October 31, 2013

Quarterly Flash Report [Japanese GAAP] (Consolidated Basis)

Results for the six months ended September 30, 2013

Company name: Fuji Media Holdings, Inc.

Stock listing: Tokyo Stock Exchange Code number: 4676 URL http://www.fujimediahd.co.jp/en

Representative: Hideaki Ohta, President and Representative Director

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Quarterly report filing date (Planned): November 8, 2013 Start of dividend payments (Planned): December 3, 2013

Quarterly supplemental explanatory material prepared: Yes Quarterly results briefing held: Yes

(Figures less than ¥1 million have been omitted.)

1. Consolidated Financial Results

(1) Business Performance

Six months ended September 30 Percentages indicate year-on-year increases/ (decreases).

	Net sales		Operating income		Recurring profit		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
2013	307,239	0.8	14,398	(24.1)	15,598	(42.9)	6,194	(65.7)
2012	304,809	7.1	18,973	36.3	27,302	81.4	18,046	100.6

(Note) Comprehensive income: Six months ended September 30, 2013: ¥17,416 million, (4.4)%;
Six months ended September 30, 2012: ¥18,224 million, 16.6%

	Net income per share	Net income per share after dilution
	Yen	Yen
2013	26.75	—
2012	77.68	—

(Note) Fuji Media Holdings conducted a share split on October 1, 2013, at the ratio of 100 shares per share of common stock. Net income per share has been calculated assuming that the share split was conducted at the start of the previous fiscal year.

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
September 30, 2013	980,327	584,088	59.1
March 31, 2013	952,335	568,200	59.1

(Reference) Total shareholders' equity: September 30, 2013: ¥579,097 million, March 31, 2013: ¥563,284 million

2. Dividends

Year ended March 31, 2013/ Year ending March 31, 2014

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
2013	—	2,200.00	—	2,200.00	4,400.00
2014	—	2,200.00			
2014 (Forecast)			—	22.00	—

(Note) Revision of dividends forecast: None

The year-end dividend forecast for the fiscal year ending March 31, 2014 is presented assuming a share split at the ratio of 100 shares per share of common stock, effective October 1, 2013.

3. Forecasts of Consolidated Financial Results for Fiscal Year ending March 31, 2014

Percentages indicate year-on-year increases/ (decreases).

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	632,600	0.1	33,000	(12.3)	35,100	(25.7)

	Net income		Net income per share
	Millions of yen	%	Yen
Fiscal year	18,100	(42.2)	78.14

(Note) Revision of earnings forecast: Yes

The figures for net income per share in the consolidated financial forecasts for the full fiscal year are presented assuming a share split at the ratio of 100 shares per share of common stock, effective October 1, 2013.

Notes:

1. Significant changes in subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the subject period: None

   Additions: — Deletions: —

2. Adoption of simplified accounting practices and special accounting policy for quarterly financial reporting: None

3. Changes in accounting policies, changes in accounting estimates, and modifications and restatements:
   1) Changes in accounting policies based on revision of accounting standards: None
   2) Changes in accounting policies other than 1) above: None
   3) Changes in accounting estimates: None
   4) Modifications and restatements: None

4. Number of issued shares (Common shares)

	Six months ended September 30, 2013	Year ended March 31, 2013
1) Number of issued shares (including treasury stock) at end of the period	236,429,800	236,429,800
2) Number of treasury stock at end of the period	4,808,174	4,794,452
		Six months ended September 30, 2012
3) Average number of issued shares for the period	231,628,431	232,312,525

(Note) Fuji Media Holdings conducted a share split on October 1, 2013, at the ratio of 100 shares per share of common stock. Figures for the number of shares have been calculated assuming that the share split was conducted at the start of the previous fiscal year.

Indication of quarterly review procedure implementation status

・ This quarterly flash report is not subject to quarterly audit procedures under the Financial Instruments and Exchange Act. The audit procedures of quarterly financial statements in accordance with the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this quarterly flash report.

