

**Flash Report [Japanese GAAP] (Consolidated Basis)****Results for the six months ended September 30, 2020****Company name: Fuji Media Holdings, Inc.**

Stock listing: Tokyo Stock Exchange Code number: 4676 URL: <https://www.fujimediahd.co.jp/en>  
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Scheduled date of filing quarterly securities report: November 12, 2020

Scheduled date of commencing dividend payments: December 9, 2020

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	%
2020	246,868	(22.0)	4,847	(73.5)	9,480	(58.2)	5,417	(81.2)
2019	316,550	8.3	18,277	62.9	22,692	50.5	28,854	185.2

(Note) Comprehensive income: Six months ended September 30, 2020: ¥28,437 million, 10.5%,  
 Six months ended September 30, 2019: ¥25,737 million, (19.7)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2020	23.46	—
2019	124.65	—

**(2) Financial Position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2020	1,286,616	766,327	58.8
March 31, 2020	1,254,613	745,574	58.6

(Reference) Total shareholders' equity: September 30, 2020: ¥756,085 million,  
 March 31, 2020: ¥735,431 million

## 2. Dividends

Year ended March 31, 2020/ Year ending March 31, 2021

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2020	—	22.00	—	22.00	44.00
2021	—	18.00			
2021 (Forecast)			—	18.00	36.00

(Note) Revision to the most recently announced dividends forecast: None

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	569,400	(9.8)	13,000	(50.6)	18,200	(47.8)

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year	9,000	(78.2)	39.14

(Note) Revision to the most recently announced financial results forecasts: None

Notes:

- 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
- Adoption of special accounting treatment in preparing the quarterly consolidated financial statements: None
- Changes in accounting policies, changes in accounting estimates, and modifications and restatements:
  - Changes in accounting policies based on revision of accounting standards: None
  - Changes in accounting policies other than 1) above: None
  - Changes in accounting estimates: None
  - Modifications and restatements: None

4. Number of issued shares (Common stock)

	Six months ended September 30, 2020	Year ended March 31, 2020
1) Number of issued shares (including treasury stock) at end of the period (shares)	234,194,500	234,194,500
2) Number of treasury stock at end of the period (shares)	5,237,568	2,863,495
		Six months ended September 30, 2019
3) Average number of issued shares during the period (shares)	230,895,092	231,488,964

**This flash report is outside the scope of quarterly review by certified public accountants or an audit firm.**

**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 ENDING MARCH 31, 2021: (3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections" on page 8.

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# 1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2021

## (1) Explanation of Business Results

The Japanese government's Monthly Economic Report on the Japanese economy for the six months ended September 30, 2020 (April 1, 2020 to September 30, 2020) states, "Concerning short-term prospects, the economy is expected to continue picking up, supported by the effects of the policies and improvement in overseas economies, while the socio-economic activities will be resumed gradually with taking measures to prevent the spread of infectious diseases. However, attention should be given to the trend of domestic and overseas infections, and the effects of fluctuations in the financial and capital markets, among others." It also states that firms' judgments on business conditions "show signs of improvement, although some severe aspects remain."

Fuji Media Holdings Group (the "Group") was also affected by the impact of the novel coronavirus infection (COVID-19), including a decline in advertising revenue, a drop in travel and tourism demand, and the cancellation or postponement of events.

Amid this economic environment, the consolidated net sales of the Group decreased during the six months ended September 30, 2020, down 22.0% from the same period of the previous fiscal year to ¥246,868 million, as there were decreases in all the Media & Content segment, the Urban Development, Hotels & Resorts segment and the Other segment.

In terms of earnings, operating income also decreased 73.5% year-on-year to ¥4,847 million, as there were revenue decreases in all of the Media & Content segment, the Urban Development, Hotels & Resorts segment and the Other segment. Recurring profit decreased 58.2% year-on-year to ¥9,480 million, and net income attributable to owners of the parent decreased 81.2% year-on-year to ¥5,417 million, due to a reactionary decrease as a result of posting a gain on return of substitutional portion of employees' pension fund as an extraordinary gain in the previous fiscal year, as well as posting a loss on COVID-19 under extraordinary loss.

