February 5, 2013

Quarterly Flash Report [Japanese GAAP] (Consolidated Basis)

Results for the nine months ended December 31, 2012

Company name: Fuji Media Holdings, Inc.

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

Representative: Kou Toyoda, President and Representative Director

Person to contact: Tsuyoshi Habara, Executive Managing Officer, Senior Executive Director of Treasury & Finance Department

Telephone: +81-3-3570-8000 (key)

Quarterly report filing date (Planned): February 14, 2013 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

Nine months ended December 31 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	470,627	4.9	31,014	8.3	40,403	35.4	26,933	62.3
2011	448,521	0.1	28,634	21.0	29,831	10.2	16,598	22.2

(Note) Comprehensive income: Nine months ended December 31, 2012: ¥34,572 million, 43.4%;
Nine months ended December 31, 2011: ¥24,114 million, 178.4%

	Net Income per Share Basic	Net Income per Share Diluted
	Yen	Yen
2012	11,604.69	—
2011	7,087.38	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
December 31, 2012	967,683	552,708	56.6
March 31, 2012	953,537	534,525	55.3

(Reference) Total shareholders' equity: December 31, 2012: ¥547,817 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

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	%
Fiscal year	628,800	5.9	36,700	10.5	45,900	(12.3)

	Net income		Net income per share
	Millions of yen	%	Yen
Fiscal year	30,600	(50.0)	13,190.90

(Note) Revision of earnings forecast: Yes

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 accounting practices special to the preparation of quarterly consolidated financial statements: 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: Yes
   2) Changes in accounting policies other than 1) above: None
   3) Changes in accounting estimates: Yes
   4) Modifications and restatements: None

4. Number of issued shares (Common shares)

	Nine months ended December 31, 2012	Year ended 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	47,881	34,247
		Nine months ended December 31, 2011
3) Average number of issued shares for the period	2,320,881	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.

CONTENTS OF ATTACHMENT

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 third-quarter cumulative period of the fiscal year ending March 31, 2013 (April 1, 2012 to December 31, 2012) concludes that following negative growth in the second quarter, weakness remains at present with the slowdown in the global economy, but that underpinned by continued earthquake recovery-related demand, there are prospects for renewed economic recovery stemming from economic assistance measures following the change in administration, and improvement in overseas market conditions. In the advertising industry, revenue from both network time and spot advertising sales was down from the same period of the previous fiscal year, as the declining trend from the second quarter continued and conditions remained harsh.

Amid this economic environment, the Fuji Media Holdings Group posted consolidated net sales for the subject third-quarter cumulative period of ¥470,627 million, up 4.9% from the same period of the previous fiscal year. This was due mainly to gains in the Production segment and the Advertising segment, along with additional revenues from the newly incorporated Urban Development segment comprising The Sankei Building Co., Ltd. and its subsidiaries, offsetting declines in revenue in the mainstay Broadcasting segment, as well as the Video and Music, Life Information and Other segments.

Operating income rose 8.3% from the same period of the previous fiscal year to ¥31,014 million, due mainly to earnings gains in the Broadcasting and Production segments, and the addition of the Urban Development segment. Recurring profit rose 35.4% to ¥40,403 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 62.3% year-on-year to ¥26,933 million.

Results by operating segment are as follows.

Nine months ended December 31

	Net sales			Operating income		
	2011	**2012**	Change	2011	**2012**	Change
	Millions of yen	**Millions of yen**	%	Millions of yen	**Millions of yen**	%
Broadcasting	267,771	**266,823**	(0.4)	21,795	**22,356**	2.6
Production	32,555	**38,170**	17.2	1,650	**2,381**	44.3
Video and Music	44,794	**42,500**	(5.1)	2,536	**1,770**	(30.2)
Life Information	104,390	**101,375**	(2.9)	2,753	**1,332**	(51.6)
Advertising	28,625	**30,167**	5.4	53	**66**	24.4
Urban Development	—	**24,326**	—	—	**3,097**	—
Other	20,417	**20,037**	(1.9)	666	**593**	(11.0)
Eliminations	(50,032)	**(52,773)**	—	(821)	**(583)**	—
Total	448,521	**470,627**	4.9	28,634	**31,014**	8.3

Broadcasting

Fuji Television Network, Inc.'s network time advertising sales held steady for regular programming, with one-off sales up year-on-year from Olympics-related programing. Spot advertising sales declined as the difficult conditions during the second quarter persisted during the third quarter, and broadcasting revenues decreased overall. In non-broadcasting revenues, revenue from other businesses declined overall from the same period of the previous fiscal year. The movie business recorded gains from such hit films as *THERMAE ROMAE*, *BRAVE HEARTS Umizaru*, and *BAYSIDE SHAKEDOWN THE FINAL*, 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, Fuji Television Network's operating income rose as costs fell for program production and other businesses.

