

**Fuji Media Holdings, Inc.**  
**Flash Report (Consolidated Basis)**

May 13, 2010

Results for fiscal year ended March 31, 2010

**Company name: Fuji Media Holdings, Inc.**

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

Representative: Kou Toyoda, President and Representative Director

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Date of the General Meeting of the Shareholders: June 29, 2010

Planned filing of an annual securities report: June 29, 2010 Planned start of dividend payments: June 30, 2010

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

**1. Consolidated Performance**

(1) Operating Results

Years ended March 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	%
2010	583,843	3.6	9,279	(53.2)	12,060	(46.1)	7,459	(55.0)
2009	563,320	(2.1)	19,830	(18.6)	22,365	(17.3)	16,567	5.0

	Net income per share	Net income per share after dilution	Return on equity	Recurring profit-to-total assets ratio	Operating income-to-net salesratio
	Yen	Yen	%	%	%
2010	3,238.69	—	1.6	1.7	1.6
2009	7,193.40	—	3.7	3.3	3.5

(Reference) Gain on investment by equity method: Year ended March 31, 2010: ¥1,571 million  
Year ended March 31, 2009: ¥1,568 million

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2010	753,191	464,187	61.0	199,432.99
2009	683,523	453,395	65.7	194,864.16

(Reference) Total shareholders' equity: March 31, 2010: ¥459,313 million, March 31, 2009: ¥448,790 million

(3) Cash Flows

Years ended March 31

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financial activities	Cash and cash equivalent at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2010	18,670	(30,889)	25,344	128,036
2009	84,760	(36,728)	(9,410)	116,598

## 2. Dividends

Years ended/ending March 31

	Dividends per share					Total amount of dividends (for the entire fiscal year) Millions of yen	Payout ratio %	Dividends-to-net assets ratio %
	June 30	Sept. 30	Dec. 31	Mar. 31	Total			
	Yen	Yen	Yen	Yen	Yen			
2009	—	1,800.00	—	1,800.00	3,600.00	8,291	50.0	1.8
2010	—	800.00	—	800.00	1,600.00	3,684	49.4	0.8
2011 (Forecast)	—	800.00	—	800.00	1,600.00		55.0	

## 3. Forecasts for Fiscal Year ending March 31, 2011

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	289,000	2.9	6,500	137.4	7,200	56.8
Fiscal year	588,200	0.7	16,600	78.9	17,100	41.8

	Net income		Net income per share
	Millions of yen	%	Yen
Interim period	1,600	(47.1)	694.72
Fiscal year	6,700	(10.2)	2,909.13

## 4. Other

1. Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries followed by a change in the scope of consolidation): None

Additions: None                      Deletions: None

2. Changes in accounting rules, procedures or method of presentation relating to the preparation of the consolidated financial statements (Matters included in changes to significant items that form the basis for preparation of the consolidated financial statements).

a. Changes in accordance with revisions to accounting standards: Yes

b. Other changes: None

3. Number of Shares Outstanding (Common stock)

- a. Number of shares outstanding at fiscal year-end (including treasury stock):

March 31, 2010: 2,364,298 shares                      March 31, 2009: 2,364,298 shares

- b. Number of treasury stocks at fiscal year-end:

March 31, 2010: 61,202 shares                      March 31, 2009: 61,202 shares

## (Reference) Flash Report (Non-Consolidated Basis)

Results for fiscal year ended March 31, 2010

### 1. Non-Consolidated Performance

#### (1) Operating Results

Years ended March 31

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

	Net sales		Operating income		Recurring profit		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2010	13,078	(92.7)	3,338	(62.1)	3,831	(71.2)	(7,571)	—
2009	180,115	(53.0)	8,814	(60.7)	13,289	(52.3)	15,052	(0.5)

	Net income per share	Net income per share after dilution
	Yen	Yen
2010	(3,287.50)	—
2009	6,535.71	—

#### (2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2010	519,216	411,982	79.3	178,881.96
2009	490,070	417,124	85.1	181,114.58

(Reference) Total shareholders' equity: March 31, 2010: ¥411,982 million, March 31, 2009: ¥417,124 million

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. Actual results may differ from the results anticipated in the statements.

The considerable difference in figures for non-consolidated performance between the subject fiscal year and the previous fiscal year is due to the corporate divestiture conducted on October 1, 2008, and transition to a certified broadcast holding company structure. Also, the net loss recorded for the subject fiscal year is due to the reversal of deferred tax assets recorded at the time of the corporate divestiture. The reversal of deferred tax assets is offset in the consolidated account settlement, so there is no impact on consolidated earnings.

# 1. BUSINESS PERFORMANCE

## (1) Analysis of Business Performance

### [Business Performance in FY2009]

The Japanese government's assessment in March 2010 of the Japanese economy during FY2009 (April 1, 2009 – March 31, 2010) was upgraded in its *Monthly Economic Report* from “the economy is recovering” to “the economy is steadily recovering.” The sales climate for the advertising market, however, remained extremely tight. Despite plus factors such as the Lower House election, and promotions for such government programs as tax reductions for environmentally friendly cars and the “eco-point” system for appliances, corporations made deep cuts in promotional expenses as a result of the deterioration in earnings following the collapse of Lehman Brothers. This was accompanied by structural changes in the advertising market, including a decline in the total number of advertisers due to industry restructuring, and closer attention to sales promotion costs.

Amid this economic environment, the Fuji Media Holdings Group posted consolidated net sales for the subject fiscal year of ¥583,843 million, up 3.6% from the previous fiscal year. Although revenue declined in the mainstay Broadcasting segment and the Video and Music segment, sales rose in the Life Information and Advertising segments with the addition of new consolidated subsidiaries.

Operating income declined 53.2% from the previous fiscal year to ¥9,279 million, due mainly to a downturn in earnings in the Broadcasting segment resulting from falls in broadcasting revenue, along with a drop in earnings in the Video and Music segment. Recurring profit declined 46.1% to ¥12,060 million, with net income down 55.0% to ¥7,459 million.

Results by operating segment are as follows:

Years ended March 31

	Net sales			Operating income (loss)		
	2009	2010	Change	2009	2010	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Broadcasting	370,368	<b>348,076</b>	(6.0)	18,700	<b>9,992</b>	(46.6)
Production	48,359	<b>43,939</b>	(9.1)	1,826	<b>1,517</b>	(16.9)
Video and Music	68,508	<b>62,375</b>	(9.0)	2,250	<b>427</b>	(81.0)
Life Information	81,827	<b>119,855</b>	46.5	90	<b>(139)</b>	—
Advertising	34,007	<b>46,149</b>	35.7	(58)	<b>(291)</b>	—
Other	33,118	<b>29,490</b>	(11.0)	(669)	<b>(29)</b>	—
Eliminations	(72,867)	<b>(66,043)</b>	—	(2,310)	<b>(2,198)</b>	—
Total	563,320	<b>583,843</b>	3.6	19,830	<b>9,279</b>	(53.2)

Note: Fuji Media Holdings reclassified its business segments from the third quarter of FY2008. The figures shown for the entire year ended March 31, 2009 have been recalculated to reflect these new segment classifications for reference.

