

**Quarterly Flash Report [Japanese GAAP] (Consolidated Basis)****Results for the three months ended June 30, 2012****Company name: Fuji Media Holdings, Inc.**

Stock listing: Tokyo Stock Exchange

Code number: 4676

URL <http://www.fujimediahd.co.jp>

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Start of dividend payments (Planned): —

Quarterly supplemental explanatory material prepared: Yes

Quarterly results briefing held: None

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

**1. Consolidated Financial Results****(1) Business Performance**

Three Months ended June 30

Percentages indicate year-on-year increase/ (decrease).

|      | Net Sales       |       | Operating Income |       | Recurring Profit |        | Net Income      |       |
|------|-----------------|-------|------------------|-------|------------------|--------|-----------------|-------|
|      | Millions of Yen | %     | Millions of Yen  | %     | Millions of Yen  | %      | Millions of Yen | %     |
| 2012 | 151,071         | 7.8   | 13,990           | 86.1  | 21,991           | 146.4  | 15,248          | 153.3 |
| 2011 | 140,106         | (3.1) | 7,517            | (2.2) | 8,925            | (12.9) | 6,019           | 9.3   |

(Note) Comprehensive income: Three months ended June 30, 2012: ¥14,275 million, 45.5%

Three months ended June 30, 2011: ¥9,813 million, 791.9%

|      | Net Income per Share<br>Basic | Net Income per Share<br>Diluted |
|------|-------------------------------|---------------------------------|
|      | Yen                           | Yen                             |
| 2012 | 6,544.86                      | —                               |
| 2011 | 2,570.41                      | —                               |

**(2) Financial Position**

|                | Total assets    | Net assets      | Equity ratio |
|----------------|-----------------|-----------------|--------------|
|                | Millions of Yen | Millions of Yen | %            |
| June 30, 2012  | 948,725         | 540,021         | 56.2         |
| March 31, 2012 | 953,537         | 534,525         | 55.3         |

(Reference) Total shareholders' equity: June 30, 2012: ¥532,972 million; March 31, 2012: ¥527,269 million

**2. Dividends**

Year ended March 31, 2012/ Year ending March 31, 2013

|                    | Dividends per share |          |     |          |          |
|--------------------|---------------------|----------|-----|----------|----------|
|                    | 1Q                  | 2Q       | 3Q  | 4Q       | Total    |
|                    | Yen                 | Yen      | Yen | Yen      | Yen      |
| 2012               | —                   | 800.00   | —   | 2,800.00 | 3,600.00 |
| 2013               | —                   |          |     |          |          |
| 2013<br>(Forecast) |                     | 2,200.00 | —   | 2,200.00 | 4,400.00 |

(Note) Revision of dividends forecast: None

### 3. Forecasts of Consolidated Financial Results for Fiscal Year ending March 31, 2013

Percentages indicate year-on-year increase/ (decrease).

|                | Net sales       |     | Operating income |      | Recurring profit |       |
|----------------|-----------------|-----|------------------|------|------------------|-------|
|                | Millions of yen | %   | Millions of yen  | %    | Millions of yen  | %     |
| Interim period | 305,800         | 7.4 | 17,400           | 25.0 | 25,800           | 71.4  |
| Fiscal year    | 634,500         | 6.9 | 39,900           | 20.2 | 49,200           | (6.0) |

|                | Net income      |        | Net income per share |
|----------------|-----------------|--------|----------------------|
|                | Millions of yen | %      | Yen                  |
| Interim period | 17,800          | 97.8   | 7,662.09             |
| Fiscal year    | 31,700          | (48.2) | 13,665.07            |

(Note) Revision of earnings forecast: Yes

#### Notes

- Significant changes in subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the subject period: None  
Additions: — Deletions: —
- Adoption of accounting practices special to the preparation of quarterly consolidated financial statements: None
- Changes in accounting policies, changes in accounting estimates and modifications and restatements:
  - Changes in accounting policies based on revision of accounting standards: Yes
  - Changes in accounting policies other than 1) above: None
  - Changes in accounting estimates: Yes
  - Modifications and restatements: None

Note: These changes fall under Article 10-5 of the "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements." For details, see "2. Matters Regarding Summary Information (Notes): Changes in Accounting Policies, Changes in Accounting Estimates and Modification and Restatements" on Page 10.

