviving company.

(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-one (31) affiliates are accounted for by the equity method.

Spotlight 1 Co., Ltd. became a non-consolidated subsidiary accounted for by the equity method, subsequent to its establishment in the fiscal year under review. Hiroshima Television Corporation, Shizuoka Daiichi Television Corporation and one other company became equity method affiliates, in part due to additional acquisition of shares.

In addition, Bank of Street Co., Ltd. and two other companies that used to be non-consolidated subsidiaries of the Company have been excluded from the scope of applying the equity-method due to an absorption-type merger with non-consolidated subsidiary Weekday, Inc. In addition, GEM Media Networks Asia Pte. Ltd., which used to be an affiliate of the Company, has been excluded from the scope of applying the equity-method subsequent to the sale of its shares.

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. (The amount reported on the balance sheet is calculated by writing down the book value based on declining 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)

The depreciation of property and equipment is computed by the declining-balance method. 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 and 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.

Provision for loss on store closings

The provision for loss on store closings is the amount of losses expected to be incurred in the future from the closure, etc. of facilities operated by the Company.

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 method and period of the Goodwill

The amount corresponding to the 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

Changes following the adoption of Accounting Standard for Disclosure of Accounting Estimates

The Company has adopted the Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31, March 31, 2020) effective the fiscal year under review and states in 3. Notes to Accounting Estimates.

3. Notes to Accounting Estimates

(1) Valuation of Program Rights

○ Amount recorded on the consolidated financial statements for the fiscal year under review

	Fiscal year under review
Cost of sales	¥3,545 million

○ Other information contributing to the understanding of estimate details

As a result of forecasting the earnings of each program in the fiscal year under review, the Company has estimated the recoverable amounts based on the earnings forecasts for programs for which it has became difficult to recover the recorded amount due to a drop in profitability, and has recorded the difference between the book value and recoverable amount as valuation loss on program rights in cost of sales. The valuation loss on program rights of ¥3,545 million recorded in the fiscal year under review includes a ¥3,100 million valuation loss relating to broadcasting rights fees that had been estimated on the premise of the *2020 Tokyo Olympic and Paralympic Games* being held in the following fiscal year as planned. Note that the profit of each level after gross profit may change depending on the actual earnings of the following fiscal year.

(2) Impairment Loss on Non-current Assets

○ Amount recorded on the consolidated financial statements for the fiscal year under review

	Fiscal year under review
Property, plant and equipment—at cost	¥12,107 million
Impairment loss	¥19,836 million

Note: The above figures concern TIPNESS Limited, a consolidated subsidiary of the Company.

○ Other information contributing to the understanding of estimate details

As a result of determining the recognition of impairment loss in the fiscal year under review, the difference between the recoverable amount and book value of asset groups that have a smaller recoverable amount than book value has been recorded as impairment loss. The details are as described in "10. Notes on Others (Notes on impairment loss)."

Note that the calculation of recoverable amounts is based on information available at the time of compilation of the consolidated financial statements and upon estimating future cash flows and discount rates under a certain hypothesis. Any deviation of said hypothesis from the actual performance may have an impact on the profit of the following fiscal year, due to the recording of additional impairment loss, etc.

(Additional Information)

(Impact of COVID-19 on accounting estimates)

The COVID-19 pandemic has been affecting the Group in the form of sluggish sales of advertising space in the television broadcasting business, cancellation or postponement of events and movie releases, temporary closures of facilities operated by the Group, such as fitness clubs and theme parks, and the subsequent resumption of business with measures in place such as entry restrictions. Although it is difficult to make an accurate forecast of how COVID-19 will spread and when the pandemic will abate, our

accounting estimates are based on the hypothesis that the impact of the pandemic bottomed out in the first half of the fiscal year under review and that the situation will subsequently gradually improve.