## Broadcasting

The Broadcasting segment represents the earnings of Fuji Television Network, Inc. and Nippon Broadcasting System, Inc.

Sales in the Television Broadcasting division decreased 5.9% year on year to ¥327,359 million.

Fuji Television Network achieved a “triple crown” in viewer ratings for the sixth consecutive year, with broad viewer support for programming that included special broadcasts to commemorate the 50th anniversary of Fuji Television. Fuji Television captured the top position for ratings in the “golden time” (19:00-22:00), prime time (19:00-23:00), and all day (06:00-24:00) slots. Nevertheless, revenues from television broadcasting, the main source of sales in broadcasting operations, declined 9.1% year on year to ¥244,406 million, reflecting the difficulties in the advertising market.

Network time advertising sales (time advertising for nationwide broadcast) declined 12.6% year on year to ¥117,598 million. Sales for the April new programming season fell to historically low levels as a result of a marked decline in fixed expenses among advertisers. This trend continued into the October season, resulting in extremely strained circumstances. One-off programming sales also declined sharply from the previous fiscal year. Despite major programming events such as the World Gymnastics Championships 2009, the special *Hypothetical Lifestyle Experiment Document “What If...”*, the 2010 Vancouver Olympics and the East Asian Football Championship 2010, these could not match revenue from the 2008 Beijing Olympics. Revenue from the year-end and New Year specials, *F-1 Grand Prix* and *International Chiba Ekiden* also declined from the previous year.

Local time advertising sales for the Kanto region declined 15.7% from the previous fiscal year to ¥17,121 million. Sales for regular programming were strained for both the April and October new programming seasons, while revenue from one-off programming also declined year on year on general sluggishness in income from programming sponsored by single companies.

Spot advertising sales declined 3.8% from the previous fiscal year to ¥109,686 million. Year-on-year sales remained tight during the first half of the period from the previous fiscal year, but rose during the second half as consumer spending began to recover, corporate earnings improved, and Fuji Television expanded its market share on the back of strong viewer ratings. For the full fiscal year, spending was up year on year in six industry categories, mainly those such as “foods” and “cosmetics/toiletries” centered on everyday necessities. Spending was down in the two industry categories of “office/precision/optical equipment,” and “transport/travel/leisure” due to the prolonged economic slowdown.

Sales of broadcasting related business in broadcasting operations increased 3.0% year on year to ¥32,352 million, due to an increase in domestic program sales income and communication satellite (CS) broadcasting income.

Revenue from other operations in the Television Broadcasting division increased 6.1% from the previous fiscal year to ¥50,601 million. In the rights business, DVD sales were strong for such titles as *Dr. Slump*, *The Land of Wind*, the *Mei-chan no Shitsuji* drama series, *Hitoshi Matsumoto no suberanai-hanashi* series and *Buzzer Beat* in the video business, but revenue was down year on year as these sales failed to match the substantial income from the *Dragonball* series and *Prince of the Legend* in the previous fiscal year. The movie business released the hit titles *La Strada per Amalfi* and *Nodame Cantabile Finale Part 1*, while in the event business, performances of Cirque du Soleil’s *Corteo* were a success nationwide, and revenue rose considerably in both businesses. The

digital content business, including the “Fuji TV on Demand” fee-based transmission service, recorded an increase in revenue.

In terms of expenses, cost of sales was reduced through effective cost controls, while selling, general and administrative (SG&A) expenses also declined as a result of lower agency fees, and cutbacks in personnel expenses and other promotional and miscellaneous expenses. As a result, operating expenses in the Television Broadcasting division declined from the previous fiscal year, but this was insufficient to offset the decline in sales revenue.

In the Radio Broadcasting division, sales decreased 7.5% year on year to ¥20,834 million, as year-on-year increases in sales of programming and goods were insufficient to offset the decline in broadcasting revenue due to the slump in advertising. In terms of expenses, operating expenses declined as a result of lower agency fees, along with cost control efforts that held down program production and SG&A expenses, but this was not enough to compensate for the decline in sales revenue.

For the Broadcasting segment overall, sales declined 6.0% from the previous fiscal year to ¥348,076 million, with operating income down 46.6% to ¥9,992 million.

### Sales by Broadcasting Operations

Years ended March 31

	2009	2010	Change from the previous year
Television broadcasting			
Broadcasting operations	300,199	<b>276,758</b>	(7.8)
Broadcasting	268,774	<b>244,406</b>	(9.1)
Network time	134,496	<b>117,598</b>	(12.6)
Local time	20,315	<b>17,121</b>	(15.7)
Spot	113,962	<b>109,686</b>	(3.8)
Broadcasting related business	31,424	<b>32,352</b>	3.0
Program sales	18,341	<b>18,664</b>	1.8
Other	13,083	<b>13,687</b>	4.6
Other operations	47,678	<b>50,601</b>	6.1
Subtotal	347,877	<b>327,359</b>	(5.9)
Radio broadcasting	22,518	<b>20,834</b>	(7.5)
Elimination in the segment	(27)	<b>(117)</b>	—
Total	370,368	<b>348,076</b>	(6.0)

### Production

The Production segment consists of subsidiaries involved in program production, engineering, set design and other activities. Sales in this segment declined 9.1% from the previous fiscal year to ¥43,939 million, as a result of a falloff in orders for programs and other productions. Operating income, despite efforts to trim costs across all expenses categories, decreased 16.9% to ¥1,517 million.

## **Video and Music**

Pony Canyon, Inc. posted an overall year-on-year decline in both revenue and earnings. The music division was boosted by such hit singles as Takeshi Tsuruno's "Tsuru no uta" and "Tsuru no oto," but sales did not reach the level of the previous fiscal year. The video division recorded strong sales of such DVD titles as *La Strada per Amalfi* and *We Love Hexagon 2009*, but revenue fell short of the total in the previous fiscal year.

Fujipacific Music Inc.'s sales were boosted by hits from artist Superfly, as well as the "My Best of My Life" theme song from the drama program *Boss*, the album "Box Emotions" and the DVD title *Rock 'n Roll Show 2008*, but these were insufficient to compensate for the falloff in song royalties for commercials and DVDs. Earnings declined due to increases in royalty payments for Japanese music and greater promotional expenses.