- Number of issued shares (Common shares)

|  | Three months ended<br>June 30, 2012 | Year ended<br>March 31, 2012        |
|--|-------------------------------------|-------------------------------------|
| 1) Number of issued shares (including treasury stock) at end of the period | 2,364,298                           | 2,364,298                           |
| 2) Number of treasury stock at end of the period                           | 47,875                              | 34,247                              |
|  |                                     | Three months ended<br>June 30, 2011 |
| 3) Average number of issued shares for the period                          | 2,329,901                           | 2,341,946                           |

#### Indication of quarterly review procedure implementation status

- These financial statements are not subject to audit procedures under the Financial Instruments and Exchange Act. The audit procedures of these financial statements in accordance with the Financial Instruments and Exchange Act have not been completed at the time of disclosure.

#### 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 from the results anticipated in the statements. Regarding the assumptions forming the forecast of financial results, please refer to "1. **QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE SUBJECT PERIOD:** (3) Qualitative Information on Consolidated Financial Results Forecasts" on page 8.

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

## (1) Qualitative Information on Consolidated Financial Results

The Japanese government's *Monthly Economic Report* on the Japanese economy for the first-quarter period of FY2012 (April 1, 2012 to June 30, 2012) states that although difficult conditions remain, the economy is "recovering gently on the back of disaster recovery-related demand". The report also states that production, exports, corporate earnings and capital expenditures are "improving", while consumer spending is "gradually increasing". The report is considered favorable news by the advertising industry.

Amid this economic environment, the Fuji Media Holdings Group posted consolidated net sales for the subject first quarter of ¥151,071 million, up 7.8% from the same period of the previous fiscal year. This was due mainly to an increase in revenue in the mainstay Broadcasting segment and the Production segment, along with additional revenue from the new Urban Development segment comprising The Sankei Building Co., Ltd. and its subsidiaries, offsetting declines in revenue in the Video and Music, Life Information and Advertising segments.

Operating income rose 86.1% from the same period of the previous fiscal year to ¥13,990 million, due mainly to substantial gains in the Broadcasting and Production segments, and the addition of the Urban Development segment. Recurring profit jumped 146.4% to ¥21,991 million on recording the negative goodwill generated by making Kansai Telecasting Corporation an equity-method affiliate as an equity in earnings of affiliates. Net income rose 153.3% year on year to ¥15,248 million:

Results by operating segment are as follows:

Three months ended June 30

|                   | Net sales       |                 |        | Operating income (loss) |                 |        |
|-------------------|-----------------|-----------------|--------|-------------------------|-----------------|--------|
|                   | 2011            | 2012            | Change | 2011                    | 2012            | Change |
|                   | Millions of yen | Millions of yen | %      | Millions of yen         | Millions of yen | %      |
| Broadcasting      | 82,313          | <b>87,203</b>   | 5.9    | 4,923                   | <b>11,247</b>   | 128.4  |
| Production        | 9,749           | <b>12,580</b>   | 29.0   | 239                     | <b>801</b>      | 235.1  |
| Video and Music   | 14,921          | <b>13,035</b>   | (12.6) | 1,247                   | <b>852</b>      | (31.6) |
| Life Information  | 34,346          | <b>33,962</b>   | (1.1)  | 1,025                   | <b>431</b>      | (57.9) |
| Advertising       | 8,671           | <b>8,561</b>    | (1.3)  | (44)                    | <b>(91)</b>     | —      |
| Urban Development | —               | <b>6,702</b>    | —      | —                       | <b>1,008</b>    | —      |
| Other             | 6,396           | <b>6,378</b>    | (0.3)  | 114                     | <b>182</b>      | 58.5   |
| Eliminations      | (16,292)        | <b>(17,351)</b> | —      | 12                      | <b>(441)</b>    | —      |
| Total             | 140,106         | <b>151,071</b>  | 7.8    | 7,517                   | <b>13,990</b>   | 86.1   |