Results by operating segment are as follows.

Six months ended September 30

	Net sales			Operating income		
	2019	2020	Change	2019	2020	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Media & Content	255,812	<b>209,765</b>	(18.0)	8,017	<b>3,195</b>	(60.1)
Urban Development, Hotels & Resorts	57,833	<b>34,631</b>	(40.1)	10,740	<b>2,035</b>	(81.1)
Other	9,787	<b>8,600</b>	(12.1)	268	<b>175</b>	(34.9)
Eliminations	(6,883)	<b>(6,128)</b>	—	(749)	<b>(558)</b>	—
Total	316,550	<b>246,868</b>	(22.0)	18,277	<b>4,847</b>	(73.5)

## **Media & Content**

Fuji Television Network, Inc. ("Fuji TV") saw a decrease in broadcasting revenue, as a result of the impact of COVID-19. Network time advertising sales dropped due to the cancellation or postponement of one-off programs such as sports events, while spot advertising revenue also declined due to the deterioration of corporate business performances reflecting the slowdown in economic activities. Revenue from other businesses declined as a whole, as a result of cancellations or postponements of events and movie releases, despite a strong performance in the video business and FOD (Fuji TV On Demand) business. Fuji TV has made efforts to curb operating expenses, but decreases were recorded in both revenue and earnings as a result.

Fuji Satellite Broadcasting, Inc. recorded a decrease in revenue and an increase in earnings, due to efforts to curb operating expenses despite the decline in broadcasting revenue.

Nippon Broadcasting System, Inc., despite a strong performance in the radio shopping business, recorded decreases in both revenue and earnings due to a decline in the mainstay broadcasting revenue.

Pony Canyon Inc. saw a steady performance in streaming and package sales of old releases that catered to the stay-at-home demand. On the other hand, net sales overall decreased due to poor ticket revenue and goods sales as events were canceled due to COVID-19. Meanwhile, earnings turned positive thanks to lower operating expenses driven partly by a reactionary decrease of head office relocation-related expenses in the previous fiscal year.

Fujipacific Music Inc. recorded increases in both revenue and earnings as revenue from royalties and master disc usage fees increased.

The Dinos business of Dinos Cecile Co., Ltd. recorded an increase in net sales, as particularly beauty and health products in television shopping continued to perform strongly, while household products and furniture also performed steadily on the back of the stay-at-home demand. Meanwhile, the Cecile business posted a decrease in revenue as the catalog business was sluggish. As a result, Dinos Cecile Co., Ltd. as a whole posted a decrease in revenue, falling short of the level in the previous fiscal year in which last-minute demand was captured before the consumption tax hike, while earnings increased as a result of efforts to curb selling, general and administrative expenses.

Quaras Inc. posted a decrease in revenue due to weak advertising revenue, resulting in the posting of an operating loss.

Fuji Games, Inc. posted an operating loss as smartphone games struggled, but the loss was diminished due to efforts to curb operating expenses.

As a result of the above, in the Media & Content segment overall, net sales declined 18.0% from the same period of the previous fiscal year to ¥209,765 million, and segment operating income decreased 60.1% from the same period of the previous fiscal year to ¥3,195 million.

## **Urban Development, Hotels & Resorts**

The Sankei Building Co., Ltd. recorded decreases in both revenue and earnings as a whole due to decreases in revenue in the building business and the asset development business, despite an increase in sales of the condominiums in the housing business.

GRANVISTA Hotels & Resorts Co., Ltd. posted an operating loss as a result of a decrease in

revenue due to a decline in demand for travel and tourism, including that of inbound tourists, caused by the impact of COVID-19.