Explanation of appropriate use of forecasts of financial results; other important items

・ The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release and certain assumptions considered rational. Actual results may differ materially from the forecasts due to various factors in the future. Regarding the assumptions forming the forecast of financial results, please refer to "1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE SUBJECT PERIOD: (3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections" on page 9.

・ The Company, at the meeting of its Board of Directors held on May 15, 2013, decided to implement a share split and adopt a unit share system. Effective October 1, 2013, each share of common stock was split into 100 shares, with 100 shares set as a share unit. With regard to the forecasts of dividends and consolidated financial results for the fiscal year ending March 31, 2014 associated with the share split and the adoption of a unit share system, please refer to the relevant sections hereof.

CONTENTS OF ATTACHMENT

1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE SUBJECT PERIOD

(1) Explanation of Business Results

The Japanese government's *Monthly Economic Report* on the Japanese economy for the second-quarter cumulative period of the fiscal year ending March 31, 2014 (April 1, 2013 to September 30, 2013) continues to maintain that "the economy is recovering gently" and that the business outlook for corporations has further improved. The report notes that amid improvement in employment and incomes and a recovery in consumer spending, the outlook for the economy is one of "expectations for a full-fledged economic recovery." With expectations for a genuine recovery rising, conditions in the advertising market are improving, centered on spot advertising sales, which are closely linked to market conditions.

Amid this economic environment, the Fuji Media Holdings Group posted consolidated net sales for the subject second-quarter cumulative period of ¥307,239 million, an increase of 0.8% from the same period of the previous fiscal year. Although sales decreased in the Broadcasting segment and the Production segment, revenue rose in the Video and Music segment, Life Information segment, Advertising segment, Urban Development segment and Other segment.

Operating income, however, declined 24.1% from the same period of the previous fiscal year to ¥14,398 million, due mainly to a fall in earnings in the mainstay Broadcasting segment. Recurring profit declined 42.9% to ¥15,598 million on the rebound decline from the recording in the previous fiscal year of a ¥6,836 million gain on negative goodwill generated when Kansai Telecasting Corporation was made an equity-method affiliate. Net income fell 65.7% to ¥6,194 million as a result of the recording of a ¥1,100 million extraordinary loss on measures associated with the relocation of transmitting stations.

Results by operating segment are as follows.

Six months ended September 30

	Net sales			Operating income (loss)		
	2012	**2013**	Change	2012	**2013**	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Broadcasting	176,802	**173,714**	(1.7)	14,683	**9,149**	(37.7)
Production	25,734	**25,233**	(1.9)	1,645	**1,292**	(21.5)
Video and Music	28,169	**30,465**	8.2	1,212	**942**	(22.3)
Life Information	61,831	**62,379**	0.9	(565)	**(275)**	—
Advertising	18,771	**20,449**	8.9	(85)	**178**	—
Urban Development	15,867	**17,974**	13.3	2,420	**2,547**	5.2
Other	12,913	**13,174**	2.0	372	**424**	13.8
Eliminations	(35,280)	**(36,152)**	—	(711)	**139**	—
Total	304,809	**307,239**	0.8	18,973	**14,398**	(24.1)

Broadcasting

Fuji Television Network, Inc. recorded a decline in broadcasting revenues from the same period of the previous fiscal year, due mainly to a fall in both time and spot advertising sales in response to a drop in viewer ratings, and a rebound decline from last year's London Olympics 2012 and other special Olympics-related programs. In non-broadcasting revenues, other business revenue rose from the same period of the previous fiscal year, on positive performance in the event business from such events as the Japan performance of *MICHAEL JACKSON THE IMMORTAL WORLD TOUR*, and *Walking with Dinosaurs – Live Arena Tour in Japan*. In terms of earnings, despite the contribution from gains in other business revenue, operating income declined from the same period of the previous fiscal year as a result of the decrease in broadcasting revenues.

Fuji Satellite Broadcasting, Inc. (BS Fuji) posted a revenue gain as a result of record sales stemming from strong performance in time advertising sales, though operating income declined as a result of an increase in broadcasting and other costs.

Nippon Broadcasting System, Inc. recorded an increase in broadcast income, but revenue and earnings were down overall on a slump in event business sales.