## Broadcasting

Fuji Television Network, Inc. recorded an increase in broadcasting revenues, with network time advertising sales rising steadily for regular programming, one-off sales increasing on such programs as the 2012 London Olympics Volleyball Final Qualifying Round, and spot advertising also positive. In non-broadcasting revenues, revenue from other businesses declined overall from the same period of

the previous fiscal year. The movie business made a valiant effort with *THERMAE ROMAE* and *LIAR GAME REBORN* but revenue failed to meet the level of a year earlier and declined overall. The event business also posted a revenue decrease as a result of the rebound effect from last year's "Cirque du Soleil's *KOOZA*." In terms of expenses, agency fees were up on the revenue increase, but lower costs in the broadcasting and other businesses resulted in an increase in Fuji Television Network's operating income.

Fuji Satellite Broadcasting, Inc. (BS Fuji) posted significant increases in revenue and earnings from the same period of the previous fiscal year. Time advertising revenue rose as a result of expansion in continuation fees related to the new April program lineup, and an increase in the number of single-sponsor programs. Spot advertising revenue also benefited from acquisition of new sponsors.

Nippon Broadcasting System, Inc. posted a revenue gain on positive performance from events and merchandise sales, although broadcasting revenue fell in response to the ongoing slump in radio advertising. Earnings, however, were down from a year earlier as a result of greater expenses for events and merchandise sales, offsetting a decline in agency fees.

As a result, for the Broadcasting segment overall, net sales increased 5.9% from the same period of the previous fiscal year to ¥87,203 million, with operating income up 128.4% to ¥11,247 million.

### Net Sales by Broadcasting Operations

Three months ended June 30

|   | 2011            | 2012            | Change |
|---|-----------------|-----------------|--------|
|   | Millions of yen | Millions of yen | %      |
| Fuji Television Network, Inc.               |                 |                 |        |
| Broadcasting businesses                     | 66,487          | <b>72,222</b>   | 8.6    |
| Broadcasting                                | 58,579          | <b>63,926</b>   | 9.1    |
| Network time                                | 27,386          | <b>27,705</b>   | 1.2    |
| Local time                                  | 3,753           | <b>3,897</b>    | 3.8    |
| Spot  | 27,440          | <b>32,322</b>   | 17.8   |
| Other broadcasting business                 | 7,907           | <b>8,296</b>    | 4.9    |
| Program sales                               | 4,619           | <b>4,658</b>    | 0.8    |
| Other                                       | 3,288           | <b>3,638</b>    | 10.7   |
| Other businesses                            | 10,804          | <b>8,948</b>    | (17.2) |
| Subtotal                                    | 77,292          | <b>81,171</b>   | 5.0    |
| Fuji Satellite Broadcasting, Inc. (BS Fuji) | 1,974           | <b>2,910</b>    | 47.4   |
| Nippon Broadcasting System, Inc.            | 3,544           | <b>3,752</b>    | 5.9    |
| Elimination in the segment                  | (498)           | <b>(631)</b>    | —      |
| Total                                       | 82,313          | <b>87,203</b>   | 5.9    |

## **Production**

Net sales in the Production segment rose 29.0% from the same period of the previous fiscal year to ¥12,580 million as a result of the rebound from the previous fiscal year's slump in the wake of the earthquake disaster, along with the addition of NEXTEP Co., Ltd. from the subject fiscal year. In terms of expenses, efforts were directed toward lowering the cost rate and trimming selling, general and administrative expenses. As a result, operating income jumped 235.1% from the same period of the previous fiscal year to ¥801 million.

## **Video and Music**

Pony Canyon, Inc. posted a decline in revenue overall, as hits in the music division from new South Korean artists and other titles were offset by a lack of productions in the movie division to rival such hits as *The Last Message Umizaru* and *SP The Motion Picture: Ambition* in the previous fiscal year. In terms of earnings, the cost rate decreased owing to the concentration of major music titles, but this was insufficient to offset the fall in revenue, and Pony Canyon's earnings declined overall.