As a result, net sales in the Video and Music segment overall decreased 9.0% from the previous fiscal year to ¥62,375 million, with operating income down 81.0% to ¥427 million.

## **Life Information**

Dinos Inc. recorded an increase in television shopping sales on the popularity of the program *limono Premium*, but this could not offset the revenue declines from catalogue shopping and event business, and sales declined overall. Operating income, despite cuts in SG&A expenses realized through improvement in expenses such as direct marketing and administrative costs, declined due to the considerable impact from the falloff in sales.

Sankei Living Shimbun Inc., despite a falloff in advertising revenue from its mainstay publications *Living Shimbun* and *City Living*, posted an increase in operating income due to efforts to cut costs, personnel expenses, rental fees and other expenses.

Cecile Co., Ltd., which was made a consolidated subsidiary from the second quarter, suffered slow growth centered on its catalogue sales business due to such factors as unseasonable weather and sluggish consumer spending.

As a result, net sales in the Life Information segment increased 46.5% from the previous fiscal year to ¥119,855 million, but the segment posted an operating loss for the subject fiscal year of ¥139 million.

## **Advertising**

Quaras Inc. achieved a revenue increase in its mainstay television advertising media, as well as sales growth from event-related goods and other areas, but sales declined overall on poor performance from magazine media. In terms of expenses, efforts to reduce administrative overhead and a decline centered on personnel expenses were insufficient to offset the falloff in revenue, and the subsidiary's operating loss widened.

Kyodo Advertising Co., Ltd., which was newly made a consolidated subsidiary from the subject fiscal year, was boosted by sales from placement of television spots for the pharmaceuticals, new housing construction and other fields, but an overall decline in advertising volume led to an operating loss.

As a result, net sales in the Advertising segment increased 35.7% from the previous fiscal year to ¥46,149 million, but the segment's operating loss for the period expanded from a year earlier to

¥291 million.

## **Other**

Fujimic, Inc. recorded decreases in both sales and earnings on declines in orders for IT system development from Group companies and non-Group corporations.

Fusosha Publishing, Inc. continued to struggle with slow magazine and book sales, as well as sluggish advertising, and despite narrowing its operating loss by trimming production costs, personnel expenses and other overhead, was unable to achieve profitability.

As a result, net sales in the Other segment overall declined 11.0% from the previous fiscal year to ¥29,490 million. Operating income improved ¥640 million from a year earlier, but the segment posted an operating loss of ¥29 million for the period.

## **Equity-Method Affiliates**

The Sankei Building Co., Ltd. posted increase in revenue from the lease of Breezé Tower which opened in August 2008 and brisk sales of condominiums, and as a result operating income was increased. Net income, however, declined due to an increase in tax expense and other factors.

Fuji Satellite Broadcasting, Inc. (BS Fuji) achieved a year-on-year increase in revenue on a boost from BS Fuji Live Prime News, the first major news program on a broadcast satellite station, though net income declined as a result of increases in program production expenses.

FujiLand, Inc. posted an increase in revenue on strong sales of food, drinks and goods at its Tomei Ebina service area store and during *Corteo* performances. Net income also rose as a result of a decline in SG&A expenses stemming from cost reductions.

As a result, equity in earnings of affiliates increased ¥2 million overall from the previous fiscal year to ¥1,571 million.

## **[Outlook for FY2010 (Ending March 31, 2011)]**

In television broadcasting, the mainstay of broadcasting operations, spot advertising sales appear to have bottomed out in the second half of FY2009, and we anticipate that this will rise during FY2010. Network and local time advertising sales, however, despite improvement in the earnings of sponsor companies, are expected to decrease as companies continue to avoid fixing costs for promotion. Overall, we forecast a decline in television broadcasting revenue.

In non-broadcasting revenue, however, we anticipate an increase. DVD and merchandise sales will likely remain tight as consumer spending lags, and event business sales will decline from the backlash following the hugely successful *Corteo* production, but we have high expectations for several movies in the lineup, such as *Bayside Shakedown 3* and *The Last Message Umizaru*.

As a result, sales are expected to decline for the Broadcasting segment overall, but with the increase in non-broadcast revenue and the effective use of expenses, we forecast an increase in earnings.

In the Life Information segment, the addition of Cecile Co., Ltd. in the scope of consolidation for the full fiscal year will also provide a boost to revenue.

As a result, for FY2010 Fuji Media Holdings is forecasting consolidated net sales of ¥588.2 billion, with operating income of ¥16.6 billion, recurring profit of ¥17.1 billion, and net income of ¥6.7

billion.

## (2) Financial Position

Total assets at the end of the subject fiscal year (March 31, 2010) amounted to ¥753,191 million, an increase of ¥69,668 million from the end of the previous fiscal year (March 31, 2009).

Total current assets amounted to ¥344,606 million, an increase of ¥50,236 million from the end of the previous fiscal year. This was due mainly to increases of ¥39,841 million in cash and deposits; ¥8,030 million in inventories; and ¥5,520 million in notes and accounts receivable-trade; against a decline of ¥8,488 million in marketable securities. Noncurrent assets totaled ¥408,585 million, an increase of ¥19,431 million. This was due mainly to increases of ¥16,131 million in investment securities; and ¥5,888 million in music copyrights included in the "Other" category of intangible assets, stemming from the addition of consolidated subsidiaries and other factors.

Total liabilities amounted to ¥289,004 million, an increase of ¥58,876 million from the end of the previous fiscal year. This was due mainly to increases of ¥20,355 million for the current portion of bonds payable and ¥13,741 million in accrued liability included in the "Other" category of current liabilities; along with increases of ¥10,312 million in bonds payable; and ¥7,039 million in notes and accounts payable-trade.

Total net assets at the end of the subject fiscal year amounted to ¥464,187 million, an increase of ¥10,791 million from the end of the previous fiscal year. This was the result of ¥7,459 million in net income; and ¥8,775 million in valuation difference on available-for-sale securities; against a decrease of ¥5,988 million in retained earnings arising from the payment of dividends.

Cash flows during the subject period were as follows:

Cash provided by operating activities totaled ¥18,670 million, a decrease of ¥66,090 million from cash provided during the previous fiscal year. This was due mainly to a ¥21,637 million decrease in income before income tax; a ¥12,512 million decrease in loss (gain) on valuation of investment securities; a ¥8,993 million decrease in notes and accounts receivable-trade; and a ¥8,494 million increase in the balance of income taxes paid and income taxes refunded.

Cash used in investing activities totaled ¥30,889 million, a decrease of ¥5,839 million in cash used during the previous fiscal year. This was due mainly to a ¥13,637 million increase in proceeds from sales and redemption of securities; and a ¥8,802 million decrease in purchase of property, plant and equipment; against a ¥16,494 million increase in payments into time deposits.