As a result, for the Broadcasting segment overall, net sales decreased 1.7% from the same period of the previous fiscal year to ¥173,714 million, with operating income down 37.7% to ¥9,149 million.

Net Sales by Broadcasting Operations

Six months ended September 30

	2012	2013	Change from the previous period
	Millions of yen	Millions of yen	%
Fuji Television Network, Inc.			
Broadcasting businesses	139,234	**130,882**	(6.0)
Broadcasting	122,341	**114,445**	(6.5)
Network time	57,577	**54,051**	(6.1)
Local time	7,977	**7,164**	(10.2)
Spot	56,786	**53,230**	(6.3)
Other broadcasting business	16,892	**16,436**	(2.7)
Program sales	9,382	**9,145**	(2.5)
Other	7,510	**7,290**	(2.9)
Other businesses	25,061	**30,193**	20.5
Subtotal	164,295	**161,075**	(2.0)
Fuji Satellite Broadcasting, Inc. (BS Fuji)	5,759	**6,448**	12.0
Nippon Broadcasting System, Inc.	8,039	**7,277**	(9.5)
Elimination in the segment	(1,293)	**(1,087)**	—
Total	176,802	**173,714**	(1.7)

Production

Despite strong performance at Fuji Media Technology, Inc., the company formed from the merger during the subject fiscal year of Happo Television Inc. and Fuji Lighting and Technology Co., Ltd., overall net sales in the Production segment fell 1.9% from the same period of the previous fiscal year to ¥25,233 million, due mainly to a falloff in orders for programs and events. In terms of earnings, a rise in the cost rate led to a 21.5% decline in operating income to ¥1,292 million.

Video and Music

Pony Canyon, Inc. posted a year-on-year gain in revenue overall, on contributions from sales of DVD titles such as *ONE PIECE FILM Z*, and *Attack on Titan*. In terms of earnings, however, operating income was down from the same period of the previous fiscal year on a rise in the cost rate, owing mainly to higher title procurement expenses.

Fujipacific Music Inc. posted gains in both revenue and earnings, due mainly to positive royalty income, including for songs from the *One Piece* anime series, and background music from the *Mezamashi TV* television program.

As a result, net sales in the Video and Music segment overall rose 8.2% from the same period of the previous fiscal year to ¥30,465 million, though operating income declined 22.3% from a year earlier to ¥942 million.

Life Information

Dinos Cecile Co., Ltd., the company formed from the merger during the subject fiscal year of Dinos Inc. and Cecile Co., Ltd., posted gains in both revenue and earnings, as positive performance from fashion-related catalogue sales at Dinos offset the struggling Cecile business.

Sankei Living Shimbun Inc. recorded a slight decline in revenue due to sluggish advertising revenue from *City Living* magazine, and posted an operating loss for the subject period.

As a result, net sales in the Life Information segment overall increased 0.9% from the same period of the previous fiscal year to ¥62,379 million, with the segment posting an operating loss of ¥275 million.

Advertising

Quaras Inc. recorded an increase in revenue and a substantial gain in earnings from the same period of the previous fiscal year, on strong advertising revenue for television and Internet media.

Kyodo Advertising Co., Ltd. posted a slight revenue decline on a drop in outdoor and online advertising, but narrowed its operating loss through improvement in the cost rate and curbs to selling, general and administrative (SG&A) expenses.

As a result, net sales in the Advertising segment overall increased 8.9% from the same period of the previous fiscal year to ¥20,449 million, with the segment posting an operating income for the period of ¥178 million.

Urban Development

The Sankei Building Co., Ltd. recorded significant gains in both revenue and earnings, stemming mainly from the sale of owned properties.

As a result, net sales in the Urban Development segment overall increased 13.3% from the same period of the previous fiscal year to ¥17,974 million, with operating income up 5.2% to ¥2,547 million.

Other

Fujimic, Inc. recorded declines in both revenue and earnings on a fall in orders for IT system development. Fusosha Publishing, Inc. recorded gains in both revenue and earnings on positive magazine and book sales.