Fujipacific Music Inc. posted gains in both revenue and earnings, due mainly to gains on hit products related to the AKB48 group produced by its house artists, which offset a decline in the copyright division's JASRAC distributions.

As a result, net sales in the Video and Music segment overall fell 12.6% from the same period of the previous fiscal year to ¥13,035 million, with operating income down 31.6% for the period to ¥852 million.

## **Life Information**

Dinos Inc.'s posted a year-on-year gain in revenue overall, as increases in living and fashion goods from catalogue shopping offset sluggish sales in television shopping due to the lack of hit products to rival last year's *One Piece*-themed car navigation systems. Earnings, however, declined as a result of a rise in the cost rate.

Cecile Co., Ltd. posted decreases in both revenue and earnings, as a result of slack demand for the power-saving and energy-efficient products popular a year earlier, and slow sales of summer clothing owing to lower-than-average temperatures during the subject fiscal year.

Sankei Living Shimbun Inc. recorded a sales gain as a result of the recovery in advertising revenue in the Tokyo area, and narrowed its operating loss from the same period of the previous fiscal year.

As a result, net sales in the Life Information segment overall decreased 1.1% from the same period of the previous fiscal year to ¥33,962 million, with operating income falling 57.9% to ¥431 million.

## **Advertising**

Quaras Inc. recorded a year-on-year decrease in revenue overall, as increases in newspaper and radio advertising revenue was offset by declines in ad production and merchandising sales revenue. In terms of earnings, the operating loss narrowed on improvement in the cost rate and other factors.

Kyodo Advertising Co., Ltd. posted a revenue decline stemming from a falloff in ad placements from a number of clients and recorded an operating loss.

As a result, net sales in the Advertising segment overall decreased 1.3% from the same period of the previous fiscal year to ¥8,561 million and the segment posted an operating loss for the period of ¥91 million.

### **Urban Development**

The Sankei Building Co., Ltd.'s earnings were newly incorporated in consolidated results from the subject fiscal year. Sankei Building's mainstay building business posted a decline in sales due to turnover in major tenants but the residential business recorded additional condominium sales during the subject period, and overall revenue increased. Operating income, however, fell slightly as a result of a revenue decline in the highly profitable building business.

As a result, net sales in the Urban Development segment overall amounted to ¥6,702 million, with operating income of ¥1,008 million.

### **Other**

Fujimic, Inc. recorded gains in both revenue and earnings on a rise in orders for IT system development. Fusosha Publishing, Inc. posted declines in both revenue and earnings, as strong advertising sales in the magazine division were offset by the book division, which had only one best-seller compared to three in the same period of the previous fiscal year.

As a result, net sales in the Other segment overall declined 0.3% from the same period of the previous fiscal year to ¥6,378 million, though operating income rose 58.5% to ¥182 million.

### **Equity-Method Affiliates**

Fee-based broadcaster Nihon Eiga Satellite Broadcasting Corporation posted increases in both sales and earnings on steady gains in subscribers for SKY PerfecTV! e2 and cable television services.

Sankei Shimbun Co., Ltd. recorded an increase in revenue as sales recovered from the effects of the earthquake disaster and through further cost-cutting efforts, achieved profitability for the subject fiscal period.

In addition, nine stations affiliated with Fuji TV, which were included in consolidated results from the subject fiscal year, all recorded basically steady recovery in broadcast revenue, contributing to an equity in earnings of affiliates. Kansai Telecasting Corporation also became an equity-method affiliate, generating ¥6,836 million in negative goodwill.

As a result, equity in earnings of affiliates increased ¥6,833 million overall from the same period of the previous fiscal year to ¥6,952 million.

## **(2) Qualitative Information on the Consolidated Financial Position**

Total assets at the end of the subject first-quarter period (June 30, 2012) amounted to ¥948,725 million, a decrease of ¥4,812 million from the end of the previous fiscal year (March 31, 2012).