Cash provided by financing activities totaled ¥25,344 million, compared to ¥9,410 million in cash used in the previous fiscal year. This was due mainly to ¥29,883 million in proceeds from issuance of bonds during the subject fiscal year, and an increase of ¥3,650 million in proceeds from long-term loans payable.

As a result, the balance of cash and cash equivalents at the end FY2009 (March 31, 2010) amounted to ¥128,036 million, an increase of ¥11,437 million from the end of FY2008 (March 31, 2009). Cash flow-related indicators are as follows:

(Reference) Trends in cash flow indices are shown below:

Years ended March 31

	2006	2007	2008	2009	2010
Equity ratio (%)	66.9	63.3	66.7	65.7	61.0
Equity ratio based on market value (%)	97.8	86.0	50.0	37.1	42.4
Ratio of interest bearing debt to cash flow (%)	1.3	1.0	2.4	0.7	5.3
Interest coverage ratio (times)	174.7	57.0	27.5	94.8	16.3

Notes:

1. Equity ratio: total shareholders' equity/total assets
2. Equity ratio based on market value: total market value of stocks/total assets
3. Ratio of interest bearing debt to cash flow: interest-bearing debt/operating cash flows
4. Interest coverage ratio: operating cash flows/interest payments

\*1. All indices are calculated on a consolidated basis.

\*2. The total market value of stocks is calculated by multiplying market value at the balance sheet date by the number of shares issued (with shares of treasury stock deducted) by the balance sheet date.

\*3. "Operating cash flows" refers to cash flows used in operating activities as shown in the consolidated statements of cash flows.

\*4. "Interest-bearing debt" refers to all debts listed in the consolidated balance sheets on which interests are paid.

"Interest payments" denotes interest payments as reflected in the consolidated statements of cash flows.

### (3) Basic Policy on Distribution of Company Profits, and Dividends for FY2009 and FY2010

Fuji Media Holdings regards the disbursement of profits to shareholders as one of its most important management responsibilities. Our basic policy is to pay a dividend commensurate with performance, while making proactive investments in Group restructuring, equipment, content and entry into new business fields, in order to provide for Group growth and expansion of corporate value under the certified broadcast holding company structure.

For FY2009 (ended March 31, 2010), Fuji Media Holdings will make a year-end dividend payment of ¥800 per share, which together with the interim dividend of ¥800 per share amounts to a full-year payout of ¥1,600 per share. The dividend payment will be an item on the agenda of the 69th ordinary general meeting of shareholders, scheduled for June 29, 2010.

For FY2010 (ending March 31, 2011), Fuji Media Holdings plans to pay a minimum full-year dividend of ¥1,600 per share, with a target payout ratio of 40% on a consolidated basis. In accordance with such policy, this will consist of interim and year-end dividends of ¥800 per share each, or a full-year dividend of ¥1,600 per share.

## 2. ORGANIZATION OF THE FUJI MEDIA HOLDINGS GROUP

The Fuji Media Holdings Group consists of the certified broadcast holding company Fuji Media Holdings, Inc., together with 77 subsidiaries including Fuji Television Network, Inc., Nippon Broadcasting System, Inc. and Pony Canyon, Inc., and 39 affiliates including Sankei Shimbun Co., Ltd. and The Sankei Building Co., Ltd. The Group's activities include broadcasting as prescribed by Japan's Broadcasting Law; the planning, production, engineering and relay of programs for broadcast; the video and music business; the life information business, such as direct marketing and newspaper publication; the advertising business; and services related to each of these businesses.

The major business categories of the Fuji Media Holding Group are shown below:

Category	Major Companies
<b>Broadcasting</b> TV broadcasting business and radio broadcasting business	Fuji Television Network, Inc. Nippon Broadcasting System, Inc.
<b>Production</b> Planning, production, engineering and relay operations as well as other businesses for TV programming	Kyodo Edit, Inc. Kyodo Television, Ltd. Vasc, Co., Ltd. Happo Television, Inc. Van Eight Production, Inc. Fuji Art, Inc. Fuji Creative Corporation Fuji Lighting and Technology, Inc. Basis, Ltd.
<b>Video and Music</b> Production and sale of music and video content, management of music copyrights, etc.	Shinko Music Publishers Co., Ltd. Fujipacific Music Inc. Fuji Music Partners Pony Canyon Inc. Ponycanyon Enterprise Inc. Fuji Entertainment America, Inc. ARC MUSIC, INC. ARC/CONRAD MUSIC, LLC
<b>Life Information</b> Direct marketing and paper publishing, etc.	ALMADO inc. Sankei Living Shimbun Inc. Cecile Co., Ltd. cecile communications co., ltd. cecile business & staffing co., ltd. cecile logistics co., ltd. Dinos Inc. Living Pro-Seed, Inc.
<b>Advertising</b> Advertising, etc.	Kyodo Advertising Co., Ltd. Quaras Inc.
<b>Other</b> Publishing, temporary agency services, movables leasing, software development, etc.	Nippon Broadcasting Projects, Inc. Fujisankei Personnel Inc. Fujimic, Inc. Fusosha Publishing, Inc. Fujisankei Communications International, Inc.

### **3. MANAGEMENT POLICIES**

#### **(1) Basic Policy**

Fuji Media Holdings, on October 1, 2008, became the first company in Japan to adopt a certified broadcast holding company structure under the Broadcast Law, making a new start as a holding company controlling a media content group centered on the broadcasting business. We consider this transition to be a “second founding” for us as a media group, and as a leading company in Japan’s media content industry aim to become Japan’s representative media conglomerate, widely respected in Japan and around the world.

The Fuji Media Holdings Group recognizes public mission and social responsibility inherent in broadcasting, and has adopted as its basic management policy to produce and distribute high-quality content, including broadcasting programs, as well as movies, live events, video, music and life information, that is trusted and enjoyed by a wide range of viewers and users, and that helps enrich the everyday lives of citizens.

The Fuji Media Holdings Group, under its new certified broadcast holding company structure, will continue to strengthen its capabilities to produce content, and by utilizing the active business alliances and varied distribution channels throughout the Group, maximize the value and earnings of the content generated. We will also utilize systematic cost management to ensure a stable earnings base and establish a solid foundation for sustainable growth, continually enhance the corporate value of the Group, and meet the trust and expectations of shareholders and investors.

#### **(2) Management Goals and Indicators**

The Fuji Media Holdings Group, from the standpoint of enhancing the corporate value of the Group, will work to ensure proper selection and concentration of internal Group resources, the efficient utilization of shareholders’ equity, and effective management of expenses. Reflecting a timely recognition of changes in the business environment, we will achieve improvement in the operating margin and other indicators of operational efficiency.