As a result of the above, the Urban Development, Hotels & Resorts segment recorded net sales of ¥34,631 million, down 40.1% from the same period of the previous fiscal year, with segment operating income down 81.1% from the same period of the previous fiscal year to ¥2,035 million.

### **Other**

Net sales in the Other segment overall decreased 12.1% from the same period of the previous fiscal year to ¥8,600 million, and segment operating income decreased 34.9% from the same period of the previous fiscal year to ¥175 million.

Affiliates accounted for using the equity method such as WOWOW Inc., ITOCHU Fuji Partners, Inc., SANKEI SHIMBUN CO., LTD. and Nihon Eiga Broadcasting Corp. contributed to equity in earnings of affiliates.

## **(2) Explanation of Financial Position**

Total assets at the end of the second quarter of the fiscal year under review (September 30, 2020) amounted to ¥1,286,616 million, an increase of ¥32,003 million (2.6%) from the end of the previous fiscal year (March 31, 2020).

Total current assets amounted to ¥390,419 million, a decrease of ¥33,614 million (7.9%) from the end of the previous fiscal year. This was due mainly to decreases of ¥29,039 million in notes and accounts receivable-trade and ¥21,391 million in marketable securities; against an increase of ¥16,961 million in cash and deposits.

Total noncurrent assets amounted to ¥895,994 million, an increase of ¥65,647 million (7.9%) from the end of the previous fiscal year. This was due mainly to increases of ¥50,644 million in investment securities and ¥12,614 million in buildings and structures, net.

Total liabilities amounted to ¥520,289 million, an increase of ¥11,251 million (2.2%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥121,472 million, a decrease of ¥44,612 million (26.9%) from the end of the previous fiscal year. This was due mainly to decreases of ¥20,491 million in short-term loans payable, ¥9,364 million in notes and accounts payable-trade and ¥8,033 million in trade accounts payable included in the "Other" line item.

Total noncurrent liabilities amounted to ¥398,816 million, an increase of ¥55,863 million (16.3%) from the end of the previous fiscal year. This was due mainly to increases of ¥44,996 million in long-term loans payable and ¥9,373 million in deferred tax liabilities included in the "Other" line item.

Total net assets amounted to ¥766,327 million, an increase of ¥20,752 million (2.8%) from the end of the previous fiscal year. This was due mainly to an increase of ¥22,888 million in valuation difference on available-for-sale securities.

Cash flows during the six months ended September 30, 2020 were as follows.

Cash provided by operating activities amounted to ¥24,276 million, an increase of ¥15,111 million (164.9%) from cash provided during the same period of the previous fiscal year. This was due

mainly to an increase of ¥20,141 million in notes and accounts receivable-trade, a decrease of ¥18,953 million in net defined benefit liability, an increase of ¥4,770 million in inventories and a decrease of ¥4,194 million in income taxes paid; against a decrease of ¥32,055 million in income before income taxes.

Cash used in investing activities amounted to ¥24,776 million, an increase of ¥1,735 million (7.5%) from cash used during the same period of the previous fiscal year. This was due mainly to a decrease of ¥27,813 million in payments on purchase of marketable securities; against an increase of ¥12,627 million in payments on purchase of property, plant and equipment and an increase of ¥4,987 million in payments on purchase of investment securities.

Cash provided by financing activities amounted to ¥16,439 million, an increase of ¥20,796 million compared to ¥4,357 million used during the same period of the previous fiscal year. This was due mainly to an increase of ¥26,252 million in proceeds from long-term loans payable; against an increase of ¥9,320 million in repayments of long-term loans payable.

As a result, the balance of cash and cash equivalents at the end of the second quarter of the fiscal year under review amounted to ¥95,615 million, an increase of ¥15,645 million (19.6%) from the end of the previous fiscal year and an increase of ¥25,391 million (36.2%) from the end of the same period of the previous fiscal year.

