October 30, 2015

Flash Report [Japanese GAAP] (Consolidated Basis)

Results for the six months ended September 30, 2015

Company name: Fuji Media Holdings, Inc.

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

Representative: Shuji Kanoh, President and Chief Operating Officer

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Scheduled date of filing quarterly securities report: November 12, 2015

Scheduled date of commencing dividend payments: December 2, 2015

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled

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

1. Consolidated Financial Results

(1) Business Performance

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

	Net sales		Operating income		Recurring profit		Net income attributable to owners of the parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
2015	311,736	1.7	4,905	(48.5)	8,170	(52.9)	5,079	(58.2)
2014	306,641	(0.2)	9,518	(33.9)	17,334	11.1	12,161	96.3

(Note) Comprehensive income: Six months ended September 30, 2015: ¥(1,688) million, —%;
Six months ended September 30, 2014: ¥19,833 million, 13.9%

	Net income per share	Diluted net income per share
	Yen	Yen
2015	21.96	—
2014	52.53	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
September 30, 2015	1,114,441	637,568	56.2
March 31, 2015	1,065,958	638,883	59.4

(Reference) Total shareholders' equity: September 30, 2015: ¥626,442 million, March 31, 2015: ¥633,568 million

2. Dividends

Year ended March 31, 2015 / Year ending March 31, 2016

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2015	—	20.00	—	20.00	40.00
2016	—	20.00			
2016 (Forecast)			—	20.00	40.00

(Note) Revision to dividends forecast: None

3. Forecasts of Consolidated Financial Results for Fiscal Year ending March 31, 2016

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	644,000	0.1	21,300	(16.9)	27,300	(22.2)

	Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Yen
Fiscal year	18,100	(9.1)	78.27

(Note) Revision to earnings forecast: None

Notes:

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

2. Adoption of special accounting treatment in preparing the 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: None
   4) Modifications and restatements: None
   (Note) Please refer to "2. MATTERS REGARDING SUMMARY INFORMATION (NOTES): Changes in Accounting Policies, Changes in Accounting Estimates, and Modifications and Restatements: *Changes in Accounting Policies*" on page 9.

4. Number of issued shares (Common stock)

	Six months ended September 30, 2015	Year ended March 31, 2015
1) Number of issued shares (including treasury stock) at end of the period	236,429,800	236,429,800
2) Number of treasury stock at end of the period	5,165,548	5,165,548
		Six months ended September 30, 2014
3) Average number of issued shares during the period	231,264,252	231,514,883

Indication of quarterly review procedure implementation status

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

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

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release and certain assumptions considered rational. Actual results may differ materially from the forecasts due to various factors in the future. Regarding the assumptions forming the forecast of financial results, please refer to "1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER OF THE FISCAL YEAR UNDER REVIEW: (3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections" on page 8.

CONTENTS OF ATTACHMENT

1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER OF THE FISCAL YEAR UNDER REVIEW

(1) Explanation of Business Results

The Japanese government's *Monthly Economic Report* on the Japanese economy for the six months ended September 30, 2015 (April 1, 2015 to September 30, 2015) states, "Although recently slowed movement has been seen in some sectors, the economy is on a moderate recovery track, and with the continuing improvement trend of the employment and income situation, along with the effect of various government measures, the moderate recovery trend is expected to continue." It continues, "Although discretion has been seen in the business outlook of some corporations, it has generally remained unchanged."

Amid this economic environment, the Fuji Media Holdings Group posted consolidated net sales for the six months ended September 30, 2015 of ¥311,736 million, up 1.7% from the same period of the previous fiscal year. Sales increased in the Production, Life Information and Urban Development segments, but decreased in the Broadcasting, Video and Music, Advertising and Other segments.

In terms of earnings, operating income amounted to ¥4,905 million, down 48.5% year-on-year, as declines in the mainstay Broadcasting, Advertising and Urban Development segments and an operating loss in the Video and Music segment could not be offset by gains in the Products segment and improvement of operating loss in the Life Information segment. Recurring profit decreased 52.9% year-on-year to ¥8,170 million, and net income attributable to owners of the parent decreased 58.2% year-on-year to ¥5,079 million.

Results by operating segment are as follows.