Total current assets amounted to ¥359,431 million, a decrease of ¥6,777 million from the end of the previous fiscal year. This was due mainly to a decrease of ¥13,301 million in marketable securities; against an increase of ¥8,319 million in cash and deposits.

Noncurrent assets totaled ¥589,294 million, an increase of ¥1,965 million from the end of the previous fiscal year. This was due mainly to increases of ¥3,078 million in investment securities; and ¥1,623 million in lease deposits and guarantees included in the "Other" category of investments and

other assets; against a decrease of ¥2,150 million in buildings and structures.

Total liabilities amounted to ¥408,703 million, a decrease of ¥10,308 million from the end of the previous fiscal year. This was due mainly to decreases of ¥6,492 million in notes and accounts payable-trade; ¥4,431 million in accrued expenses included in the “Other” category of current liabilities; and ¥3,971 million in accrued income taxes.

Total net assets at the end of the subject first-quarter period amounted to ¥540,021 million, an increase of ¥5,496 million from the end of the previous fiscal year. This was mainly the result of ¥15,248 million in net income; against a decrease of ¥6,557 million in retained earnings due to dividend payments; an increase of ¥1,862 million in treasury stock; and a decrease of ¥1,504 million in valuation difference on available-for-sale securities.

### (3) Qualitative Information on Consolidated Financial Results Forecasts

Consolidated financial results were positive during the first-quarter period of the fiscal year ending March 31, 2013. Because of the unclear economic outlook, including the advertising market and other business conditions from the second quarter, we have left unchanged our whole-year forecast for revenue from Fuji Television Network, Inc. and the entire corporate group, but anticipate that operating income will slightly exceed the previous forecast.

In the mean time, because during the first-quarter period the Company recorded as an equity in earnings of affiliates ¥6.8 billion in negative goodwill related to the acquisition of shares in Kansai Telecasting Corporation, which has newly been made an equity-method affiliate, we anticipate that recurring profit and net income will exceed the previous forecasts for both the second-quarter cumulative and whole-year periods.

In line with these expectations, we are forecasting for the second-quarter cumulative period net sales of ¥305.8 billion, operating income of ¥17.4 billion, recurring profit of ¥25.8 billion, and net income of ¥17.8 billion; and for the whole-year period net sales of ¥634.5 billion, operating income of ¥39.9 billion, recurring profit of ¥49.2 billion, and net income of ¥31.7 billion.

The variance with the forecasts for the second-quarter cumulative and whole-year periods announced on May 15, 2012, is as follows:

#### (1) Second-quarter cumulative period (Six months ending September 30, 2012)

|                       | Millions of yen |                  |                  |            |
|-----------------------|-----------------|------------------|------------------|------------|
|                       | Net sales       | Operating income | Recurring profit | Net income |
| Previous forecast (A) | 307,100         | 16,800           | 18,700           | 11,900     |
| Revised forecast (B)  | 305,800         | 17,400           | 25,800           | 17,800     |
| Change (B-A)          | (1,300)         | 600              | 7,100            | 5,900      |
| Percent change (%)    | (0.4)           | 3.6              | 38.0             | 49.6       |

#### (2) Whole-year period (Year ending March 31, 2013)

|                       | Millions of yen |                  |                  |            |
|-----------------------|-----------------|------------------|------------------|------------|
|                       | Net sales       | Operating income | Recurring profit | Net income |
| Previous forecast (A) | 634,500         | 39,000           | 41,500           | 25,100     |
| Revised forecast (B)  | 634,500         | 39,900           | 49,200           | 31,700     |
| Change (B-A)          | —               | 900              | 7,700            | 6,600      |
| Percent change (%)    | —               | 2.3              | 18.6             | 26.3       |



## **2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)**

### **Changes in Accounting Policies, Changes in Accounting Estimates and Modifications and Restatements**

#### ***Changes in Accounting Policies Difficult to Distinguish from Changes in Accounting Estimates***

In accordance with revisions to the Corporation Tax Act, from the first quarter of the subject fiscal year, the Company and its domestic consolidated subsidiaries have changed the accounting policy for property, plant and equipment acquired on or after April 1, 2012, to the depreciation method based on the revised Corporation Tax Act.