As a result, net sales in the Other segment overall rose 2.0% from the same period of the previous fiscal year to ¥13,174 million, with operating income up 13.8% to ¥424 million.

Equity-Method Affiliates

Fee-based broadcaster Nihon Eiga Satellite Broadcasting Corporation posted an increase in revenue, but earnings declined on higher expenses stemming from the shift to a high-definition format.

Network affiliates, which were included in consolidated results from the previous fiscal year, all secured earnings amid a difficult business environment for broadcast revenues, though there was a rebound decline from the recording in the previous year of a gain on negative goodwill from Kansai Telecasting Corporation.

As a result, equity in earnings of affiliates decreased ¥6,600 million overall from the same period of the previous fiscal year to ¥624 million.

(2) Explanation of the Financial Position

Total assets at the end of the subject second-quarter cumulative period (September 30, 2013) amounted to ¥980,327 million, an increase of ¥27,991 million from the end of the previous fiscal year (March 31, 2013).

Total current assets amounted to ¥351,068 million, an increase of ¥9,376 million from the end of the previous fiscal year. This was due mainly to increases of ¥8,326 million in marketable securities; ¥3,334 million in inventories; and ¥2,254 million in short-term loans receivable included in the "Other" category of current assets; against decreases of ¥4,752 million in notes and accounts receivable-trade; and ¥3,589 million in cash and deposits.

Noncurrent assets totaled ¥629,258 million, an increase of ¥18,614 million from the end of the previous fiscal year. This was due mainly to increases of ¥13,378 million in investment securities; and ¥8,316 million in land; against a decrease of ¥1,158 million in buildings and structures.

Total liabilities amounted to ¥396,238 million, an increase of ¥12,102 million from the end of the previous fiscal year. This was due mainly to an increase of ¥13,211 million in short-term loans payable; against a decrease of ¥3,534 million in long-term loans payable.

Total net assets at the end of the subject second-quarter cumulative period amounted to ¥584,088 million, an increase of ¥15,888 million from the end of the previous fiscal year. This was mainly the result of an increase of ¥13,601 million in valuation difference on available-for-sale securities; and ¥6,194 million in net income; against a decrease of ¥5,152 million in retained earnings for dividend payments.

Cash flows for the subject second-quarter cumulative period were as follows.

Cash provided by operating activities amounted to ¥15,200 million, a decrease of ¥7,223 million from cash provided during the same period of the previous fiscal year. This was due mainly to a decrease of ¥14,221 million in income before income taxes; and a ¥6,020 million decrease in revenue from notes and accounts receivable-trade; against a ¥6,600 million decrease in equity in earnings of affiliates; and a ¥4,441 million increase in notes and accounts payable-trade.

Cash used in investing activities totaled ¥26,623 million, an increase of ¥14,375 million from cash used in the same period of the previous fiscal year. This was due mainly to an increase of ¥8,056 million in purchase of property, plant and equipment; an increase of ¥6,902 million in purchase of marketable securities; and a decrease of ¥4,128 million in proceeds from sale of property, plant and equipment; against an increase of ¥6,991 million in proceeds from sales and redemption of marketable securities; and an increase of ¥6,294 million in proceeds from sales and redemption of investment securities.

Cash provided by financing activities totaled ¥4,042 million, an increase of ¥15,291 million from cash used in the same period of the previous fiscal year. This was due mainly to a ¥10,000 million net increase in short-term loans payable; and a decrease of ¥8,096 million in repayments of long-term loans payable; against a decrease of ¥4,100 million in proceeds from long-term loans payable.

As a result, along with an additional ¥221 million increase in cash and cash equivalents resulting from merger, the balance of cash and cash equivalents at the end of the second-quarter cumulative period of the subject fiscal year (September 30, 2013) amounted to ¥55,300 million, a decrease of ¥6,579 million from the end of the previous fiscal year (March 31, 2013), and an decrease of ¥16,499 million from the end of the same period of the previous fiscal year (September 30, 2012).