Six months ended September 30

	Net sales			Operating income (loss)		
	2014	**2015**	Change	2014	**2015**	Change
	Millions of yen	**Millions of yen**	%	Millions of yen	**Millions of yen**	%
Broadcasting	170,305	**160,492**	(5.8)	5,641	**442**	(92.2)
Production	25,082	**26,494**	5.6	1,285	**1,442**	12.2
Video and Music	27,699	**23,862**	(13.9)	(56)	**(139)**	—
Life Information	62,169	**63,208**	1.7	(1,550)	**(478)**	—
Advertising	21,400	**19,899**	(7.0)	224	**108**	(51.4)
Urban Development	21,355	**39,094**	83.1	3,186	**3,157**	(0.9)
Other	12,992	**12,892**	(0.8)	493	**272**	(44.7)
Eliminations	(34,363)	**(34,208)**	—	294	**100**	—
Total	306,641	**311,736**	1.7	9,518	**4,905**	(48.5)

Broadcasting

Fuji Television Network, Inc. recorded a decrease in time advertising sales as a result of harsh conditions of regular programs, although major one-off sports programs, such as "FIVB Volleyball World Cup Japan 2015," contributed to sales. Spot advertising sales decreased, impacted by the worsening market conditions that continued from the first quarter into the second quarter and due to sluggish viewer ratings. In non-broadcasting revenues, revenue in the digital business increased with the contribution of "FOD," fee-based streaming business, while revenue in the event business decreased despite the contribution of Cirque du Soleil's "OVO," resulting in a decrease in non-broadcasting revenues overall. As a result, net sales declined overall, reporting an operating loss.

Fuji Satellite Broadcasting, Inc. (BS Fuji) recorded gains in net sales overall due primarily to strong broadcasting revenues in addition to an increase in revenue from other businesses. In terms of earnings, operating income fell as a result of higher production expenses for new programs, 15th anniversary programs and others.

Nippon Broadcasting System, Inc. posted decreases in both revenue and earnings, with declines in broadcasting revenue and revenue from the event business.

As a result, for the Broadcasting segment overall, net sales decreased 5.8% from the same period of the previous fiscal year to ¥160,492 million, and segment operating income decreased 92.2% to ¥442 million.

Net Sales by Broadcasting Operations

Six months ended September 30

	2014	**2015**	Change
	Millions of yen	**Millions of yen**	%
Fuji Television Network, Inc.			
Broadcasting businesses	131,106	**123,537**	(5.8)
Broadcasting	115,350	**107,098**	(7.2)
Network time	54,308	**49,681**	(8.5)
Local time	7,475	**6,940**	(7.1)
Spot	53,566	**50,475**	(5.8)
Other broadcasting business	15,755	**16,438**	4.3
Program sales	9,012	**8,869**	(1.6)
Other	6,743	**7,569**	12.3
Other businesses	25,872	**23,092**	(10.7)
Subtotal	156,978	**146,629**	(6.6)
Fuji Satellite Broadcasting, Inc. (BS Fuji)	7,041	**7,830**	11.2
Nippon Broadcasting System, Inc.	7,381	**7,094**	(3.9)
Elimination in the segment	(1,096)	**(1,062)**	—
Total	170,305	**160,492**	(5.8)

Production

Net sales in the Production segment overall increased 5.6% from the same period of the previous fiscal year to ¥26,494 million due to strong orders for movies and programs and robust program sales. Segment operating income increased 12.2% to ¥1,442 million.

Video and Music

Pony Canyon, Inc. posted a decline in sales overall as there were few hit titles that formed the core of both the music and video divisions. In terms of earnings, Pony Canyon recorded an operating loss due to a large procurement cost for video titles.

Fujipacific Music Inc. recorded an increase in earnings overall due to increased video production income, in spite of a decline in royalty revenue. Earnings declined because of increased cost rates in the copyright division.

As a result, net sales in the Video and Music segment overall fell 13.9% from the same period of the previous fiscal year to ¥23,862 million, with segment operating loss amounting to ¥139 million.

Life Information

The Dinos business of the Dinos Cecile Co., Ltd. posted an increase in revenue due to the positive performance in television shopping, despite both home living and fashion catalogue mail-order sales struggling in the catalogue business. The Cecile business showed a recovery in its mainstay ladies' outerwear and ladies' inner wear categories. As a result, due to overall increase in Dinos Cecile sales and improved cost rates, operating loss decreased substantially compared to the same period of the previous fiscal year.

Sankei Living Shimbun Inc. recorded an operating loss, due mainly to a decline in advertising income from *Living Shimbun* and *City Living*.