Fuji Satellite Broadcasting, Inc. (BS Fuji) posted an increase in revenue on positive results for both time and spot advertising sales, but earnings declined from the same period of the previous fiscal year as a result of a rise in program production and other costs.

Nippon Broadcasting System, Inc., despite the continued sluggishness in broadcast income, posted an increase in revenue on gains in event and merchandise sales income. Earnings also rose as a result of efforts to trim program production costs and other expenses.

As a result, for the Broadcasting segment overall, net sales decreased 0.4% from the same period of the previous fiscal year to ¥266,823 million, with operating income up 2.6% to ¥22,356 million.

Net Sales by Broadcasting Operations

Nine months ended December 31

	2011	**2012**	Change
Fuji Television Network, Inc.	Millions of yen	Millions of yen	%
Broadcasting businesses	210,131	**209,943**	(0.1)
Broadcasting	186,108	**184,366**	(0.9)
Network time	85,038	**85,192**	0.2
Local time	12,096	**11,707**	(3.2)
Spot	88,973	**87,466**	(1.7)
Other broadcasting business	24,022	**25,576**	6.5
Program sales	13,689	**14,302**	4.5
Other	10,332	**11,274**	9.1
Other businesses	38,357	**35,966**	(6.2)
Subtotal	248,488	**245,909**	(1.0)
Fuji Satellite Broadcasting, Inc. (BS Fuji)	6,896	**8,744**	26.8
Nippon Broadcasting System, Inc.	14,016	**14,070**	0.4
Elimination in the segment	(1,630)	**(1,901)**	—
Total	267,771	**266,823**	(0.4)

Production

Net sales in the Production segment rose 17.2% from the same period of the previous fiscal year to ¥38,170 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 NEXTEP Co., Ltd. becoming a consolidated subsidiary 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 44.3% from the same period of the previous fiscal year to ¥2,381 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 video division from the film *K-ON!* were unable to offset a sharp decline in titles in the video division. 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 a slight gain in revenue as hit products related to the AKB48 group produced by its house artists offset a decline in the copyright division's JASRAC distributions. Earnings, however, declined as a result of an increase in the cost rate.

As a result, net sales in the Video and Music segment overall fell 5.1% from the same period of the previous fiscal year to ¥42,500 million, with operating income down 30.2% for the period to ¥1,770 million.

Life Information

Dinos Inc.'s posted a year-on-year gain in revenue overall, as increases in catalogue shopping for apparel and household goods 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 system. Earnings, however, declined as a result of an increase in promotional costs.

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

Sankei Living Shimbun Inc. recorded a decrease in sales 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 2.9% from the same period of the previous fiscal year to ¥101,375 million, with operating income down 51.6% for the period to ¥1,332 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 5.4% from the same period of the previous fiscal year to ¥30,167 million, with operating income up 24.4% for the period to ¥66 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, declined 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 ¥24,326 million, with operating income of ¥3,097 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 fewer hit titles in the book division compared to a year earlier.

As a result, net sales in the Other segment overall declined 1.9% from the same period of the previous fiscal year to ¥20,037 million, with operating income down 11.0% to ¥593 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, but secured profitability as a result of efforts to trim expenses.

In addition, the 10 stations affiliated with Fuji TV included in consolidated results from the subject fiscal year all secured earnings despite harsh conditions for 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 ¥7,517 million overall from the same period of the previous fiscal year to ¥7,871 million.

(2) Qualitative Information on the Consolidated Financial Position

Total assets at the end of the subject third-quarter period (December 31, 2012) amounted to ¥967,683 million, an increase of ¥14,145 million from the end of the previous fiscal year (March 31, 2012).

