

**Quarterly Flash Report [Japanese GAAP] (Consolidated Basis)****Results for the six months ended September 30, 2012****Company name: Fuji Media Holdings, Inc.**Stock listing: Tokyo Stock Exchange Code number: 4676 URL <http://www.fujimediahd.co.jp/en>

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(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 increase/ (decrease).

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
2012	304,809	7.1	18,973	36.3	27,302	81.4	18,046	100.6
2011	284,618	(2.9)	13,918	19.4	15,054	6.9	8,997	48.0

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

Six months ended September 30, 2011: ¥15,632 million, —%

	Net Income per Share Basic	Net Income per Share Diluted
	Yen	Yen
2012	7,768.21	—
2011	3,842.05	—

**(2) Financial Position**

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
September 30, 2012	949,692	541,521	56.5
March 31, 2012	953,537	534,525	55.3

(Reference) Total shareholders' equity: September 30, 2012: ¥536,819 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	—	2,200.00			
2013 (Forecast)			—	2,200.00	4,400.00

(Note) Revision of dividends forecast: None



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 9.

## CONTENTS OF ATTACHMENT

<b>1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE SUBJECT PERIOD</b>	<b>5</b>
(1) Qualitative Information on Consolidated Financial Results	5
(2) Qualitative Information on the Consolidated Financial Position	8
(3) Qualitative Information on Consolidated Financial Results Forecasts	9
<b>2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)</b>	<b>10</b>
Changes in Accounting Policies, Changes in Accounting Estimates and Modifications and Restatements	10
<b>3. CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>11</b>
(1) Consolidated Balance Sheets	11
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	13
(3) Consolidated Statements of Cash Flows	15
(4) Note on Assumptions for Going Concern	17
(5) Segment Information	17
(6) Notes in the Event of Major Change in Shareholders' Equity	19

# 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 second-quarter cumulative period of the fiscal year ending March 31, 2013 (April 1, 2012 to September 30, 2012) states that "the economy continues to recover gently during the first-quarter period of the subject fiscal year though conditions remain difficult." The report also indicated a shift in the overall assessment, however, stating that near the end of the second quarter, with high levels of uncertainty surrounding the European sovereign debt crisis continuing, "the trend toward recovery is showing signs of stalling against the backdrop of a slowdown in the global economy and other factors." In response to these circumstances, conditions in the advertising industry were positive during the first quarter, centered on spot advertising sales, but became strained during the second quarter as the slowdown became apparent.

Amid this economic environment, the Fuji Media Holdings Group posted consolidated net sales for the subject second-quarter cumulative period of ¥304,809 million, up 7.1% from the same period of the previous fiscal year. This was due mainly to an increase in revenue in the mainstay Broadcasting segment, the Production segment and the Advertising segment, along with additional revenues from the new Urban Development segment comprising The Sankei Building Co., Ltd. and its subsidiaries, offsetting declines in revenues in the Video and Music, Life Information and Other segments.

Operating income rose 36.3% from the same period of the previous fiscal year to ¥18,973 million, due mainly to substantial gains in the Broadcasting and Production segments, and the addition of the Urban Development segment. Recurring profit jumped 81.4% to ¥27,302 million on recording as equity in earnings of affiliates the negative goodwill generated when Kansai Telecasting Corporation was made an equity-method affiliate in June of the subject fiscal year. Net income rose 100.6% year-on-year to ¥18,046 million.

Results by operating segment are as follows.

Six months ended September 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	172,257	<b>176,802</b>	2.6	10,963	<b>14,683</b>	33.9
Production	21,376	<b>25,734</b>	20.4	862	<b>1,645</b>	90.7
Video and Music	29,716	<b>28,169</b>	(5.2)	1,784	<b>1,212</b>	(32.0)
Life Information	63,580	<b>61,831</b>	(2.8)	363	<b>(565)</b>	—
Advertising	18,536	<b>18,771</b>	1.3	1	<b>(85)</b>	—
Urban Development	—	<b>15,867</b>	—	—	<b>2,420</b>	—
Other	13,093	<b>12,913</b>	(1.4)	417	<b>372</b>	(10.7)
Eliminations	(33,942)	<b>(35,280)</b>	—	(474)	<b>(711)</b>	—
Total	284,618	<b>304,809</b>	7.1	13,918	<b>18,973</b>	36.3