(3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections

In regard to the consolidated earnings for the subject second-quarter cumulative period, revenue declined in the mainstay Broadcasting segment due to tight conditions for spot advertising at Fuji Television Network, Inc., with a corresponding decline in operating income. For the whole-year period, despite expectations for a recovery in consumer spending and improvement in the economic environment, we anticipate that revenue in the Broadcasting segment will decline as a result of a lag in the recovery of time advertising and other factors. Although we foresee steady growth in the Video and Music segment and the Urban Development segment, we expect that on a consolidated basis overall, net sales, operating income, recurring profit, and net income for the subject fiscal year will all fall short of the previous forecasts.

In accordance with these expectations, for the whole-year period, we are forecasting net sales of ¥632.6 billion, operating income of ¥33.0 billion, recurring profit of ¥35.1 billion and net income of ¥18.1 billion.

The variances with the forecasts for whole-year period announced on July 30, 2013, are as follows.

Whole-year period (Year ending March 31, 2014)

Millions of yen

	Net sales	Operating income	Recurring profit	Net income
Previous forecast (A)	642,700	38,200	40,100	20,900
Revised forecast (B)	632,600	33,000	35,100	18,100
Change (B-A)	(10,100)	(5,200)	(5,000)	(2,800)
Percent change (%)	(1.6)	(13.6)	(12.5)	(13.4)

2. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2013	**September 30, 2013**
ASSETS		
Current assets:		
Cash and deposits	42,107	**38,517**
Notes and accounts receivable-trade	119,797	**115,044**
Marketable securities	98,687	**107,013**
Inventories	39,149	**42,483**
Other	42,588	**48,662**
Allowance for doubtful accounts	(639)	**(653)**
Total current assets	341,691	**351,068**
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	138,755	**137,597**
Land	158,248	**166,564**
Other	20,900	**19,721**
Total property, plant and equipment	317,904	**323,883**
Intangible assets		
Goodwill	1,327	**1,162**
Other	40,229	**40,063**
Total intangible assets	41,556	**41,225**
Investments and other assets		
Investment securities	218,873	**232,252**
Other	34,249	**33,875**
Allowance for doubtful accounts	(1,940)	**(1,978)**
Total investments and other assets	251,182	**264,149**
Total noncurrent assets	610,644	**629,258**
Total assets	952,335	**980,327**

	Millions of yen	
	March 31, 2013	**September 30, 2013**
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	50,237	**51,441**
Short-term loans payable	28,618	**41,829**
Provision for sales returns	785	**859**
Provision for directors' bonuses	359	**146**
Provision for point card certificates	858	**915**
Provision for measures associated with the relocation of transmitting station	1,080	**489**
Other	78,921	**71,161**
Total current liabilities	160,860	**166,843**
Noncurrent liabilities:		
Bonds payable	60,000	**60,000**
Long-term loans payable	41,690	**38,156**
Provision for retirement benefits	45,834	**47,569**
Provision for directors' retirement benefits	1,630	**1,565**
Provision for loss on interest repayment	40	**35**
Provision for environmental measures	18	**18**
Allowance for reconstruction-related loss	—	**255**
Other	74,059	**81,793**
Total noncurrent liabilities	223,274	**229,394**
Total liabilities	384,135	**396,238**
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	**146,200**
Capital surplus	173,664	**173,664**
Retained earnings	233,723	**238,519**
Treasury stock	(9,228)	**(9,247)**
Total shareholders' equity	544,360	**549,136**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	19,429	**33,031**
Deferred gains or losses on hedges	69	**17**
Revaluation reserve for land	2,980	**(812)**
Foreign currency translation adjustment	(3,556)	**(2,276)**
Total accumulated other comprehensive income	18,923	**29,960**
Minority interests	4,915	**4,990**
Total net assets	568,200	**584,088**
Total liabilities and net assets	952,335	**980,327**

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Six months ended September 30