The effect on operating income, recurring profit and net income for the subject first-quarter period as a result of this change is negligible.

### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### (1) Consolidated Balance Sheets

|                                     | Millions of yen |                |
|-------------------------------------|-----------------|----------------|
|                                     | March 31, 2012  | June 30, 2012  |
| <b>ASSETS</b>                       |                 |                |
| Current assets:                     |                 |                |
| Cash and deposits                   | 43,829          | <b>52,148</b>  |
| Notes and accounts receivable-trade | 125,477         | <b>120,459</b> |
| Marketable securities               | 118,211         | <b>104,909</b> |
| Inventories                         | 38,159          | <b>39,052</b>  |
| Other                               | 41,123          | <b>43,449</b>  |
| Allowance for doubtful accounts     | (592)           | <b>(589)</b>   |
| Total current assets                | 366,208         | <b>359,431</b> |
| Noncurrent assets:                  |                 |                |
| Property, plant and equipment       |                 |                |
| Buildings and structures            | 143,833         | <b>141,683</b> |
| Land                                | 155,331         | <b>154,970</b> |
| Other                               | 25,744          | <b>26,048</b>  |
| Total property, plant and equipment | 324,909         | <b>322,702</b> |
| Intangible assets                   |                 |                |
| Goodwill                            | 2,737           | <b>2,369</b>   |
| Other                               | 41,045          | <b>40,675</b>  |
| Total intangible assets             | 43,783          | <b>43,045</b>  |
| Investments and other assets        |                 |                |
| Investment securities               | 188,811         | <b>191,889</b> |
| Other                               | 32,010          | <b>33,837</b>  |
| Allowance for doubtful accounts     | (2,184)         | <b>(2,180)</b> |
| Total investments and other assets  | 218,636         | <b>223,546</b> |
| Total noncurrent assets             | 587,329         | <b>589,294</b> |
| Total assets                        | 953,537         | <b>948,725</b> |

|   | Millions of yen |                |
|---|-----------------|----------------|
|   | March 31, 2012  | June 30, 2012  |
| <b>LIABILITIES</b>                                    |                 |                |
| Current liabilities:                                  |                 |                |
| Notes and accounts payable-trade                      | 53,969          | <b>47,477</b>  |
| Short-term loans payable                              | 33,033          | <b>31,953</b>  |
| Provision for sales returns                           | 771             | <b>804</b>     |
| Provision for directors' bonuses                      | 376             | <b>79</b>      |
| Provision for point card certificates                 | 854             | <b>905</b>     |
| Other   | 113,951         | <b>108,889</b> |
| Total current liabilities                             | 202,957         | <b>190,110</b> |
| Noncurrent liabilities:                               |                 |                |
| Bonds payable   | 60,000          | <b>60,000</b>  |
| Long-term loans payable                               | 38,119          | <b>39,567</b>  |
| Provision for retirement benefits                     | 43,585          | <b>44,592</b>  |
| Provision for directors' retirement benefits          | 1,786           | <b>1,488</b>   |
| Provision for loss on interest repayment              | 74              | <b>74</b>      |
| Provision for environmental measures                  | 18              | <b>18</b>      |
| Other   | 72,470          | <b>72,851</b>  |
| Total noncurrent liabilities                          | 216,054         | <b>218,593</b> |
| Total liabilities                                     | 419,012         | <b>408,703</b> |
| <b>NET ASSETS</b>                                     |                 |                |
| Shareholders' equity:                                 |                 |                |
| Capital stock   | 146,200         | <b>146,200</b> |
| Capital surplus                                       | 173,664         | <b>173,664</b> |
| Retained earnings                                     | 214,135         | <b>222,789</b> |
| Treasury stock  | (7,355)         | <b>(9,218)</b> |
| Total shareholders' equity                            | 526,645         | <b>533,435</b> |
| Accumulated other comprehensive income:               |                 |                |
| Valuation difference on available-for-sale securities | 5,080           | <b>3,575</b>   |
| Deferred gains or losses on hedges                    | 55              | <b>1</b>       |
| Revaluation reserve for land                          | (20)            | <b>(20)</b>    |
| Foreign currency translation adjustment               | (4,491)         | <b>(4,020)</b> |
| Total accumulated other comprehensive income          | 624             | <b>(463)</b>   |
| Minority interests                                    | 7,256           | <b>7,048</b>   |
| Total net assets                                      | 534,525         | <b>540,021</b> |
| Total liabilities and net assets                      | 953,537         | <b>948,725</b> |