As fears of a resurgence in COVID-19 infections led to the third declaration of a state of emergency in April following a second declaration in January 2021, some facilities were temporarily closed. However, as we believe that the impact will be limited, we have made our accounting estimate based on information available at the time of compilation of the consolidated financial statements under the continued hypothesis that the situation will gradually improve.

4. Notes to the Consolidated Balance Sheet

(1) Itemization of Inventories

Merchandise and products	¥1,561 million
Partly-finished goods	¥1,573 million
Materials and supplies	¥486 million

(2) Accumulated Depreciation for Property and Equipment: ¥155,421 million

(3) Investments in Non-consolidated Subsidiaries and Affiliates

Investment securities (shares)	¥77,459 million
Other investments and other assets	¥8,466 million
(Of the above, investments in companies that the Company co-owns with another company:	¥5,419 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	¥1,467 million
Employees' loans from banks to finance housing	¥29 million

5. 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, 2020	Increase from a Year Earlier	Decrease from a Year Earlier	The Number of Shares as of March 31, 2021
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, 2020	Increase from a Year Earlier	Decrease from a Year Earlier	The Number of Shares as of March 31, 2021
Common stock	8,511	226	—	8,738

Note: The 226,000-share increase in treasury stock is the total increase from the purchase of shares comprising less than one trade unit, and increases in treasury stock resulting from changes in the equity interests held in equity-method affiliates and in the scope of application of the equity method.

(3) Matters Related to Dividends

1) Amounts of Dividends Paid, etc.

a) Matters related to dividends determined by the 87th Ordinary General Meeting of Shareholders held on June 26, 2020.

* Type of shares:	Common stock
* Aggregate amount of dividends:	¥6,240 million
* Dividend per share:	¥25
* Reference date:	March 31, 2020
* Effective date:	June 29, 2020

b) Matters related to dividends determined by the Board of Directors at a meeting held on November 5, 2020.

* Type of shares:	Common stock
* Aggregate amount of dividends:	¥2,515 million
* Dividend per share:	¥10
* Reference date:	September 30, 2020
* Effective date:	December 1, 2020

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

a) The Company will propose the following as an agenda item for the 88th Ordinary General Meeting of Shareholders to be held on June 29, 2021.

* Type of shares:	Common stock
* Aggregate amount of dividends:	¥6,188 million
* Underlying asset for dividends:	Retained Earnings
* Dividend per share:	¥25
* Reference date:	March 31, 2021
* Effective date:	June 30, 2021

6. 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.

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. In addition, 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 69.9%.

(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, 2021 are as follows.

(Millions of yen)

	Consolidated Balance Sheet Amount reported	Fair value	Difference
(1) Cash and time deposits	85,187	85,187	—
(2) Trade notes and accounts receivable	103,694	103,694	—
(3) Marketable securities and investment securities			
1) Held-to-maturity debt securities	192,000	191,350	(649)
2) Stocks in affiliated companies	1,951	3,506	1,555
3) Other securities	213,814	213,814	—
(4) Long-term loans receivable	3,558		
Allowance for doubtful accounts*	(470)		
	3,088	3,127	39
Total Assets	599,735	600,679	944
(5) Trade notes and accounts payable	8,238	8,238	—
(6) Short-term borrowings	2,495	2,495	—
(7) Accrued expenses	50,824	50,824	—
(8) Leased obligations	14,951	15,375	424
(9) Long-term guarantee deposits received	20,638	18,735	(1,903)
Total Liabilities	97,148	95,668	(1,479)

*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 and a part of lease obligations includes lease obligations in sublease transactions. 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 (¥75,508 million reported on consolidated balance sheet), unlisted stock (¥11,430 million reported on consolidated balance sheet), and investment in limited-liability investment partnerships and other similar partnerships (¥2,691 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.

7. Notes on Rental Property

(1) Matters Related to Rental Property

The Nippon TV Group has land, office buildings, etc. for rental mainly in the Shiodome and Bancho districts.