#### **(3) Medium- to Long-Term Management Strategies, and Issues to Be Addressed**

The Fuji Media Holdings Group, under its certified broadcast holding company structure, will maintain and expand earnings through its core terrestrial television broadcasting operations. Further, in order to establish an earnings base less susceptible to short-term fluctuations in the advertising market, we will draw on the considerable content production capabilities of Fuji Television Network, Inc. and other Group companies to expand earnings and business in peripheral areas outside of broadcasting, develop new business fields, and increase business revenues that are not dependent on advertising.

##### *1. Strengthen competitiveness and earnings capabilities in terrestrial broadcasting operations*

The Fuji Media Holdings Group will respond flexibly to changes in the advertising market in an effort to ensure sufficient earnings in its core terrestrial television broadcasting operations.

Fuji Television Network, Inc. achieved a “triple crown” in viewer ratings for the sixth consecutive year during the subject fiscal year. We will continue to seek to strengthen content production and program scheduling capabilities, further enhance our value as an advertising medium, and achieve high levels of advertising revenue despite difficult market conditions.

For the management of program production and other costs, we will consistently pursue innovations that offer cost benefits, and work to establish and manage flexible budgets responsive to revenue trends. Fuji Television Network's programs are the earnings driver for the Group, and we will work to effectively manage expenses so as to maintain and improve the quality of these programs.

*2. Strengthen and expand non-advertising businesses fields*

In non-advertising businesses outside of broadcasting operations, the Fuji Media Holdings Group will utilize to the fullest extent possible the considerable content production capabilities acquired by the Group in order to expand earnings. The Fuji Media Holdings Group has achieved significant success up to this point by pursuing alliances within the Group centered on the television broadcasting operations of Fuji Television Network, Inc., and utilizing a broad range of tools that includes movies, live events, music and books. Going forward, we will further promote intra-Group alliances to enhance earnings from the retail and business fields.

Fuji Media Holdings will also strengthen earnings capacity in overseas markets, and seek to establish a broad business foundation built around content through expansion in non-advertising business fields that utilize the Group's solid content production capabilities, such as growth in the area of mobile internet and other digital communications.

*3. Develop new earnings opportunities*

The Fuji Media Holdings Group is working to develop new businesses that may offer new earnings opportunities. Until this point each Group company had expanded its business by drawing on its own expertise and strengths, but the holding company structure will allow for further new business development within the Group. We will also pursue capital and operational alliances with external companies.

*4. Reinforce the foundation for group management*

Fuji Media Holdings, under the holding company structure, will pursue the optimal reallocation of management resources within the Group as well as business restructuring, providing the support that will allow each company to achieve autonomous growth through independent corporate activities. At the same time, through proper Group governance we will work to ensure swift management decision making, and flexible business conduct.

We will also make effective capital investments and cutbacks in expenditures throughout the Group, and further strengthen the corporate financial structure to allow it to respond to future changes in the business environment.

## 4. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

At March 31

Millions of yen

	2009	2010
<b>ASSETS</b>		
Current assets:		
Cash and deposits	69,265	<b>109,106</b>
Notes and accounts receivable-trade	110,060	<b>115,581</b>
Marketable securities	60,269	<b>51,780</b>
Inventories	20,213	<b>28,243</b>
Deferred tax assets	5,643	<b>4,604</b>
Other	29,405	<b>35,893</b>
Allowance for doubtful accounts	(487)	<b>(603)</b>
Total current assets	<b>294,369</b>	<b>344,606</b>
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	108,275	<b>107,803</b>
Machinery, equipment and vehicles	20,528	<b>18,349</b>
Land	26,348	<b>28,891</b>
Construction in progress	5,537	<b>1,857</b>
Other	5,961	<b>6,286</b>
Total property, plant and equipment	<b>166,652</b>	<b>163,187</b>
Intangible assets		
Goodwill	5,936	<b>6,641</b>
Leasehold right	15,356	<b>15,356</b>
Software	18,448	<b>17,161</b>
Other	6,110	<b>12,086</b>
Total intangible assets	<b>45,851</b>	<b>51,246</b>
Investments and other assets		
Investment securities	150,953	<b>167,084</b>
Long-term loans receivable	423	<b>591</b>
Deferred tax assets	12,063	<b>12,614</b>
Other	14,963	<b>15,722</b>
Allowance for doubtful accounts	(1,754)	<b>(1,862)</b>
Total investments and other assets	<b>176,649</b>	<b>194,151</b>
Total noncurrent assets	<b>389,153</b>	<b>408,585</b>
Total assets	<b>683,523</b>	<b>753,191</b>

	2009	2010
<b>LIABILITIES</b>		
Current liabilities:		
Notes and accounts payable-trade	51,283	<b>58,323</b>
Short-term loans payable	5,188	<b>9,371</b>
Accrued income taxes	10,677	<b>2,227</b>
Provision for sales returns	714	<b>816</b>
Provision for directors' bonuses	321	<b>231</b>
Provision for point card certificates	—	<b>1,019</b>
Other	53,427	<b>83,887</b>
Total current liabilities	121,613	<b>155,877</b>
Noncurrent liabilities:		
Bonds payable	49,989	<b>60,302</b>
Long-term loans payable	3,225	<b>6,520</b>
Deferred tax liabilities	5,556	<b>12,553</b>
Provision for retirement benefits	34,046	<b>38,604</b>
Provision for directors' retirement benefits	2,312	<b>2,300</b>
Provision for loss on interest repayment	—	<b>124</b>
Negative goodwill	9,332	<b>8,975</b>
Other	4,050	<b>3,745</b>
Total noncurrent liabilities	108,514	<b>133,126</b>
Total liabilities	230,127	<b>289,004</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	154,913	<b>156,200</b>
Treasury stock	(15,505)	<b>(15,505)</b>
Total shareholders' equity	459,273	<b>460,559</b>
Valuation and translation adjustments:		
Valuation difference on available-for sale securities	(7,782)	<b>993</b>
Deferred gains or losses on hedges	—	<b>124</b>
Revaluation reserve for land	358	<b>365</b>
Foreign currency translation adjustment	(3,057)	<b>(2,728)</b>
Total valuation and translation adjustments	(10,482)	<b>(1,246)</b>
Minority interests	4,604	<b>4,873</b>
Total net assets	453,395	<b>464,187</b>
Total liabilities and net assets	683,523	<b>753,191</b>