As a result, net sales in the Life Information segment overall increased 1.7% from the same period of the previous fiscal year to ¥63,208 million, with segment operating loss of ¥478 million.

Advertising

Quaras Inc. recorded declines in both revenue and earnings as strong out-of-home advertising income was offset by weak sales in its mainstay television, radio and newspaper advertising.

As a result, net sales in the Advertising segment overall decreased 7.0% from the same period of the previous fiscal year to ¥19,899 million, and segment operating income was down 51.4% to ¥108 million.

Urban Development

The Sankei Building Co., Ltd. posted an increase in revenue due to steady performance in its mainstay office building business and strong increase in residential housing sales. However, earnings decreased due to the impact of a reactionary decrease from real estate sales to investors in the previous fiscal year. Meanwhile, GRANVISTA Hotels & Resorts Co., Ltd., which newly became our consolidated subsidiary in the fiscal year under review, contributed to sales and operating income, with its hotel business showing positive performance thanks to the increased number of tourists visiting Japan. As a result, net sales in the Urban Development segment overall rose 83.1% from the same period of the previous fiscal year to ¥39,094 million, and segment operating income decreased 0.9% to ¥3,157 million.

Other

Fujimic, Inc. recorded an increase in revenue due to growth in orders for systems, but earnings decreased due to higher cost rates. Fusosha Publishing, Inc. posted declines in both revenue and earnings in spite of positive performance in its online business, due to fewer hits in its book division.

As a result, net sales in the Other segment overall declined 0.8% from the same period of the previous fiscal year to ¥12,892 million, and segment operating income decreased 44.7% to ¥272 million.

Equity-Method Affiliates

The ten Fuji network affiliates, along with WOWOW Inc., ITOCHU Fuji Partners, Inc. and others contributed to equity by earnings of affiliates.

(2) Explanation of the Financial Position

Total assets at the end of the second quarter of the fiscal year under review (September 30, 2015) amounted to ¥1,114,441 million, an increase of ¥48,483 million (4.5%) from the end of the previous fiscal year (March 31, 2015).

Total current assets amounted to ¥372,374 million, an increase of ¥7,038 million (1.9%) from the end of the previous fiscal year. This was due mainly to increases of ¥11,907 million in cash and deposits; ¥2,454 million in inventories; and ¥1,216 million in marketable securities; against decreases of ¥9,061 million in notes and accounts receivable-trade.

Total noncurrent assets amounted to ¥742,016 million, an increase of ¥41,394 million (5.9%) from the end of the previous fiscal year. This was due mainly to increases of ¥40,100 million in land; and ¥8,674 million in buildings and structures; against decreases of ¥12,846 million in investment securities.

Total liabilities amounted to ¥476,873 million, an increase of ¥49,798 million (11.7%) from the end of the previous fiscal year. This was due mainly to an increase of ¥64,907 million in long-term loans payable; against a decrease of ¥10,000 million in the current portion of bonds payable included in "Other" under current liabilities.

Net assets at the end of the second quarter of the fiscal year under review amounted to ¥637,568 million, a decrease of ¥1,314 million (0.2%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥7,567 million in valuation difference on available-for-sale securities; against an increase of ¥5,811 million in non-controlling interests.

Cash flows for the six months ended September 30, 2015 were as follows.

Net cash provided by operating activities amounted to ¥10,045 million, a decrease of ¥397 million (3.8%) from the same period of the previous fiscal year. This was due mainly to a decrease of ¥8,968 million in income before income taxes; and a decrease of ¥5,329 million in accrued consumption taxes included in "Other," against a decrease of ¥8,492 million in net defined benefit liability and an increase of ¥7,635 million in inventories.

Net cash used in investing activities totaled ¥24,228 million, an increase of ¥1,600 million (7.1%) from the same period of the previous fiscal year. This was due mainly to an increase of ¥14,560 million in payments on purchase of property, plant and equipment; and a decrease of ¥11,047 million in proceeds from sales and redemption of marketable securities; against a decrease of ¥22,558 million in payments on purchase of marketable securities.

Net cash provided by financing activities totaled ¥28,299 million, an increase of ¥14,644 million (107.2%) from the same period of the previous fiscal year. This was due mainly to an increase of ¥55,226 million in proceeds from long-term loans payable; against an increase of ¥22,191 million in repayments of long-term loans payable; an increase of ¥10,000 million in redemption of bonds payable; and a net decrease of ¥7,745 million in short-term loans payable.