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

### Consolidated Statements of Income

Three months ended June 30

|  | Millions of yen |                |
|--|-----------------|----------------|
|  | 2011            | 2012           |
| Net sales                                    | 140,106         | <b>151,071</b> |
| Cost of sales                                | 89,858          | <b>92,094</b>  |
| Gross profit                                 | 50,248          | <b>58,976</b>  |
| Selling, general and administrative expenses | 42,730          | <b>44,985</b>  |
| Operating income                             | 7,517           | <b>13,990</b>  |
| Non-operating income:                        |                 |                |
| Dividends income                             | 1,191           | <b>1,145</b>   |
| Equity in earnings of affiliates             | 118             | <b>6,952</b>   |
| Other  | 560             | <b>572</b>     |
| Total  | 1,871           | <b>8,670</b>   |
| Non-operating expenses:                      |                 |                |
| Interests                                    | 215             | <b>519</b>     |
| Other  | 248             | <b>151</b>     |
| Total  | 464             | <b>670</b>     |
| Recurring profit                             | 8,925           | <b>21,991</b>  |
| Extraordinary gain:                          |                 |                |
| Gain on negative goodwill                    | 232             | <b>609</b>     |
| Other  | 164             | <b>74</b>      |
| Total  | 397             | <b>684</b>     |
| Extraordinary loss:                          |                 |                |
| Loss on valuation of investment securities   | 18              | <b>546</b>     |
| Impairment loss                              | —               | <b>1,117</b>   |
| Other  | 155             | <b>213</b>     |
| Total  | 173             | <b>1,878</b>   |
| Income before income taxes                   | 9,149           | <b>20,797</b>  |
| Income taxes-current                         | 1,476           | <b>4,317</b>   |
| Income taxes-deferred                        | 1,612           | <b>1,112</b>   |
| Total  | 3,089           | <b>5,430</b>   |
| Income before minority interests             | 6,059           | <b>15,367</b>  |
| Minority interests in income                 | 40              | <b>118</b>     |
| Net income                                   | 6,019           | <b>15,248</b>  |

## Consolidated Statements of Comprehensive Income

Three months ended June 30

|   | Millions of yen |                |
|---|-----------------|----------------|
|   | 2011            | 2012           |
| Income before minority interests  | 6,059           | <b>15,367</b>  |
| Other comprehensive income:   |                 |                |
| Valuation difference on available-for-sale securities                               | 3,634           | <b>(1,439)</b> |
| Deferred gains or losses on hedges  | (46)            | <b>(53)</b>    |
| Foreign currency translation adjustment   | 177             | <b>471</b>     |
| Share of other comprehensive income of associates accounted for using equity method | (11)            | <b>(69)</b>    |
| Total of other comprehensive income   | 3,753           | <b>(1,091)</b> |
| Comprehensive income  | 9,813           | <b>14,275</b>  |
| Comprehensive income attributable to:   |                 |                |
| Comprehensive income attributable to owners of the parent                           | 9,771           | <b>14,161</b>  |
| Comprehensive income attributable to minority interests                             | 42              | <b>114</b>     |