## Broadcasting

Fuji Television Network, Inc.'s network time advertising sales rose steadily for regular programming, with one-off sales up year-on-year from Olympics-related programming. Spot advertising was also positive despite the difficult conditions during the second quarter, and broadcasting revenues increased overall. In non-broadcasting revenues, revenue from other businesses declined overall from the same period of the previous fiscal year. The movie business posted gains from such hit films as *THERMAE ROMAE* and *BRAVE HEARTS Umizaru*, but the event business posted a revenue decrease as a result of the rebound effect from last year's "Cirque du Soleil's *KOOZA*." In terms of expenses, costs were down in other businesses, and despite increases in broadcasting business costs and agency fees, Fuji Television Network's operating income rose on the increase in net sales.

Fuji Satellite Broadcasting, Inc. (BS Fuji) posted increases in both revenue and earnings from the same period of the previous fiscal year, with time advertising revenue rising for both regular and one-off programming, along with gains in spot advertising revenue.

Nippon Broadcasting System, Inc. posted a decline in revenue due to sluggish broadcasting income in response to the ongoing slump in radio advertising. Earnings, however, rose as a result of efforts to trim program production costs and other expenses.

As a result, for the Broadcasting segment overall, net sales increased 2.6% from the same period of the previous fiscal year to ¥176,802 million, with operating income up 33.9% to ¥14,683 million.

### Net Sales by Broadcasting Operations

Six months ended September 30

	2011	2012	Change
	Millions of yen	Millions of yen	%
Fuji Television Network, Inc.			
Broadcasting businesses	134,106	<b>139,234</b>	3.8
Broadcasting	118,326	<b>122,341</b>	3.4
Network time	55,925	<b>57,577</b>	3.0
Local time	7,846	<b>7,977</b>	1.7
Spot	54,553	<b>56,786</b>	4.1
Other broadcasting business	15,780	<b>16,892</b>	7.1
Program sales	9,148	<b>9,382</b>	2.6
Other	6,631	<b>7,510</b>	13.2
Other businesses	26,262	<b>25,061</b>	(4.6)
Subtotal	160,369	<b>164,295</b>	2.4
Fuji Satellite Broadcasting, Inc. (BS Fuji)	4,323	<b>5,759</b>	33.2
Nippon Broadcasting System, Inc.	8,606	<b>8,039</b>	(6.6)
Elimination in the segment	(1,041)	<b>(1,293)</b>	—
Total	172,257	<b>176,802</b>	2.6

## **Production**

Net sales in the Production segment rose 20.4% from the same period of the previous fiscal year to ¥25,734 million. This was due mainly to the rebound from the previous fiscal year's slump in the wake of the earthquake disaster, the rise in revenues at all production-related companies on an increase in programming and event orders, and the addition of NEXTEP Co., Ltd. from the subject fiscal year. In terms of expenses, efforts to lower the cost rate and trim selling, general and administrative expenses resulted in a rise in operating income, which increased 90.7% from the same period of the previous fiscal year to ¥1,645 million.

## **Video and Music**

Pony Canyon, Inc. posted a decline in revenue overall, as contributions in the music division from aiko's new album, and in the movie division from the film *K-ON!* were unable to rival those from such movie hits in the previous fiscal year as *The Last Message Umizaru* and *SP The Motion Picture: Ambition*. In terms of expenses, a rise in the cost rate, along with increases in promotion and other costs, led to a decline in Pony Canyon's earnings 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 5.2% from the same period of the previous fiscal year to ¥28,169 million, with operating income down 32.0% for the period to ¥1,212 million.

## **Life Information**

Dinos Inc.'s posted a slight year-on-year gain in revenue overall, as increases in household goods from catalogue shopping offset sluggish sales in television shopping due to a decrease in broadcast slots, and the lack of hit products to rival the previous fiscal year's *One Piece*-themed car navigation systems. Earnings, however, declined as a result of an increase in promotional costs.