## (2) Consolidated Statements of Income

Years ended March 31

Millions of yen

	2009	2010
Net sales	563,320	<b>583,843</b>
Cost of sales	383,524	<b>400,181</b>
Gross profit	179,796	<b>183,661</b>
Selling, general and administrative expenses:		
Selling expense	104,690	<b>109,277</b>
General and administrative expenses	55,275	<b>65,104</b>
Total selling, general and administrative expenses	159,966	<b>174,382</b>
Operating income	19,830	<b>9,279</b>
Non-operating income:		
Interest income	541	<b>353</b>
Dividends income	2,349	<b>1,704</b>
Equity in earnings of affiliates	1,568	<b>1,571</b>
Rent income	855	<b>876</b>
Amortization of negative goodwill	719	<b>653</b>
Other	561	<b>695</b>
Total	6,596	<b>5,855</b>
Non-operating expenses:		
Interests	897	<b>1,185</b>
Loss on investments in partnership	1,183	<b>1,007</b>
Rent expenses	691	<b>566</b>
Foreign exchange losses	769	<b>—</b>
Other	519	<b>314</b>
Total	4,060	<b>3,073</b>
Recurring profit	22,365	<b>12,060</b>
Extraordinary gain:		
Gain on sales of noncurrent assets	216	<b>2,159</b>
Gain on sales of investment securities	4	<b>1,915</b>
Settlement received	30,899	<b>—</b>
Other	108	<b>356</b>
Total	31,229	<b>4,431</b>
Extraordinary loss:		
Loss on sale of noncurrent assets	456	<b>37</b>
Loss on retirement of noncurrent assets	260	<b>938</b>
Impairment loss	2,967	<b>—</b>
Loss on sale of investment securities	813	<b>300</b>
Valuation losses on investment securities	12,512	<b>246</b>
Valuation losses on memberships	122	<b>—</b>
Loss on sale of memberships	18	<b>26</b>
Special retirement expenses	—	<b>528</b>
Other	750	<b>359</b>
Total	17,902	<b>2,437</b>
Income before income taxes	35,692	<b>14,054</b>
Income taxes-current	17,884	<b>6,367</b>
Income taxes-deferred	1,356	<b>267</b>
Total	19,241	<b>6,634</b>
Minority interests in income (loss)	(115)	<b>(38)</b>
Net income	16,567	<b>7,459</b>

### (3) Consolidated Statements of Changes in Net Assets

Years ended March 31

Millions of yen

	2009	2010
<b>Shareholders' equity:</b>		
Capital stock:		
Balance at the previous year-end	146,200	<b>146,200</b>
Changes of items during the period:		
Total	—	—
Balance at the current year-end	146,200	<b>146,200</b>
Capital surplus:		
Balance at the previous year-end	173,664	<b>173,664</b>
Changes of items during the period:		
Total	—	—
Balance at the current year-end	173,664	<b>173,664</b>
Retained earnings:		
Balance at the previous year-end	146,322	<b>154,913</b>
Changes of items during the period:		
Dividends from surplus	(8,291)	<b>(5,988)</b>
Net income	16,567	<b>7,459</b>
Reversal of revaluation reserve for land	(821)	<b>(7)</b>
Change of scope of consolidation	749	<b>(175)</b>
Change of scope of equity method	387	—
Total	8,590	<b>1,286</b>
Balance at the current year-end	154,913	<b>156,200</b>
Treasury stock:		
Balance at the previous year-end	(15,505)	<b>(15,505)</b>
Changes of items during the period:		
Total	—	—
Balance at the current year-end	(15,505)	<b>(15,505)</b>
Total shareholders' equity:		
Balance at the previous year-end	450,682	<b>459,273</b>
Changes of items during the period:		
Dividends from surplus	(8,291)	<b>(5,988)</b>
Net income	16,567	<b>7,459</b>
Reversal of revaluation reserve for land	(821)	<b>(7)</b>
Change of scope of consolidation	749	<b>(175)</b>
Change of scope of equity method	387	—
Total	8,590	<b>1,286</b>
Balance at the current year-end	459,273	<b>460,559</b>

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	2009	2010
<b>Valuation and translation adjustments:</b>		
Valuation difference on available-for-sale securities:		
Balance at the previous year-end	1,416	(7,782)
Changes of items during the period:		
Net changes of items other than shareholders' equity	(9,198)	8,775
Total	(9,198)	8,775
Balance at the current year-end	(7,782)	993
Deferred gains or losses on hedges:		
Balance at the previous year-end	—	—
Changes of items during the period:		
Net changes of items other than shareholders' equity	—	124
Total	—	124
Balance at the current year-end	—	124
Revaluation reserve for land:		
Balance at the previous year-end	(463)	358
Changes of items during the period:		
Net changes of items other than shareholders' equity	821	7
Total	821	7
Balance at the current year-end	358	365
Total Foreign currency translation adjustment		
Balance at the previous year-end	(302)	(3,057)
Changes of items during the period:		
Net changes of items other than shareholders' equity	(2,754)	328
Total	(2,754)	328
Balance at the current year-end	(3,057)	(2,728)
Total valuation and translation adjustments:		
Balance at the previous year-end	649	(10,482)
Changes of items during the period:		
Net changes of items other than shareholders' equity	(11,131)	9,235
Total	(11,131)	9,235
Balance at the current year-end	(10,482)	(1,246)
<b>Minority interests:</b>		
Balance at the previous year-end	4,745	4,604
Changes of items during the period:		
Net changes of items other than shareholders' equity	(141)	269
Total	(141)	269
Balance at the current year-end	4,604	4,873
<b>Total net assets:</b>		
Balance at the previous year-end	456,077	453,395
Changes of items during the period:		
Dividends from surplus	(8,291)	(5,988)
Net income	16,567	7,459
Reversal of revaluation reserve for land	(821)	(7)
Change of scope of consolidation	749	(175)
Change of scope of equity method	387	—
Net changes of items other than shareholders' equity	(11,272)	9,504
Total	(2,682)	10,791
Balance at the current year-end	453,395	464,187

#### (4) Consolidated Statements of Cash Flows

Years ended March 31

Millions of yen

	2009	2010
Cash flows from operating activities:		
Income before income taxes	35,692	<b>14,054</b>
Depreciation and amortization	24,087	<b>23,577</b>
Impairment loss	2,967	—
Amortization of goodwill	1,530	<b>1,590</b>
Increase (decrease) in allowance for doubtful accounts	165	<b>(273)</b>
Increase (decrease) in other provision	2,487	<b>1,406</b>
Interest and dividends income	(2,891)	<b>(2,058)</b>
Interests expense	897	<b>1,185</b>
Foreign exchange losses (gains)	541	<b>(14)</b>
Equity in (earnings) losses of affiliates	(1,568)	<b>(1,571)</b>
(Gain) loss on sales and retirement of noncurrent assets	500	<b>(1,198)</b>
(Gain) loss on sales of investment securities	809	<b>(1,615)</b>
Loss (gain) on valuation of investment securities	12,512	—
Settlement package	(30,899)	—
Decrease (increase) in notes and accounts receivable-trade	11,214	<b>2,221</b>
Decrease (increase) in inventories	1,703	<b>(1,938)</b>
Increase (decrease) in notes and accounts payable-trade	(2,932)	<b>(1,194)</b>
Other	2,398	<b>(665)</b>
Subtotal	<b>59,215</b>	<b>33,506</b>
Interest and dividends income received	3,297	<b>2,560</b>
Interest expenses paid	(894)	<b>(1,144)</b>
Income taxes paid	(10,057)	<b>(16,407)</b>
Income taxes refunded	2,300	<b>154</b>
Settlement package received	30,899	—
Net cash provided by operating activities	<b>84,760</b>	<b>18,670</b>