(2) Matters Related to Fair Value of Rental Property

Amount reported on consolidated balance sheet	Fair value
¥100,337 million	¥124,093 million

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

2. Fair values at the end of the 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.

8. Notes on the Per-Share Information

(1) Net Assets per Share ¥3,195.39

(2) Profit per Share ¥94.18

9. Notes on Subsequent Events

None applicable

10. Notes on Others

(Notes on impairment loss)

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

Location	Usage	Type	Impairment loss (Millions of yen)
—	Other	Goodwill	8,114
—	Other	Intangible assets (other)	5,046
Minato-ku, Tokyo	Assets for business	Buildings and structures	4,175
		Tools, furniture and fixtures	168
		Leased assets	2,195
		Investments and other assets (other)	136
Total			19,836

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. Note that the goodwill and intangible assets (other) above are grouped in company units, in principle.

TIPNESS Limited, a consolidated subsidiary of the Company that is engaged in general fitness club business, temporarily closed its facilities due to the COVID-19 pandemic and subsequently resumed business with sufficient infection control measures in place. However, under the ongoing pandemic, the number of members of its facilities has not reached the initial plan, although it is on a recovery trend. After a careful review of the business plan on the back of these developments, we have determined that a recovery of investment will be difficult with regard to the goodwill and intangible assets (other) that were recorded based on excess earning power when we acquired the shares of TIPNESS Limited, and recorded the full amount of the unamortized balance as impairment loss in extraordinary losses at the end of September 2020.

In addition, the recovery of investment is expected to be difficult with regard to the business assets of TIPNESS Limited due to the review of the business plan above as well as the subsequent disparity between the plan and the actual number of members up to the end of the fiscal year under review and the decision to close some facilities. Therefore, the book value of the business assets of TIPNESS Limited has been reduced to the recoverable value and the reduced value was booked as impairment loss in extraordinary losses.

The recoverable value for said asset group is calculated by estimating the value in use and applying a discount rate of 5.0% to future cash flows.

(Notes on loss on COVID-19)

Following requests from the national and local governments to prevent the spread of COVID-19, the Group has taken responses such as temporarily closing its facilities, including fitness clubs and theme parks, and cancelling events. Fixed costs incurred during the business closure, such as rent, personnel expenses and depreciation, and costs relating to the preparation of events have been booked as “loss on COVID-19” in extraordinary losses.

[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 and affiliates:

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) Accounting for Reserves

Allowance for doubtful accounts:

The allowance for doubtful accounts is provided in the amount of possible losses from uncollectible receivables based on the estimated recoverability of specific doubtful receivables.

(3) 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

Changes following the adoption of Accounting Standard for Disclosure of Accounting Estimates

The Company has adopted the Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31, March 31, 2020) effective the fiscal year under review and states in 3. Notes to Accounting Estimates

3. Notes to Accounting Estimates

Recording of allowance for doubtful accounts

○ Amount recorded on the non-consolidated financial statements for the fiscal year under review

	Fiscal year under review
Allowance for doubtful accounts	¥7,539 million
Provision of allowance for doubtful accounts	¥7,539 million

○ Other information contributing to the understanding of the details of the estimates:

During the fiscal year under review, the Company posted ¥7,539 million of allowance for doubtful accounts as it classified its ¥14,400 million of loans to its consolidated subsidiary TIPNESS Limited ("TIPNESS") as doubtful receivables after comprehensively assessing TIPNESS's solvency. If TIPNESS's financial condition deteriorates further and solvency drops in the next fiscal year, it may lead to an additional posting of allowance for doubtful accounts or a bad debt expenses.