Cecile Co., Ltd. posted decreases in both revenue and earnings, as a result of the rebound decline in demand for emergency and power-saving products from the previous fiscal year, along with sluggish catalogue sales as a result of the unseasonable weather conditions from the start of the subject period.

Sankei Living Shimbun Inc. recorded a slight decrease in sales gain as a result of the sluggishness in advertising revenue in the Osaka area, resulting in an operating loss for the period.

As a result, net sales in the Life Information segment overall decreased 2.8% from the same period of the previous fiscal year to ¥61,831 million, with the segment posting an operating loss for the period of ¥565 million.

## **Advertising**

Quaras Inc. recorded an increase in revenue on contributions from advertising revenue from television, radio and newspapers, along with a gain in event revenue. In terms of earnings,

Quaras regained profitability 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 major clients, and recorded an operating loss.

As a result, net sales in the Advertising segment overall increased 1.3% from the same period of the previous fiscal year to ¥18,771 million, with the segment posting an operating loss for the period of ¥85 million.

### **Urban Development**

The Sankei Building Co., Ltd., which became a new consolidated subsidiary from the subject fiscal year, posted an increase in revenue overall, as declines in the mainstay building business were offset by positive performance in the residential business during the subject period. Earnings, however, fell slightly as a result of an increase in the cost rate and other factors.

As a result, net sales in the Urban Development segment overall amounted to ¥15,867 million, with operating income of ¥2,420 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 weak performance in the book division.

As a result, net sales in the Other segment overall declined 1.4% from the same period of the previous fiscal year to ¥12,913 million, with operating income down 10.7% to ¥372 million.

### **Equity-Method Affiliates**

Fee-based broadcaster Nihon Eiga Satellite Broadcasting Corporation posted a revenue increase on gains in subscribers to SKY PerfecTV! e2, though earnings declined as a result of rising expenses related to expansion into BS broadcasts, and adaptation to high-definition formats.

Sankei Shimbun Co., Ltd. recorded a slight decline in revenue, though earnings rose as a result of efforts to trim expenses.

In addition, 10 stations affiliated with Fuji TV, which were included in consolidated results from the subject fiscal year, all recorded positive performance in broadcast revenue, contributing to equity in earnings of affiliates. Negative goodwill of ¥6,836 million was also recorded in Kansai Telecasting Corporation.

As a result, equity in earnings of affiliates increased ¥6,662 million overall from the same period of the previous fiscal year to ¥7,224 million.

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

Total assets at the end of the subject second-quarter period (September 30, 2012) amounted to ¥949,692 million, a decrease of ¥3,845 million from the end of the previous fiscal year (March 31, 2012).

Total current assets amounted to ¥362,094 million, a decrease of ¥4,114 million from the end of the previous fiscal year. This was due mainly to decreases of ¥10,508 million in notes and



accounts receivable-trade; and ¥5,805 million in cash and deposits; against an increase of ¥9,694 million in marketable securities.

Noncurrent assets totaled ¥587,597 million, an increase of ¥268 million from the end of the previous fiscal year. This was due mainly to increases of ¥6,597 million in investment securities; and ¥1,460 million in lease deposits and guarantees included in the "Other" category of investments and other assets; against decreases of ¥4,628 million in buildings and structures; and ¥3,121 million in land.

Total liabilities amounted to ¥408,170 million, a decrease of ¥10,841 million from the end of the previous fiscal year. This was due mainly to decreases of ¥3,386 million in short-term loans payable; ¥2,917 million in notes and accounts payable-trade; and ¥1,718 million in accrued expenses included in the "Other" category of current liabilities.

Total net assets at the end of the subject second-quarter period amounted to ¥541,521 million, an increase of ¥6,995 million from the end of the previous fiscal year. This was mainly the result of ¥18,046 million in net income; against a decrease of ¥6,557 million in retained earnings due to dividend payments; a decrease of ¥2,554 million in minority interests stemming from making The Sankei Building Co., Ltd. a wholly-owned subsidiary; and an increase of ¥1,863 million in treasury stock.