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

The consolidated financial results during the six months ended September 30, 2020 saw decreases in both revenue and earnings in the Media & Content segment and the Urban Development, Hotels & Resorts segment. Whereas the timing of the containment of COVID-19 is still uncertain, consumption activities are gradually heading toward recovery, supported by various policies. However, as for the forecasts of consolidated financial results for the fiscal year ending March 31, 2021, the Company has made no changes to its financial results forecasts announced in the “Notice of Forecasts of Consolidated Financial Results and Dividend” released on July 22, 2020. The forecasts were calculated incorporating the expected impact of the pandemic on the Company’s business assuming that the impact will remain during the fiscal year.

The Company decided to withdraw the quantitative targets in the Medium-term Strategy Plan announced on May 15, 2018, in light of significant changes in the operating environment due to the impact of COVID-19 and the condition faced by the Group. Going forward, the Company will continue with initiatives to enhance its earning capabilities and management infrastructure as set forth in the Medium-term Strategy Plan, while implementing a structural reform in response to changes in the media environment.



## 2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

### (1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2020	September 30, 2020
<b>ASSETS</b>		
Current assets:		
Cash and deposits	76,126	<b>93,088</b>
Notes and accounts receivable-trade	110,390	<b>81,350</b>
Marketable securities	97,536	<b>76,145</b>
Inventories	101,163	<b>101,020</b>
Other	39,725	<b>39,616</b>
Allowance for doubtful accounts	(908)	<b>(801)</b>
Total current assets	<b>424,033</b>	<b>390,419</b>
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	135,228	<b>147,843</b>
Land	258,037	<b>261,563</b>
Other, net	42,759	<b>38,639</b>
Total property, plant and equipment	<b>436,024</b>	<b>448,046</b>
Intangible assets		
Goodwill	811	<b>759</b>
Other	17,235	<b>20,183</b>
Total intangible assets	<b>18,046</b>	<b>20,943</b>
Investments and other assets		
Investment securities	333,806	<b>384,450</b>
Other	44,242	<b>44,189</b>
Allowance for doubtful accounts	(1,773)	<b>(1,635)</b>
Total investments and other assets	<b>376,276</b>	<b>427,004</b>
Total noncurrent assets	<b>830,346</b>	<b>895,994</b>
Deferred assets	233	<b>203</b>
Total assets	<b>1,254,613</b>	<b>1,286,616</b>

	Millions of yen	
	March 31, 2020	September 30, 2020
<b>LIABILITIES</b>		
Current liabilities:		
Notes and accounts payable-trade	40,976	<b>31,611</b>
Electronically recorded obligations-operating	12,374	<b>11,713</b>
Short-term loans payable	40,559	<b>20,068</b>
Provision for sales returns	673	<b>521</b>
Provision for directors' bonuses	436	<b>145</b>
Provision for point card certificates	457	<b>399</b>
Provision for environmental measures	47	—
Other	70,559	<b>57,013</b>
Total current liabilities	<b>166,085</b>	<b>121,472</b>
Noncurrent liabilities:		
Bonds payable	20,000	<b>20,000</b>
Long-term loans payable	182,829	<b>227,825</b>
Provision for directors' retirement benefits	2,443	<b>2,348</b>
Net defined benefit liability	37,835	<b>37,814</b>
Other	99,845	<b>110,828</b>
Total noncurrent liabilities	<b>342,953</b>	<b>398,816</b>
Total liabilities	<b>509,038</b>	<b>520,289</b>
<b>NET ASSETS</b>		
Shareholders' equity:		
Capital stock	146,200	<b>146,200</b>
Capital surplus	173,794	<b>173,796</b>
Retained earnings	346,693	<b>346,958</b>
Treasury stock	(3,997)	<b>(6,483)</b>
Total shareholders' equity	<b>662,691</b>	<b>660,472</b>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	76,475	<b>99,363</b>
Deferred gains or losses on hedges	(218)	<b>(248)</b>
Revaluation reserve for land	1,479	<b>1,479</b>
Foreign currency translation adjustment	(1,310)	<b>(1,584)</b>
Remeasurements of defined benefit plans	(3,686)	<b>(3,397)</b>
Total accumulated other comprehensive income	<b>72,739</b>	<b>95,613</b>
Non-controlling interests	10,143	<b>10,241</b>
Total net assets	<b>745,574</b>	<b>766,327</b>
Total liabilities and net assets	<b>1,254,613</b>	<b>1,286,616</b>