### (3) Note on Assumptions for Going Concern

Not applicable

### (4) Segment Information

#### 1. Three months ended June 30, 2011

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

Millions of Yen

|   | Reported segment  |                 |                       |                          |                  |         | Other<br>(Note 1) | Total   | Adjust-<br>ment<br>(Note 2) | Consolidated<br>statement of<br>income<br>(Note 3) |
|---|-------------------|-----------------|-----------------------|--------------------------|------------------|---------|-------------------|---------|-----------------------------|--|
|   | Broad-<br>casting | Produc-<br>tion | Video<br>and<br>Music | Life<br>Informa-<br>tion | Advertis-<br>ing | Total   |                   |         |                             |  |
| Net sales:                                  |                   |                 |                       |                          |                  |         |                   |         |                             |  |
| Net sales to<br>third parties               | 76,706            | 3,721           | 14,605                | 34,204                   | 8,020            | 137,257 | 2,849             | 140,106 | —                           | 140,106  |
| Inter-segment<br>net sales and<br>transfers | 5,606             | 6,028           | 316                   | 142                      | 651              | 12,745  | 3,547             | 16,292  | (16,292)                    | —  |
| Total sales                                 | 82,313            | 9,749           | 14,921                | 34,346                   | 8,671            | 150,003 | 6,396             | 156,399 | (16,292)                    | 140,106  |
| Segment<br>operating<br>income (loss)       | 4,923             | 239             | 1,247                 | 1,025                    | (44)             | 7,390   | 114               | 7,505   | 12                          | 7,517  |

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 ¥12 million mainly comprises ¥1,036 million in eliminations of inter-segment business, together with minus ¥1,024 million in company-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

###### ***Accrual of important gain on negative goodwill***

In the "Broadcasting" segment, the equity-method affiliate Fuji Satellite Broadcasting, Inc. (BS Fuji) was made a wholly-owned subsidiary by means of a share exchange to become a consolidated subsidiary. As a result, the Company recorded a ¥232 million gain on negative goodwill during the subject first-quarter period.

## 2. Three months ended June 30, 2012

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

Millions of Yen

|   | Reported segment  |                 |                       |                          |                  |                           |         | Other<br>(Note 1) | Total   | Adjust-<br>ment<br>(Note 2) | Consolidated<br>statement of<br>income<br>(Note 3) |
|---|-------------------|-----------------|-----------------------|--------------------------|------------------|---------------------------|---------|-------------------|---------|-----------------------------|--|
|   | Broad-<br>casting | Produc-<br>tion | Video<br>and<br>Music | Life<br>Informa-<br>tion | Advertis-<br>ing | Urban<br>Develop-<br>ment | Total   |                   |         |                             |  |
| Net sales:                                |                   |                 |                       |                          |                  |                           |         |                   |         |                             |  |
| Net sales to<br>third parties             | 82,381            | 5,024           | 12,804                | 33,859                   | 7,681            | 6,597                     | 148,348 | 2,723             | 151,071 | —                           | 151,071  |
| Intra-group net<br>sales and<br>transfers | 4,821             | 7,556           | 231                   | 102                      | 880              | 105                       | 13,697  | 3,654             | 17,351  | (17,351)                    | —  |
| Total sales                               | 87,203            | 12,580          | 13,035                | 33,962                   | 8,561            | 6,702                     | 162,045 | 6,378             | 168,423 | (17,351)                    | 151,071  |
| Segment<br>operating<br>income (loss)     | 11,247            | 801             | 852                   | 431                      | (91)             | 1,008                     | 14,250  | 182               | 14,432  | (441)                       | 13,990   |

- 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 ¥441 million mainly comprises ¥555 million in eliminations of inter-segment business, together with minus ¥996 million in company-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 on 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 first-quarter 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 first-quarter 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 first-quarter period of ¥245 million.

## (5) Notes in the Event of Major Change in Shareholders' Equity

### 1. Three months ended June 30, 2011

Fuji Media Holdings made its equity-method affiliate Fuji Satellite Broadcasting, Inc. (BS Fuji) a wholly-owned subsidiary on April 1, 2011 by means of a share exchange. A total of 38,850 shares

of treasury stock held by the Company were consigned for this transaction.

As a result, in the subject first-quarter period, treasury stock decreased by ¥9,842 million, and retained earnings decreased by ¥5,468 million.

**2. Three months ended June 30, 2012**

Not applicable.

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