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

Cash provided by operating activities amounted to ¥22,423 million, an increase of ¥11,347 million from cash provided during the same period of the previous fiscal year. This was due mainly to an increase of ¥11,145 million in income before income taxes; and a ¥8,749 million increase in notes and accounts receivable-trade; against an increase of ¥6,662 million in equity in earnings of affiliates; and a ¥2,047 million increase in inventories.

Cash used in investing activities totaled ¥12,247 million, an increase of ¥7,726 million from cash used in the same period of the previous fiscal year. This was due mainly to a decrease of ¥26,186 million in proceeds from sales and redemption of securities; against a decrease of ¥15,879 million in purchase of marketable securities; and an increase of ¥4,028 million in proceeds from sale of property, plant and equipment.

Cash used in financing activities totaled ¥11,249 million, an increase of ¥8,253 million from cash used in the same period of the previous fiscal year. This was due mainly to an increase of ¥12,347 million in repayments of long-term loans payable; against a ¥4,300 million net increase in short-term loans payable.

As a result, along with an additional ¥51 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, 2012) amounted to ¥71,799 million, a decrease of ¥955 million from the end of the previous fiscal year (March 31, 2012), and an increase of ¥13,530 million from the end of the same period of the previous fiscal year (September 30, 2011).

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

Consolidated financial results were generally positive during the second-quarter cumulative

period of the fiscal year ending March 31, 2013. However, advertising market conditions have cooled since the second quarter, and we anticipate a decline in spot advertising revenue at Fuji Television Network, Inc., as well as sluggish catalogue sales in the Life Information segment as a result of the unseasonable weather conditions from the start of the subject period. The Urban Development segment newly included in earnings from the subject fiscal year is posting steady earnings, but overall we expect consolidated net sales, operating income, recurring profit and net income to fall short of the previous forecast figures.

In line with these expectations, for the whole-year period of the subject fiscal year, we are forecasting net sales of ¥622.7 billion, operating income of ¥33.8 billion, recurring profit of ¥43.2 billion, and net income of ¥28.0 billion.

The variance with the consolidated results forecast for the whole-year period announced on July 31, 2012, is as follows.

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

	Millions of yen			
	Net sales	Operating income	Recurring profit	Net income
Previous forecast (A)	634,500	39,900	49,200	31,700
Revised forecast (B)	622,700	33,800	43,200	28,000
Change (B-A)	(11,800)	(6,100)	(6,000)	(3,700)
Percent change (%)	(1.9)	(15.3)	(12.2)	(11.7)

## 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 second-quarter cumulative period as a result of this change is negligible.

### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### (1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2012	September 30, 2012
<b>ASSETS</b>		
Current assets:		
Cash and deposits	43,829	<b>38,024</b>
Notes and accounts receivable-trade	125,477	<b>114,968</b>
Marketable securities	118,211	<b>127,905</b>
Inventories	38,159	<b>41,430</b>
Other	41,123	<b>40,378</b>
Allowance for doubtful accounts	(592)	<b>(612)</b>
Total current assets	366,208	<b>362,094</b>
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	143,833	<b>139,205</b>
Land	155,331	<b>152,209</b>
Other	25,744	<b>26,602</b>
Total property, plant and equipment	324,909	<b>318,017</b>
Intangible assets		
Goodwill	2,737	<b>2,001</b>
Other	41,045	<b>40,334</b>
Total intangible assets	43,783	<b>42,336</b>
Investments and other assets		
Investment securities	188,811	<b>195,408</b>
Other	32,010	<b>33,998</b>
Allowance for doubtful accounts	(2,184)	<b>(2,162)</b>
Total investments and other assets	218,636	<b>227,244</b>
Total noncurrent assets	587,329	<b>587,597</b>
Total assets	953,537	<b>949,692</b>