(Continued on page20)

	2009	2010
Cash flows from investing activities:		
Payments into time deposits	—	<b>(17,297)</b>
Purchase of securities	(10,000)	<b>(19,001)</b>
Proceeds from sales and redemption of securities	2,386	<b>16,024</b>
Purchase of property, plant and equipment	(13,497)	<b>(4,694)</b>
Proceeds from sale of property, plant and equipment	629	<b>2,497</b>
Payments on purchase of intangible assets	(5,812)	<b>(4,184)</b>
Purchase of investment securities	(5,058)	<b>(4,079)</b>
Proceeds from sales and redemption of investment securities	751	<b>4,185</b>
Payments for acquisition of subsidiaries' stocks	(2,917)	—
Proceeds from acquisition of subsidiaries' stock associated with changes to the scope of consolidation	(3,451)	<b>(7,052)</b>
Payments of loans receivable	(67)	<b>(274)</b>
Collection of loans receivable	239	<b>39</b>
Other	68	<b>2,947</b>
Net cash used in investing activities	<b>(36,728)</b>	<b>(30,889)</b>
Cash flows from financing activities:		
Net decrease in short-term borrowings	(985)	<b>1,561</b>
Proceeds from long-term loans payable	700	<b>4,350</b>
Repayments of long-term loans payable	(1,359)	<b>(3,738)</b>
Proceeds from issuance of bonds	—	<b>29,883</b>
Redemption of bonds	—	<b>(370)</b>
Dividends paid	(7,688)	<b>(5,991)</b>
Dividends paid to minority shareholders	(31)	<b>(36)</b>
Other	(47)	<b>(314)</b>
Net cash used in financing activities	<b>(9,410)</b>	<b>25,344</b>
Effect of exchange rate changes on cash and cash equivalents	(3,067)	<b>89</b>
Net increase (decrease) in cash and cash equivalents	<b>35,553</b>	<b>13,214</b>
Cash and cash equivalents at the beginning of the year	80,171	<b>116,598</b>
Increase in cash and cash equivalents from newly consolidated subsidiaries	913	<b>45</b>
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(40)	<b>(1,822)</b>
Cash and cash equivalents at the end of the year	<b>116,598</b>	<b>128,036</b>

## SEGMENT INFORMATION

### 1. Business segment information

Year ended March 31, 2009

	Millions of Yen								
	Broadcasting	Production	Video and music	Life Information	Advertising	Other	Total	Eliminations	Consolidation
Net sales:									
1. Net sales to third parties	349,181	19,827	67,049	70,867	17,280	39,112	563,320	—	563,320
2. Intra-group net sales and transfers	21,186	30,233	1,458	613	1,707	17,233	72,433	(72,433)	—
Total sales	370,368	50,061	68,508	71,481	18,988	56,346	635,754	(72,433)	563,320
Operating expenses	352,185	48,033	66,257	71,139	18,876	57,705	614,199	(70,708)	543,490
Operating income (loss)	18,182	2,027	2,250	341	111	(1,359)	21,555	(1,725)	19,830
Assets, depreciation, impairment loss and capital expenditures:									
Total assets	364,870	26,952	61,778	29,823	9,762	25,840	519,027	164,495	683,523
Depreciation	21,078	756	542	693	29	1,500	24,601	(513)	24,087
Impairment loss	539	—	2,000	—	—	427	2,967	—	2,967
Capital expenditures	15,746	1,069	295	227	15	1,214	18,568	(1,020)	17,547

Notes: 1. The business segments adopted below are those used for internal control purposes.

2. Major operations, products, and services by business segment

Segment	Major operations, products, and services
Broadcasting	TV broadcasting business and radio broadcasting business
Production	Planning, production, engineering and relay operations as well as other businesses for TV programming
Video and music	Production and sale of music and video content, management of music copyrights, etc.
Life information	Direct marketing and paper publishing, etc.
Advertising	Advertising, etc.
Other	Publishing, temporary agency services, movables leasing, software development, etc.

3. Non-allocatable operating expenses which have been included in "Eliminations" totaled ¥5,467 million. These mainly included operating expenses connected with Fuji Media Holdings as a certified broadcast holding company.

4. In Assets, the total of all corporate assets including those in Elimination amounted to ¥196,962 million. These mainly included the Company's surplus funds (cash and deposits, marketable securities, etc.), funds for long-term investment (investment securities, etc.), and assets for divisions connected with management divisions.

5. As stated in "Changes in Significant Matters Regarding the Basis for Preparation of the Financial Statements," from the subject fiscal year Fuji Media Holdings has applied "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, (Business Accounting Council Committee No.1, June 17, 1993), revised March 30, 2007), and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No.16 (Japanese Institute of Certified Public Accountants, Accounting System Committee, January 18,

1994), revised March 30, 2007). For financial lease transactions other than ownership transfers (lender), the accounting method has been changed from the method for ordinary lease transaction to the method for ordinary sales transaction, and such transactions are recorded as lease investment assets.

As a result of this change, at the end of the subject fiscal year Fuji Media Holdings recorded ¥7,892 million as lease investment assets for the assets in its Other business segment.

6. Fuji Media Holdings, at the meeting of its Board of Directors on November 6, 2008, decided to change the classification of its business segments from the third quarter of fiscal 2008.

The previous business segments, Broadcasting; Program Production and Related Business; Direct Marketing; Video and Music; and Other; have been reclassified as Broadcasting; Production; Video and Music; Life Information; Advertising; and Other.

The Fuji Media Holdings Group, with the aim of achieving its long-term Group vision of becoming Japan's representative media conglomerate, widely respected in Japan and around the world, on October 1, 2008, adopted a certified broadcast holding company structure centered on Fuji Media Holdings, Inc. We consider the transition to a certified broadcast holding company structure to be a "second founding" for the media group. Recognizing that we are standing at the starting line for building a new Group management structure centered on the certified broadcast holding company, we have made these business segment reclassifications from the standpoint of strengthening group management, and rationalizing resource reallocation in response to the business environment.