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

### Consolidated Statements of Income

Six months ended September 30

	Millions of yen	
	2019	2020
Net sales	316,550	<b>246,868</b>
Cost of sales	220,553	<b>173,323</b>
Gross profit	95,997	<b>73,544</b>
Selling, general and administrative expenses	77,719	<b>68,696</b>
Operating income	18,277	<b>4,847</b>
Non-operating income:		
Dividends income	2,001	<b>2,041</b>
Equity in earnings of affiliates	2,351	<b>2,054</b>
Other	1,084	<b>1,647</b>
Total	5,436	<b>5,743</b>
Non-operating expenses:		
Interests	536	<b>709</b>
Other	485	<b>401</b>
Total	1,022	<b>1,110</b>
Recurring profit	22,692	<b>9,480</b>
Extraordinary gain:		
Gain on sales of investment securities	32	<b>92</b>
Gain on return of substitutional portion of employees' pension fund	18,832	—
Subsidies for employment adjustment	—	<b>233</b>
Other	44	<b>43</b>
Total	18,909	<b>369</b>
Extraordinary loss:		
Impairment loss	1,536	—
Loss on COVID-19	—	<b>1,783</b>
Other	326	<b>384</b>
Total	1,863	<b>2,167</b>
Income before income taxes	39,738	<b>7,682</b>
Income taxes-current	5,902	<b>3,227</b>
Income taxes-deferred	4,833	<b>(862)</b>
Total	10,735	<b>2,365</b>
Net income	29,002	<b>5,316</b>
Net income (loss) attributable to non-controlling interests	147	<b>(100)</b>
Net income attributable to owners of the parent	28,854	<b>5,417</b>

## Consolidated Statements of Comprehensive Income

Six months ended September 30

	Millions of yen	
	2019	2020
Net income	29,002	<b>5,316</b>
Other comprehensive income:		
Valuation difference on available-for-sale securities	(9,891)	<b>22,730</b>
Deferred gains or losses on hedges	(32)	<b>(16)</b>
Revaluation reserve for land	975	—
Foreign currency translation adjustment	(575)	<b>(329)</b>
Remeasurements of defined benefit plans	6,885	<b>389</b>
Share of other comprehensive income of affiliates accounted for using equity method	(627)	<b>348</b>
Total other comprehensive income	(3,265)	<b>23,121</b>
Comprehensive income	25,737	<b>28,437</b>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	25,545	<b>28,290</b>
Comprehensive income attributable to non-controlling interests	191	<b>147</b>

**(3) Consolidated Statements of Cash Flows**

Six months ended September 30

	Millions of yen	
	2019	2020
Cash flows from operating activities:		
Income before income taxes	39,738	7,682
Depreciation and amortization	7,800	8,442
Impairment loss	1,536	—
Increase (decrease) in net defined benefit liability	(18,984)	(30)
Interest and dividends income	(2,116)	(2,196)
Interest expenses	536	709
Equity in (earnings) losses of affiliates	(2,351)	(2,054)
Decrease (increase) in notes and accounts receivable-trade	8,928	29,070
Decrease (increase) in inventories	(1,118)	3,651
Increase (decrease) in notes and accounts payable-trade	(9,945)	(10,023)
Other	(6,725)	(8,343)
Subtotal	17,297	26,905
Interest and dividends income received	3,350	3,291
Interest expenses paid	(524)	(633)
Income taxes paid	(12,306)	(8,111)
Income taxes refunded	1,348	2,826
Net cash provided by operating activities	9,165	24,276
Cash flows from investing activities:		
Payments on purchase of marketable securities	(109,101)	(81,287)
Proceeds from sales and redemption of marketable securities	111,000	103,645
Payments on purchase of property, plant and equipment	(13,597)	(26,224)
Payments on purchase of intangible assets	(2,118)	(4,300)
Payments on purchase of investment securities	(12,633)	(17,621)
Proceeds from sales and redemption of investment securities	3,622	1,317
Other	(213)	(306)
Net cash used in investing activities	(23,041)	(24,776)