	Millions of yen	
	2012	**2013**
Net sales	304,809	**307,239**
Cost of sales	198,065	**207,003**
Gross profit	106,743	**100,235**
Selling, general and administrative expenses:	87,770	**85,837**
Operating income	18,973	**14,398**
Non-operating income:		
Dividends income	1,195	**1,371**
Equity in earnings of affiliates	7,224	**624**
Other	1,328	**1,085**
Total	9,749	**3,082**
Non-operating expenses:		
Interests expenses	1,050	**760**
Loss on investments in partnership	103	**732**
Other	266	**388**
Total	1,419	**1,882**
Recurring profit	27,302	**15,598**
Extraordinary gain:		
Gain on sales of investment securities	274	**322**
Other	2,413	**12**
Total	2,687	**335**
Extraordinary loss:		
Loss on valuation of investment securities	621	**2,457**
Loss on measures associated with the relocation of transmitting station	—	**1,100**
Other	3,230	**459**
Total	3,851	**4,016**
Income before income taxes	26,138	**11,917**
Income taxes-current	8,080	**4,933**
Income taxes-deferred	(216)	**607**
Total	7,864	**5,541**
Income before minority interests	18,274	**6,376**
Minority interests in income	227	**181**
Net income	18,046	**6,194**

Consolidated Statements of Comprehensive Income

Six months ended September 30

	Millions of yen	
	2012	**2013**
Income before minority interests	18,274	**6,376**
Other comprehensive income:		
Valuation difference on available-for-sale securities	65	**12,949**
Deferred gains or losses on hedges	(87)	**(51)**
Revaluation reserve for land	—	**(3,793)**
Foreign currency translation adjustment	166	**1,279**
Share of other comprehensive income of associates accounted for using equity method	(194)	**654**
Total of other comprehensive income	(49)	**11,040**
Comprehensive income	18,224	**17,416**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	18,004	**17,232**
Comprehensive income attributable to minority interests	220	**184**

(3) Consolidated Statements of Cash Flows

Six months ended September 30

	Millions of yen	
	2012	**2013**
Cash flows from operating activities:		
Income before income taxes	26,138	**11,917**
Depreciation and amortization	11,154	**9,701**
Interest and dividends income	(1,398)	**(1,563)**
Interests expense	1,050	**760**
Equity in (earnings) losses of affiliates	(7,224)	**(624)**
Loss (gain) on valuation of investment securities	621	**2,457**
Loss on measures associated with the relocation of transmitting station	—	**1,100**
Decrease (increase) in notes and accounts receivable-trade	10,826	**4,805**
Decrease (increase) in inventories	(3,133)	**(3,334)**
Increase (decrease) in notes and accounts payable-trade	(3,287)	**1,154**
Other	(5,284)	**(4,197)**
Subtotal	29,461	**22,177**
Interest and dividends income received	1,505	**1,815**
Interest expenses paid	(937)	**(765)**
Income taxes paid	(10,903)	**(10,962)**
Income taxes refunded	3,296	**2,934**
Net cash provided by operating activities	22,423	**15,200**
Cash flows from investing activities:		
Purchase of marketable securities	(117,379)	**(124,281)**
Proceeds from sales and redemption of marketable securities	107,194	**114,186**
Purchase of property, plant and equipment	(6,265)	**(14,321)**
Proceeds from sale of property, plant and equipment	4,140	**11**
Payments on purchase of intangible assets	(2,601)	**(3,137)**
Purchase of investment securities	(2,198)	**(1,048)**
Proceeds from sales and redemption of investment securities	364	**6,658**
Other	4,498	**(4,689)**
Net cash used in investing activities	(12,247)	**(26,623)**

(Continued on page 16)

	Millions of yen	
	2012	**2013**
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	4,300	**14,300**
Proceeds from long-term loans payable	4,100	**—**
Repayments of long-term loans payable	(12,719)	**(4,623)**
Dividends paid	(6,564)	**(5,183)**
Dividends paid to minority shareholders	(76)	**(109)**
Other	(289)	**(341)**
Net cash provided by (used in) financing activities	(11,249)	**4,042**
Effect of exchange rate changes on cash and cash equivalents	67	**580**
Net increase (decrease) in cash and cash equivalents	(1,006)	**(6,800)**
Cash and cash equivalents at the beginning of the period	72,754	**61,879**
Increase in cash and cash equivalents resulting from merger	51	**221**
Cash and cash equivalents at the end of the period	71,799	**55,300**

(4) Note to Financial Statements

Note on Assumptions for Going Concern

Not applicable

Notes in the Event of Major Change in Shareholders' Equity

Not applicable.