As a result, along with an additional ¥2,280 million increase in cash and cash equivalents resulting from merger, the balance of cash and cash equivalents at the end of the second quarter of the fiscal year under review (September 30, 2015) amounted to ¥70,374 million, an increase of ¥16,753 million (31.2%) from the end of the previous fiscal year (March 31, 2015), and an increase of ¥11,522 (19.6%) million from the end of the same period of the previous fiscal year (September 30, 2014).

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

Regarding the consolidated results during the six months ended September 30, 2015, operating income decreased due to a decline in revenue in the mainstay Broadcasting segment as a result of stagnant broadcasting revenues for the Fuji Television Network, Inc. With regard to the full-year consolidated forecasts for the fiscal year ending March 31, 2016, the Life Information and Urban Development segments are expected to perform strongly despite the expected decrease in revenue in the Broadcasting segment due to the time advertising sales which is not recovered to the expected level as well as due to other factors.

Accordingly, the full-year consolidated forecasts for the fiscal year ending March 31, 2016 reflecting the above factors shall remain the same as those stated in “Notice of Revision to Forecasts of Financial Results” announced on October 28, 2015, projecting net sales of ¥644.0 billion, operating income of ¥21.3 billion, recurring profit of ¥27.3 billion and net income attributable to owners of the parent of ¥18.1 billion.

2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)

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

Changes in Accounting Policies

Effective from the first quarter of the fiscal year ending March 31, 2016, the Company has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, “Business Combinations Standard”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, “Consolidated Financial Statements Standard”), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, “Business Divestitures Standard”) and other pronouncements. Accordingly, the accounting methods have been changed such that the difference arising from a change in the Company’s ownership interest in a subsidiary over which the Company continues to have control is recorded as capital surplus and that acquisition-related costs are recorded as expenses for the consolidated fiscal year in which they are incurred. Furthermore, for business combinations to be carried out at and after the beginning of the first quarter of the fiscal year ending March 31, 2016, the method has been changed to reflect an adjustment to the provisional amount arising from the finalization of the tentative accounting treatment relating to the allocation of acquisition cost in the quarterly consolidated financial statements for the quarter in which the date of business combination falls. In addition, the Company has changed the presentation of net income and other related items, and the presentation of “minority interests” to “non-controlling interests.” To reflect these changes in presentation, reclassification has been made in the quarterly consolidated financial statements for the six months ended September 30, 2014 and the consolidated financial statements for the previous fiscal year.

In the consolidated statement of cash flows for the six months ended September 30, 2015, cash flows relating to the purchase or sales of shares of subsidiaries that do not result in change in scope of consolidation have been included in “cash flows from financing activities,” and cash flows relating to acquisition-related costs incurred in connection with the purchase of shares of subsidiaries resulting in change in scope of consolidation and cash flows relating to expenses incurred in connection with the purchase or sales of shares of subsidiaries that do not result in change in scope of consolidation have been included in “cash flows from operating activities.”

The Business Combinations Standard and others were adopted in accordance with the transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, and they have been prospectively adopted from the beginning of the first quarter of the fiscal year ending March 31, 2016.

As a result, operating income, recurring profit and income before income taxes for the six months ended September 30, 2015 decreased ¥774 million, respectively.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2015	**September 30, 2015**
ASSETS		
Current assets:		
Cash and deposits	36,851	**48,759**
Notes and accounts receivable-trade	122,553	**113,491**
Marketable securities	103,153	**104,369**
Inventories	64,434	**66,889**
Other	39,395	**39,902**
Allowance for doubtful accounts	(1,052)	**(1,037)**
Total current assets	365,335	**372,374**
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	128,643	**137,317**
Land	178,327	**218,428**
Other, net	20,967	**24,380**
Total property, plant and equipment	327,938	**380,126**
Intangible assets		
Goodwill	1,213	**1,743**
Other	38,188	**37,267**
Total intangible assets	39,402	**39,010**
Investments and other assets		
Investment securities	297,754	**284,908**
Other	37,597	**39,898**
Allowance for doubtful accounts	(2,069)	**(1,927)**
Total investments and other assets	333,282	**322,879**
Total noncurrent assets	700,622	**742,016**
Deferred assets	—	**50**
Total assets	1,065,958	**1,114,441**