Total current assets amounted to ¥376,097 million, an increase of ¥9,889 million from the end of the previous fiscal year. This was due mainly to increases of ¥9,223 million in inventories; and ¥5,470 million in marketable securities; against decreases of ¥3,556 million in cash and deposits; and ¥2,783 million in notes and accounts receivable-trade.

Noncurrent assets totaled ¥591,585 million, an increase of ¥4,256 million from the end of the previous fiscal year. This was due mainly to an increase of ¥12,467 million in investment securities; against decreases of ¥4,707 million in buildings and structures; and ¥3,790 million in construction in process account included in the "Other" category of property, plant and equipment.

Total liabilities amounted to ¥414,975 million, a decrease of ¥4,036 million from the end of the previous fiscal year. This was due mainly to decreases of ¥7,429 million in short-term loans payable; ¥4,361 million in accrued expenses and ¥4,017 million in income taxes payable included in the "Other" category of current liabilities; against an increase of ¥9,267 million in long-term loans payable.

Total net assets at the end of the subject third-quarter period amounted to ¥552,708 million, an increase of ¥18,182 million from the end of the previous fiscal year. This was mainly the result of ¥26,933 million in net income; along with increases of ¥3,788 million in revaluation reserve for land; and ¥3,462 million in valuation difference on available-for-sale securities; against decreases of ¥11,709 million in retained earnings due to dividend payments; and ¥2,365 million in minority interests stemming from making The Sankei Building Co., Ltd. a wholly-owned subsidiary.

(3) Qualitative Information on Consolidated Financial Results Forecasts

Consolidated results for the subject third-quarter cumulative period were positive owing to such factors as the newly incorporated Urban Development segment and revenue gains in the Production segment. Spot advertising revenue, which has been sluggish, also is gradually recovering since the second half of the third quarter. As a result, we anticipate that for the whole-year period, consolidated net sales, operating income, recurring profit and net income will exceed 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 ¥628.8 billion, operating income of ¥36.7 billion, recurring profit of ¥45.9 billion, and net income of ¥30.6 billion.

The variance with the consolidated results forecast for the whole-year period announced on November 1, 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)	622,700	33,800	43,200	28,000
Revised forecast (B)	628,800	36,700	45,900	30,600
Change (B-A)	6,100	2,900	2,700	2,600
Percent change (%)	1.0	8.6	6.3	9.3

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 third-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	**December 31, 2012**
ASSETS		
Current assets:		
Cash and deposits	43,829	**40,272**
Notes and accounts receivable-trade	125,477	**122,693**
Marketable securities	118,211	**123,681**
Inventories	38,159	**47,383**
Other	41,123	**42,682**
Allowance for doubtful accounts	(592)	**(616)**
Total current assets	366,208	**376,097**
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	143,833	**139,125**
Land	155,331	**155,929**
Other	25,744	**21,419**
Total property, plant and equipment	324,909	**316,474**
Intangible assets		
Goodwill	2,737	**1,664**
Other	41,045	**39,661**
Total intangible assets	43,783	**41,325**
Investments and other assets		
Investment securities	188,811	**201,278**
Other	32,010	**34,409**
Allowance for doubtful accounts	(2,184)	**(1,903)**
Total investments and other assets	218,636	**233,784**
Total noncurrent assets	587,329	**591,585**
Total assets	953,537	**967,683**

	Millions of yen	
	March 31, 2012	**December 31, 2012**
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	53,969	**55,511**
Short-term loans payable	33,033	**25,604**
Provision for sales returns	771	**779**
Provision for directors' bonuses	376	**232**
Provision for point card certificates	854	**825**
Other	113,951	**108,219**
Total current liabilities	202,957	**191,172**
Noncurrent liabilities:		
Bonds payable	60,000	**60,000**
Long-term loans payable	38,119	**47,387**
Provision for retirement benefits	43,585	**45,357**
Provision for directors' retirement benefits	1,786	**1,580**
Provision for loss on interest repayment	74	**74**
Provision for environmental measures	18	**18**
Other	72,470	**69,384**
Total noncurrent liabilities	216,054	**223,802**
Total liabilities	419,012	**414,975**
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	**146,200**
Capital surplus	173,664	**173,664**
Retained earnings	214,135	**229,319**
Treasury stock	(7,355)	**(9,219)**
Total shareholders' equity	526,645	**539,965**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	5,080	**8,543**
Deferred gains or losses on hedges	55	**45**
Revaluation reserve for land	(20)	**3,768**
Foreign currency translation adjustment	(4,491)	**(4,505)**
Total accumulated other comprehensive income	624	**7,851**
Minority interests	7,256	**4,890**
Total net assets	534,525	**552,708**
Total liabilities and net assets	953,537	**967,683**