As a result of this change, the former "Program Production and Related Business" will become "Production"; the "Direct Marketing" segment of Dinos Inc., and the free paper publishing business centered on Sankei Living Shimbun, Inc., included in the "Other" segment will be incorporated into the "Life Information" segment; and the advertising business of Quaras Inc. included in the "Other" segment will become an independent "Advertising" segment.

Figures for the second quarter period include the results for the first half prior to the segment reclassification. In the figures for the subject second quarter period, first half figures for "Program Production and Related Business" are included in the "Production" segment, and "Direct Marketing" in "Life Information." Segment information for the first half of FY2008 prior to the reclassification is as follows.

Six months ended September 30, 2008 (Prior to the reclassification)

	Millions of Yen							
	Broadcasting	Program production and related business	Direct marketing	Video and music	Other	Total	Eliminations	Consolidation
Net sales:								
1. Net sales to third parties	177,164	10,430	29,013	33,804	31,561	281,975	—	281,975
2. Intra-group net sales and transfers	10,129	15,223	125	808	8,018	34,306	(34,306)	—
Total sales	187,294	25,654	29,139	34,613	39,579	316,281	(34,306)	281,975
Operating expenses	176,635	24,169	29,425	33,244	40,129	303,603	(34,270)	269,333
Operating income (loss)	10,659	1,485	(286)	1,369	(549)	12,677	(36)	12,641
Depreciation, and capital expenditures:								
Depreciation	10,204	365	315	251	568	11,705	(245)	11,459
Impairment loss	539	—	—	—	—	539	—	539
Capital expenditures	8,216	385	142	191	495	9,430	(716)	8,713

7. Segment results cumulative through the subject fiscal year, assuming a change in segment classifications from the start of the subject fiscal year, are as follows:

Year ended March 31, 2009

	Millions of Yen								
	Broadcasting	Production	Video and music	Life Information	Advertising	Other	Total	Eliminations	Consolidation
Net sales:									
1. Net sales to third parties	349,181	19,329	67,049	80,918	31,692	15,148	563,320	—	563,320
2. Intra-group net sales and transfers	21,186	29,030	1,458	908	2,314	17,969	72,867	(72,867)	—
Total sales	370,368	48,359	68,508	81,827	34,007	33,118	636,188	(72,867)	563,320
Operating expenses	351,667	46,532	66,257	81,736	34,066	33,787	614,048	(70,557)	543,490
Operating income (loss)	18,700	1,826	2,250	90	(58)	(669)	22,140	(2,310)	19,830
Assets, depreciation, and capital expenditures:									
Total assets	364,870	26,952	61,778	29,823	9,762	25,840	519,027	164,495	683,523
Depreciation	21,078	702	542	770	56	1,449	24,601	(513)	24,087
Impairment loss	539	—	2,000	—	—	427	2,967	—	2,967
Capital expenditures	15,746	1,032	295	327	52	1,113	18,568	(1,020)	17,547

8. Segment results cumulative through the previous fiscal year, assuming a change in segment classifications from the start of the previous fiscal year, are as follows:

Year ended March 31, 2008

	Millions of Yen								
	Broadcasting	Production	Video and music	Life Information	Advertising	Other	Total	Eliminations	Consolidation
Net sales:									
1. Net sales to third parties	383,134	19,039	67,111	62,783	26,223	17,192	575,484	—	575,484
2. Intra-group net sales and transfers	22,990	30,719	1,788	471	1,693	18,936	76,601	(76,601)	—
Total sales	406,125	49,758	68,899	63,254	27,917	36,129	652,085	(76,601)	575,484
Operating expenses	383,360	47,500	67,523	65,710	27,533	36,152	627,781	(76,669)	551,111
Operating income (loss)	22,765	2,258	1,375	(2,455)	383	(23)	24,303	68	24,372
Assets, depreciation, and capital expenditures:									
Total assets	359,919	26,471	68,327	18,410	10,032	25,979	509,140	167,860	677,000
Depreciation	19,788	827	733	601	28	2,482	24,461	(523)	23,937
Capital expenditures	23,747	1,190	368	835	229	5,236	31,606	(478)	31,128

**Year ended March 31, 2010**

	Millions of Yen								
	Broadcasting	Production	Video and music	Life Information	Advertising	Other	Total	Eliminations	Consolidation
Net sales:									
1. Net sales to third parties	327,574	18,908	61,257	119,121	43,700	13,281	583,843	—	583,843
2. Intra-group net sales and transfers	20,502	25,030	1,118	734	2,448	16,209	66,043	(66,043)	—
<b>Total sales</b>	<b>348,076</b>	<b>43,939</b>	<b>62,375</b>	<b>119,855</b>	<b>46,149</b>	<b>29,490</b>	<b>649,886</b>	<b>(66,043)</b>	<b>583,843</b>
Operating expenses	338,083	42,421	61,948	119,994	46,441	29,519	638,409	(63,844)	574,564
Operating income (loss)	9,992	1,517	427	(139)	(291)	(29)	11,477	(2,198)	9,279
Assets, depreciation, and capital expenditures:									
Total assets	372,538	27,887	57,922	58,056	14,564	23,750	554,718	198,473	753,191
Depreciation	20,555	712	647	1,083	60	943	24,001	(424)	23,577
Capital expenditures	9,339	392	164	549	20	460	10,927	(196)	10,730

Notes: 1. The business segments adopted below are those used for internal control purposes.

2. Major operations, products, and services by business segment

Business segment	Major operations, products, and services
Broadcasting	TV broadcasting business and radio broadcasting business
Production	Planning, production, engineering and relay operations as well as other businesses for TV programming
Video and music	Production and sale of music and video content, management of music copyrights, etc.
Life information	Direct marketing and paper publishing, etc.
Advertising	Advertising, etc.
Other	Publishing, temporary agency services, movables leasing, software development, etc.

3. Non-allocatable operating expenses which have been included in "Eliminations" totaled ¥9,475 million. These mainly included operating expenses connected with Fuji Media Holdings as a certified broadcast holding company.

4. In Assets, the total of all corporate assets including those in Elimination amounted to ¥453,302 million. These mainly included the Company's surplus funds (cash and deposits, marketable securities, etc.), funds for long-term investment (investment securities, etc.), and assets for divisions connected with management divisions.

**2. Geographical segment information**

For the fiscal years ended March 31, 2009 and 2010, geographical segment information is not disclosed because businesses within Japan occupied more than 90% of total sales of all segments.

**3. Overseas sales**

For the fiscal years ended March 31, 2009 and 2010, overseas sales are not disclosed because they were under 10% of consolidated net sales.