	Millions of yen	
	March 31, 2015	**September 30, 2015**
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	55,894	**55,506**
Short-term loans payable	26,056	**25,483**
Provision for sales returns	858	**783**
Provision for directors' bonuses	380	**147**
Provision for point card certificates	989	**871**
Provision for loss on reconstruction	77	**—**
Provision for loss on business of subsidiaries and affiliates	504	**370**
Provision for business restructuring expenses	—	**64**
Other	88,571	**66,240**
Total current liabilities	173,332	**149,466**
Noncurrent liabilities:		
Bonds payable	40,000	**40,000**
Long-term loans payable	58,576	**123,483**
Provision for directors' retirement benefits	1,723	**1,690**
Provision for loss on interest repayment	6	**6**
Provision for environmental measures	18	**22**
Provision for loss on reconstruction	78	**171**
Provision for business restructuring expenses	—	**29**
Net defined benefit liability	57,421	**60,307**
Other	95,916	**101,695**
Total noncurrent liabilities	253,741	**327,406**
Total liabilities	427,074	**476,873**
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	**146,200**
Capital surplus	173,664	**173,664**
Retained earnings	260,440	**259,647**
Treasury stock	(9,767)	**(9,767)**
Total shareholders' equity	570,537	**569,744**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	71,012	**63,444**
Deferred gains or losses on hedges	208	**(134)**
Revaluation reserve for land	816	**817**
Foreign currency translation adjustment	184	**898**
Remeasurements of defined benefit plans	(9,191)	**(8,329)**
Total accumulated other comprehensive income	63,030	**56,697**
Non-controlling interests	5,315	**11,126**
Total net assets	638,883	**637,568**
Total liabilities and net assets	1,065,958	**1,114,441**

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

Consolidated Statements of Income

Six months ended September 30

	Millions of yen	
	2014	**2015**
Net sales	306,641	**311,736**
Cost of sales	209,686	**219,601**
Gross profit	96,954	**92,135**
Selling, general and administrative expenses	87,435	**87,229**
Operating income	9,518	**4,905**
Non-operating income:		
Dividends income	1,212	**1,254**
Equity in earnings of affiliates	7,751	**1,826**
Other	1,307	**1,983**
Total	10,270	**5,064**
Non-operating expenses:		
Interests	756	**888**
Loss on investments in partnership	1,377	**409**
Other	321	**501**
Total	2,455	**1,800**
Recurring profit	17,334	**8,170**
Extraordinary gain:		
Gain on sales of investment securities	639	**2**
Gain on liquidation of subsidiaries and affiliates	—	**1**
Other	56	**0**
Total	696	**4**
Extraordinary loss:		
Loss on valuation of investment securities	1,099	**154**
Impairment loss	56	**133**
Other	229	**211**
Total	1,385	**498**
Income before income taxes	16,644	**7,676**
Income taxes-current	4,621	**1,758**
Income taxes-deferred	(274)	**726**
Total	4,347	**2,484**
Net income	12,297	**5,191**
Net income attributable to non-controlling interests	136	**112**
Net income attributable to owners of the parent	12,161	**5,079**

Consolidated Statements of Comprehensive Income

Six months ended September 30

	Millions of yen	
	2014	**2015**
Net income	12,297	**5,191**
Other comprehensive income:		
Valuation difference on available-for-sale securities	7,092	**(7,474)**
Deferred gains or losses on hedges	119	**(191)**
Revaluation reserve for land	(412)	**—**
Foreign currency translation adjustment	(428)	**237**
Remeasurements of defined benefit plans	796	**880**
Share of other comprehensive income of affiliates accounted for using equity method	368	**(331)**
Total other comprehensive income	7,536	**(6,880)**
Comprehensive income	19,833	**(1,688)**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	19,674	**(1,716)**
Comprehensive income attributable to non-controlling interests	159	**28**