*(Continued on page 14)*

	Millions of yen	
	2019	2020
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(15,500)	<b>(13,500)</b>
Proceeds from long-term loans payable	24,747	<b>51,000</b>
Repayments of long-term loans payable	(3,674)	<b>(12,994)</b>
Purchase of treasury stock	—	<b>(2,444)</b>
Dividends paid	(5,148)	<b>(5,147)</b>
Dividends paid to non-controlling shareholders	(1,374)	<b>(47)</b>
Repayments to non-controlling shareholders	(2,900)	—
Other	(507)	<b>(426)</b>
Net cash provided by (used in) financing activities	(4,357)	<b>16,439</b>
Effect of exchange rate changes on cash and cash equivalents	(350)	<b>(293)</b>
Net increase (decrease) in cash and cash equivalents	(18,584)	<b>15,645</b>
Cash and cash equivalents at the beginning of the period	89,900	<b>79,970</b>
Increase in cash and cash equivalents from the new consolidation of a subsidiary	23	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(1,114)	—
Cash and cash equivalents at the end of the period	70,224	<b>95,615</b>

#### (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

##### (Segment Information)

#### I. Six months ended September 30, 2019

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

(Millions of yen)

	Reported segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated statement of income (Note 3)
	Media & Content	Urban Development, Hotels & Resorts	Total				
Net sales:							
Net sales to third parties	255,537	57,570	313,108	3,442	316,550	—	316,550
Inter-segment net sales and transfers	275	262	537	6,345	6,883	(6,883)	—
Total net sales	255,812	57,833	313,646	9,787	323,433	(6,883)	316,550
Segment operating income	8,017	10,740	18,757	268	19,026	(749)	18,277

- Notes: 1. The "Other" category is a business segment not included in reported segments. It includes such operations as temporary agency services, movables leasing and software development.
2. The segment operating income adjustment of minus ¥749 million mainly comprises ¥1,644 million in eliminations of inter-segment business, together with minus ¥2,394 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 Loss on Noncurrent Assets and Goodwill, etc. by Reported Segment

##### (Material Impairment Loss on Noncurrent Assets)

In the "Urban Development, Hotels & Resorts" segment, an impairment loss of ¥1,533 million is recorded. This was due to a change of the purpose of ownership of real estate from renting to sale by The Sankei Building Co., Ltd.

## II. Six months ended September 30, 2020

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

(Millions of yen)

	Reported segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated statement of income (Note 3)
	Media & Content	Urban Development, Hotels & Resorts	Total				
Net sales:							
Net sales to third parties	209,623	34,488	244,111	2,756	246,868	—	246,868
Inter-segment net sales and transfers	142	142	284	5,844	6,128	(6,128)	—
Total net sales	209,765	34,631	244,396	8,600	252,997	(6,128)	246,868
Segment operating income	3,195	2,035	5,231	175	5,406	(558)	4,847

- Notes: 1. The "Other" category is a business segment not included in reported segments. It includes such operations as temporary agency services, movables leasing and software development.
2. The segment operating income adjustment of minus ¥558 million mainly comprises ¥1,667 million in eliminations of inter-segment business, together with minus ¥2,226 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.

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