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

Consolidated Statements of Income

Nine months ended December 31

	Millions of yen	
	2011	**2012**
Net sales	448,521	**470,627**
Cost of sales	289,013	**305,975**
Gross profit	159,507	**164,652**
Selling, general and administrative expenses	130,873	**133,638**
Operating income	28,634	**31,014**
Non-operating income:		
Dividends income	1,857	**1,836**
Equity in earnings of affiliates	354	**7,871**
Other	1,726	**1,785**
Total	3,938	**11,493**
Non-operating expenses:		
Interests	651	**1,559**
Other	2,090	**544**
Total	2,742	**2,104**
Recurring profit	29,831	**40,403**
Extraordinary gain:		
Gain on sales of noncurrent assets	17	**666**
Gain on negative goodwill	232	**1,617**
Other	172	**765**
Total	423	**3,049**
Extraordinary loss:		
Impairment loss	—	**1,499**
Special retirement benefits	—	**1,676**
Other	2,193	**959**
Total	2,193	**4,136**
Income before income taxes	28,060	**39,315**
Income taxes-current	9,957	**11,327**
Income taxes-deferred	1,353	**661**
Total	11,310	**11,989**
Income before minority interests	16,750	**27,326**
Minority interests in income	152	**393**
Net income	16,598	**26,933**

Consolidated Statements of Comprehensive Income

Nine months ended December 31

	Millions of yen	
	2011	**2012**
Income before minority interests	16,750	**27,326**
Other comprehensive income:		
Valuation difference on available-for-sale securities	7,142	**3,500**
Deferred gains or losses on hedges	(37)	**(10)**
Revaluation reserve for land	—	**3,793**
Foreign currency translation adjustment	(510)	**(14)**
Share of other comprehensive income of associates accounted for using equity method	769	**(23)**
Total of other comprehensive income	7,363	**7,246**
Comprehensive income	24,114	**34,572**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	23,953	**34,163**
Comprehensive income attributable to minority interests	160	**408**

(3) Note on Assumptions for Going Concern

Not applicable

(4) Segment Information

1. Nine months ended December 31, 2011

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

Millions of Yen

	Reported segment						Other (Note 1)	Total	Adjust-ment (Notes 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	252,118	12,663	43,905	103,857	26,520	439,064	9,456	448,521	—	448,521
Inter-segment net sales and transfers	15,653	19,891	888	533	2,105	39,071	10,960	50,032	(50,032)	—
Total net sales	267,771	32,555	44,794	104,390	28,625	478,136	20,417	498,553	(50,032)	448,521
Segment operating income	21,795	1,650	2,536	2,753	53	28,789	666	29,455	(821)	28,634

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 ¥821 million mainly comprises ¥2,204 million in eliminations of inter-segment business, together with minus ¥3,025 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 third-quarter cumulative period.

2. Nine months ended December 31, 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 statements 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	252,924	15,183	41,589	100,934	27,773	24,023	462,428	8,199	470,627	—	470,627
Intra-group net sales and transfers	13,898	22,987	911	441	2,394	302	40,936	11,837	52,773	(52,773)	—
Total net sales	266,823	38,170	42,500	101,375	30,167	24,326	503,364	20,037	523,401	(52,773)	470,627
Segment operating income	22,356	2,381	1,770	1,332	66	3,097	31,004	593	31,597	(583)	31,014

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 ¥583 million mainly comprises ¥2,362 million in eliminations of inter-segment business, together with minus ¥2,945 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.
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 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 third-quarter cumulative period is ¥1,117 million.

In the “Urban Development” segment, following the decision to close the lease property business, the Company reduced the relevant value of lease property 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 third-quarter cumulative period is ¥382 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 third-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 third-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 third-quarter cumulative period.

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

1. Nine months ended December 31, 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 third-quarter cumulative period, treasury stock decreased by ¥9,842 million, and retained earnings decreased by ¥5,468 million.

2. Nine months ended December 31, 2012

Not applicable.

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