(5) Segment Information

I. Six months ended September 30, 2012

1. Information on Net Sales and Profit or Loss by Reported Segment

Millions of Yen

	Reported segment							Other (Note 1)	Total	Adjust-ment (Note 2)	Consolidated statement of income (Note 3)
	Broad-casting	Produc-tion	Video and Music	Life Informa-tion	Advertis-ing	Urban Develop-ment	Total				
Net sales:											
Net sales to third parties	167,570	9,958	27,639	61,565	17,256	15,639	299,629	5,180	304,809	—	304,809
Intra-group net sales and transfers	9,232	15,775	530	265	1,515	228	27,547	7,733	35,280	(35,280)	—
Total net sales	176,802	25,734	28,169	61,831	18,771	15,867	327,176	12,913	340,089	(35,280)	304,809
Segment operating income (loss)	14,683	1,645	1,212	(565)	(85)	2,420	19,312	372	19,684	(711)	18,973

Notes:
1. The "Other" category is a business segment not included in reported segments. It includes such operations as publishing, temporary agency services, movables leasing and software development.
2. The segment earnings adjustment of minus ¥711 million mainly comprises ¥1,272 million in eliminations of inter-segment business, together with minus ¥1,983 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.
3. Segment operating income (loss) is adjusted to the operating income figure on the Consolidated Statement of Income.

2. Information on Impairment Losses on Noncurrent Assets or Goodwill by Reported Segment

Material Impairment Loss of Noncurrent Assets

In the Life Information segment, the Company reduced the relevant value of land it planned to sell from book value to recoverable value, and recorded the difference as an impairment loss. The amount recorded for the subject impairment loss in the subject second-quarter cumulative period is ¥1,117 million.

Material Gains on Negative Goodwill

In the Production segment, the Company made its equity-method affiliate NEXTEP Co., Ltd. a wholly-owned subsidiary through the additional acquisition of its shares, and made NEXTEP a consolidated subsidiary. As a result, this generated negative goodwill in the subject second-quarter cumulative period of ¥364 million.

In accordance with the Company's additional acquisition of shares in Kansai Telecasting

Corporation to make the firm an equity-method affiliate, in the "Production" segment, the Company increased its ownership ratio in five companies, including Kyodo Television, Ltd. As a result, this generated negative goodwill in the subject second-quarter cumulative period of ¥245 million.

In the "Urban Development" segment, the Company made The Sankei Building Co., Ltd. a wholly-owned subsidiary through the additional acquisition of its shares and other measures. As a result, this generated ¥1,005 million in negative goodwill in the subject second-quarter cumulative period.

II. Six months ended September 30, 2013

1. Information on Net Sales and Profit or Loss by Reported Segment

Millions of Yen

	Reported segment							Other (Note 1)	Total	Adjust-ment (Note 2)	Consolidated statement of income (Note 3)
	Broad-casting	Produc-tion	Video and Music	Life Informa-tion	Advertis-ing	Urban Develop-ment	Total				
Net sales:											
Net sales to third parties	163,256	9,391	29,932	62,144	19,158	17,747	301,630	5,609	307,239	—	307,239
Intra-group net sales and transfers	10,458	15,842	532	234	1,291	227	28,586	7,565	36,152	(36,152)	—
Total net sales	173,714	25,233	30,465	62,379	20,449	17,974	330,217	13,174	343,392	(36,152)	307,239
Segment operating income (loss)	9,149	1,292	942	(275)	178	2,547	13,835	424	14,259	139	14,398

Notes:
1. The “Other” category is a business segment not included in reported segments. It includes such operations as publishing, temporary agency services, movables leasing and software development.
2. The segment earnings adjustment of ¥139 million mainly comprises ¥2,274 million in eliminations of inter-segment business, together with minus ¥2,134 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.
3. Segment operating income (loss) is adjusted to the operating income figure on the Consolidated Statement of Income.

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