(3) Consolidated Statements of Cash Flows

Six months ended September 30

	Millions of yen	
	2014	**2015**
Cash flows from operating activities:		
Income before income taxes	16,644	**7,676**
Depreciation and amortization	9,617	**9,710**
Increase (decrease) in net defined benefit liability	(8,783)	**(291)**
Interest and dividends income	(1,366)	**(1,414)**
Interest expense	756	**888**
Equity in (earnings) losses of affiliates	(7,751)	**(1,826)**
Loss (gain) on valuation of investment securities	1,099	**154**
Decrease (increase) in notes and accounts receivable-trade	7,910	**10,083**
Decrease (increase) in inventories	(10,206)	**(2,570)**
Increase (decrease) in notes and accounts payable-trade	254	**(1,038)**
Other	4,724	**(7,141)**
Subtotal	12,900	**14,229**
Interest and dividends income received	1,752	**942**
Interest expenses paid	(744)	**(894)**
Income taxes paid	(7,394)	**(6,745)**
Income taxes refunded	3,928	**2,513**
Net cash provided by operating activities	10,443	**10,045**
Cash flows from investing activities:		
Payments on purchase of marketable securities	(114,730)	**(92,172)**
Proceeds from sales and redemption of marketable securities	106,846	**95,798**
Payments on purchase of property, plant and equipment	(10,007)	**(24,568)**
Payments on purchase of intangible assets	(1,632)	**(1,565)**
Payments on purchase of investment securities	(1,018)	**(2,133)**
Proceeds from sales and redemption of investment securities	412	**3,857**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(33)	**(2,615)**
Other	(2,463)	**(828)**
Net cash used in investing activities	(22,628)	**(24,228)**
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	4,300	**(3,445)**
Proceeds from long-term loans payable	15,700	**70,926**
Repayments of long-term loans payable	(1,509)	**(23,701)**
Redemption of bonds payable	—	**(10,000)**
Dividends paid	(4,254)	**(4,943)**
Dividends paid to non-controlling shareholders	(113)	**(96)**
Other	(466)	**(441)**
Net cash provided by financing activities	13,655	**28,299**
Effect of exchange rate changes on cash and cash equivalents	(225)	**336**
Net increase (decrease) in cash and cash equivalents	1,244	**14,452**
Cash and cash equivalents at the beginning of the period	57,293	**53,620**
Increase in cash and cash equivalents from a newly consolidated subsidiary	—	**19**
Increase in cash and cash equivalents resulting from merger	313	**2,280**
Cash and cash equivalents at the end of the period	58,851	**70,374**

(4) Notes to Consolidated Financial Statements

(Note on Assumptions for Going Concern)

Not applicable

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

Not applicable

(5) Segment Information

I. Six months ended September 30, 2014

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	162,374	8,584	27,291	61,856	19,852	21,021	300,981	5,659	306,641	—	306,641
Inter-segment net sales and transfers	7,930	16,497	408	312	1,547	333	27,030	7,333	34,363	(34,363)	—
Total net sales	170,305	25,082	27,699	62,169	21,400	21,355	328,011	12,992	341,004	(34,363)	306,641
Segment operating income (loss)	5,641	1,285	(56)	(1,550)	224	3,186	8,731	493	9,224	294	9,518

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 operating income adjustment of ¥294 million mainly comprises ¥2,500 million in eliminations of inter-segment business, together with minus ¥2,206 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.

II. Six months ended September 30, 2015

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	**152,340**	**10,259**	**23,463**	**62,882**	**18,542**	**38,779**	**306,268**	**5,468**	**311,736**	**—**	**311,736**
Inter-segment net sales and transfers	**8,151**	**16,235**	**399**	**326**	**1,356**	**314**	**26,784**	**7,424**	**34,208**	**(34,208)**	**—**
Total net sales	**160,492**	**26,494**	**23,862**	**63,208**	**19,899**	**39,094**	**333,052**	**12,892**	**345,945**	**(34,208)**	**311,736**
Segment operating income (loss)	**442**	**1,442**	**(139)**	**(478)**	**108**	**3,157**	**4,532**	**272**	**4,805**	**100**	**4,905**

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 operating income adjustment of ¥100 million mainly comprises ¥2,523 million in eliminations of inter-segment business, together with minus ¥2,423 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 Changes to Reported Segments, etc.

As stated in Changes in Accounting Policies, effective from the first quarter of the fiscal year ending March 31, 2016, the Company has applied "Business Combinations Standard," "Consolidated Financial Statements Standard," "Business Divestitures Standard," and other pronouncements. Accordingly, the accounting methods have been changed such that the difference arising from a change in the Company's ownership interest in a subsidiary over which the Company continues to have control is recorded as capital surplus and that acquisition-related costs are recorded as expenses for the consolidated fiscal year in which they are incurred. As a result, segment operating income in the Urban Development decreased ¥774 million.

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