	Millions of yen	
	March 31, 2012	September 30, 2012
<b>LIABILITIES</b>		
Current liabilities:		
Notes and accounts payable-trade	53,969	<b>51,052</b>
Short-term loans payable	33,033	<b>29,647</b>
Provision for sales returns	771	<b>739</b>
Provision for directors' bonuses	376	<b>169</b>
Provision for point card certificates	854	<b>849</b>
Other	113,951	<b>108,680</b>
Total current liabilities	202,957	<b>191,138</b>
Noncurrent liabilities:		
Bonds payable	60,000	<b>60,000</b>
Long-term loans payable	38,119	<b>37,186</b>
Provision for retirement benefits	43,585	<b>44,369</b>
Provision for directors' retirement benefits	1,786	<b>1,538</b>
Provision for loss on interest repayment	74	<b>74</b>
Provision for environmental measures	18	<b>18</b>
Other	72,470	<b>73,843</b>
Total noncurrent liabilities	216,054	<b>217,032</b>
Total liabilities	419,012	<b>408,170</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>225,590</b>
Treasury stock	(7,355)	<b>(9,219)</b>
Total shareholders' equity	526,645	<b>536,236</b>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	5,080	<b>4,963</b>
Deferred gains or losses on hedges	55	<b>(32)</b>
Revaluation reserve for land	(20)	<b>(24)</b>
Foreign currency translation adjustment	(4,491)	<b>(4,324)</b>
Total accumulated other comprehensive income	624	<b>582</b>
Minority interests	7,256	<b>4,702</b>
Total net assets	534,525	<b>541,521</b>
Total liabilities and net assets	953,537	<b>949,692</b>

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

### Consolidated Statements of Income

Six months ended September 30

	Millions of yen	
	2011	2012
Net sales	284,618	<b>304,809</b>
Cost of sales	185,884	<b>198,065</b>
Gross profit	98,734	<b>106,743</b>
Selling, general and administrative expenses:	84,815	<b>87,770</b>
Operating income	13,918	<b>18,973</b>
Non-operating income:		
Dividends income	1,257	<b>1,195</b>
Equity in earnings of affiliates	562	<b>7,224</b>
Other	1,302	<b>1,328</b>
Total	3,122	<b>9,749</b>
Non-operating expenses:		
Interests	433	<b>1,050</b>
Other	1,553	<b>369</b>
Total	1,987	<b>1,419</b>
Recurring profit	15,054	<b>27,302</b>
Extraordinary gain:		
Gain on sales of noncurrent assets	15	<b>647</b>
Gain on negative goodwill	232	<b>1,617</b>
Other	176	<b>423</b>
Total	424	<b>2,687</b>
Extraordinary loss:		
Impairment loss	—	<b>1,117</b>
Special retirement benefits	—	<b>1,676</b>
Other	484	<b>1,057</b>
Total	484	<b>3,851</b>
Income before income taxes	14,993	<b>26,138</b>
Income taxes-current	5,753	<b>8,080</b>
Income taxes-deferred	125	<b>(216)</b>
Total	5,878	<b>7,864</b>
Income before minority interests	9,114	<b>18,274</b>
Minority interests in income	117	<b>227</b>
Net income	8,997	<b>18,046</b>

## Consolidated Statements of Comprehensive Income

Six months ended September 30

	Millions of yen	
	2011	2012
Income before minority interests	9,114	<b>18,274</b>
Other comprehensive income:		
Valuation difference on available-for-sale securities	6,753	<b>65</b>
Deferred gains or losses on hedges	(150)	<b>(87)</b>
Foreign currency translation adjustment	(78)	<b>166</b>
Share of other comprehensive income of associates accounted for using equity method	(7)	<b>(194)</b>
Total of other comprehensive income	6,517	<b>(49)</b>
Comprehensive income	15,632	<b>18,224</b>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	15,527	<b>18,004</b>
Comprehensive income attributable to minority interests	105	<b>220</b>