4. 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 ¥251 million

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

1) Short-term monetary receivables	¥6,213 million
2) Short-term monetary payables	¥126,125 million

5. Notes to the Non-Consolidated Statement of Income

Transactions with Subsidiaries and Affiliates

1) Operating Revenue	¥12,579 million
2) Operating Expenses	¥228 million
3) Transactions Other than Operating Transactions	¥404 million

6. 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, 2020	Increase from a Year Earlier	Decrease from a Year Earlier	Number of Shares as of March 31, 2021
Common stock	3,314	0	—	3,315

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

7. Notes on Tax-Effect Accounting

Breakdown by Cause of Deferred Tax Assets and Liabilities

(Millions of yen)

Deferred tax assets	
Accrued enterprise taxes	35
Stocks of subsidiaries and affiliates associated with company reorganization	4,013
Loss on valuation of stocks of subsidiaries and affiliates	7,626
Allowance for doubtful accounts	2,308
Dividend income as repayment of investment	1,084
Other	39
Sub-total of deferred tax assets	15,109
Valuation allowance	(11,059)
Total deferred tax assets	4,049
Deferred tax liabilities	
Reserve for advanced depreciation of fixed assets	4,240
Total deferred tax liabilities	4,240
Net deferred tax liabilities	191

(Changes in presentation)

"Loss on valuation of stocks of subsidiaries and affiliates," which were included in "other" under "deferred tax assets" in the previous fiscal year are listed separately effective the fiscal year under review, due to an increase in quantitative significance. "Loss on valuation of stocks of subsidiaries and affiliates" for the previous fiscal year was ¥163 million.

[Translation for Reference and Convenience Purposes Only]

8. 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	1,232		
				Borrowing of funds through cash management service	74,801	Short-term borrowings	79,942
				Interest expense	190	—	—
Subsidiary	BS Nippon Corporation	Ownership Direct 100.0	Business management, Loan business	Borrowing of funds through cash management service	6,566	Short-term borrowings	7,124
				Interest expense	16	—	—
Subsidiary	AX-ON Inc.	Ownership Direct 100.0	Business management, Loan business	Borrowing of funds through cash management service	7,025	Short-term borrowings	7,104
				Interest expense	17	—	—
Subsidiary	VAP Inc.	Ownership Direct 100.0	Business management, Loan business, Concurrently held positions by directors	Borrowing of funds through cash management service	10,906	Short-term borrowings	7,550
				Interest expense	27	—	—
				Dividend income	10,000	—	—
Subsidiary	Eiho Produce Corporation	Ownership Indirect 100.0	Business management, Loan business	Loaning of funds through cash management service	7,724	Other current assets (Short-term loans receivable from subsidiaries and associates)	757
						Long-term loans receivable from subsidiaries and associates	6,564
				Interest income	18	—	—
Subsidiary	TIPNESS Limited	Ownership Direct 100.0	Business management, Loan business, Concurrently held positions by directors	Loaning of funds through cash management service	9,202	Other current assets (Short-term loans receivable from subsidiaries and associates)	3,400
						Long-term loans receivable from subsidiaries and associates	11,000
				Interest income	23	—	—

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 book value of the shares for subsidiaries and associates has been reduced with regard to the ¥3,542 million of the dividend income from VAP Inc. that falls under a refund of investment.
6. Allowance for doubtful accounts and provision of allowance for doubtful accounts of ¥7,539 million have been booked on doubtful receivables from TIPNESS Limited in the fiscal year under review.
7. 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.

9. Notes on Per-Share Information

(1) Net Assets per Share	¥1,311.94
(2) Loss per Share	¥(87.68)

10. Notes on Subsequent Events

None applicable

11. Other Notes

(Notes to loss on valuation of stocks of subsidiaries and affiliates)

TIPNESS Limited, a consolidated subsidiary of the Company engaged in the comprehensive fitness club business, closed its facilities temporarily due to the outbreak of COVID-19 and subsequently resumed business while taking sufficient infection control measures. However, although the number of members of its facilities is on a mild recovery trend, it has not increased as initially planned. In view of these developments, we have carefully reviewed TIPNESS's business plan and acknowledged a significant decline in the actual value of its shares, factoring in excess profitability and trademark rights. As a result, we have posted ¥24,375 million of loss on valuation of stocks of subsidiaries and affiliates under extraordinary loss.