### (3) Consolidated Statements of Cash Flows

Six months ended September 30

	Millions of yen	
	2011	2012
Cash flows from operating activities:		
Income before income taxes	14,993	<b>26,138</b>
Depreciation and amortization	10,833	<b>11,154</b>
Impairment loss	—	<b>1,117</b>
Interest and dividend receivable	(1,352)	<b>(1,398)</b>
Interest expenses	433	<b>1,050</b>
Equity in (earnings) losses of affiliates	(562)	<b>(7,224)</b>
Gain on negative goodwill	(232)	<b>(1,617)</b>
Special retirement benefits	—	<b>1,676</b>
Decrease (increase) in notes and accounts receivable-trade	2,076	<b>10,826</b>
Decrease (increase) in inventories	(1,086)	<b>(3,133)</b>
Increase (decrease) in notes and accounts payable-trade	(2,727)	<b>(3,287)</b>
Others	(756)	<b>(5,839)</b>
Subtotal	21,621	<b>29,461</b>
Interests and dividend income received	1,588	<b>1,505</b>
Interests expenses paid	(422)	<b>(937)</b>
Income taxes paid	(13,621)	<b>(10,903)</b>
Income taxes refunded	1,910	<b>3,296</b>
Net cash provided by operating activities	11,075	<b>22,423</b>
Cash flows from investing activities:		
Purchase of marketable securities	(133,259)	<b>(117,379)</b>
Proceeds from sales and redemption of marketable securities	133,380	<b>107,194</b>
Purchase of property, plant and equipment	(3,457)	<b>(6,265)</b>
Proceeds from sales of property, plant and equipment	111	<b>4,140</b>
Purchase of intangible assets	(1,837)	<b>(2,601)</b>
Purchase of investment securities	(331)	<b>(2,198)</b>
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	<b>690</b>
Others	872	<b>4,172</b>
Net cash used in investing activities	(4,520)	<b>(12,247)</b>

(continued on page 16)

	Millions of yen	
	2011	2012
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	—	<b>4,300</b>
Proceeds from long-term loans payable	—	<b>4,100</b>
Repayment of long-term loans payable	(371)	<b>(12,719)</b>
Dividends paid	(2,310)	<b>(6,564)</b>
Dividends paid to minority shareholders	(75)	<b>(76)</b>
Others	(238)	<b>(289)</b>
Net cash used in financing activities	(2,996)	<b>(11,249)</b>
Effect of exchange rate changes on cash and cash equivalents	(34)	<b>67</b>
Increase (decrease) in cash and cash equivalents	3,524	<b>(1,006)</b>
Cash and cash equivalents at the beginning of the term	48,142	<b>72,754</b>
Increase in cash and cash equivalents resulting from merger	—	<b>51</b>
Increase in cash and cash equivalents resulting from share exchanges	6,602	—
Cash and cash equivalents at the end of the term	58,269	<b>71,799</b>



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

Not applicable

#### (5) Segment Information

##### 1. Six Months ended September 30, 2011

##### 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	Total				
Net sales:										
Net sales to third parties	161,482	7,739	29,007	63,235	17,316	278,780	5,838	284,618	—	284,618
Inter-segment net sales and transfers	10,775	13,637	709	345	1,219	26,687	7,255	33,942	(33,942)	—
Total sales	172,257	21,376	29,716	63,580	18,536	305,467	13,093	318,561	(33,942)	284,618
Segment operating income	10,963	862	1,784	363	1	13,975	417	14,393	(474)	13,918

- 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 ¥474 million mainly comprises ¥1,579 million in eliminations of inter-segment business, together with minus ¥2,053 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 is adjusted to the operating income figure on the Consolidated Statement of Income.

##### 2. Information on Impairment Losses on Fixed 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 second-quarter cumulative period.

## 2. 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 sales	176,802	25,734	28,169	61,831	18,771	15,867	327,176	12,913	340,089	(35,280)	304,809
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.
  4. The "Urban Development" segment was newly established when The Sankei Building Co., Ltd. was made a consolidated subsidiary at the end of the previous fiscal year.

### 2. Information on Impairment Losses on Noncurrent Assets or Goodwill by Reportable 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 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 means. As a result, the Company recorded ¥1,005 million in negative goodwill during the subject second-quarter cumulative period.

**(6) Notes in the Event of Major Change in Shareholders' Equity**

**1. Six months ended September 30, 2011**

The Company 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 second-quarter cumulative period, treasury stock decreased by ¥9,842 million, and retained earnings decreased by ¥5,468 million.

**2. Six months ended September 30, 2012**

Not applicable.

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