

Quarterly Flash Report (Consolidated Basis)

Results for the nine months ended December 31, 2009

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

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

Department

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

Quarterly report filing date (Planned): February 10, 2010

Start of dividend payments (Planned): —

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

1. Consolidated Financial Results of Nine Months Ended December 31, 2009

(1) Business Performance

Nine months ended December 31

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

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
2009	435,382	1.9	5,882	(70.6)	8,899	(62.5)	6,520	(28.5)
2008	427,473	—	20,035	—	23,761	—	9,120	—

	Net Income per Share Basic	Net Income per Share Diluted
	Yen	Yen
2009	2,831.38	—
2008	3,959.98	—

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
December 31, 2009	726,819	463,265	62.9	198,421.46
March 31, 2009	683,523	453,395	65.7	194,864.16

(Reference) Total shareholders' equity: December 31, 2009: ¥456,983 million, March 31, 2009: ¥448,790 million

2. Dividends

Fiscal year ended/ending March 31

Record date	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2009	—	1,800.00	—	1,800.00	3,600.00
2010	—	800.00	—		
2010 (Forecast)				400.00	1,200.00

(Note) Revision of dividends forecast for this period: Yes

3. Forecasts of Financial Results for Fiscal Year Ending March 31, 2010

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	578,100	2.6	3,700	(81.3)	6,200	(72.3)

	Net income		Net income per share
	Millions of yen	%	Yen
Fiscal year	3,500	(78.9)	1,519.69

(Note) Revision of earnings forecast for this period: Yes

4. Other

1. Significant changes in subsidiaries during the subject period (Transfer of particular subsidiaries following a change in the scope of consolidation):

Additions: None

Deletions: None

2. Adoption of simplified accounting practices and special accounting policy for quarterly financial reporting:
None

3. Changes from accounting methods, procedures and the presentation of the quarterly consolidated financial statements:

1) Changes based on revision of accounting standards: None

2) Changes other than 1) above: None

4. Number of shares issued and outstanding (Common share)

- 1) Number of shares issued and outstanding (including treasury stock):

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

- 2) Number of treasury stock

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

- 3) Average number of shares outstanding for each period (cumulative term):

Nine months ended December 31: 2009: 2,303,096 shares 2008: 2,303,096 shares

Explanation for the Appropriate Use of the Forecasts of Financial Results and Other Special Instructions:

The forward-looking statements made in this document, including the aforementioned forecasts of financial results, 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.

As for the assumptions and other factors on which the forecasts of financial results are based, please refer to the "Qualitative Data and Financial Statements: 3. Qualitative Information on Forecasts of Financial Results (Consolidated)" below.

QUALITATIVE DATA AND FINANCIAL STATEMENTS

1. Qualitative Information on Business Performance (Consolidated)

The Japanese economy during the third quarter of FY2009 (October 1 – December 31, 2009) was described in the government's most recent Monthly Economic Report as "the economy is recovering, but autonomy is limited, with high levels of unemployment and other conditions causing conditions to remain difficult." Although employment conditions are expected to remain tight for the foreseeable future, the recovery trend in the economy is likely to continue against the backdrop of improvement in overseas economies, and the impact from the emergency stimulus measures. At the same time, however, risk factors remain that could exert downward pressure on the economy, such as a sharp decline in corporate earnings, worsening of employment conditions, and the fallout from deflation.

The sales climate for advertising in our mainstay television business have remained difficult since the second quarter, with continued curbs on advertising expenses stemming from deterioration in corporate earnings.

Amid this economic environment, the Fuji Media Holdings Group posted consolidated net sales of ¥435,382 million for the nine-month third-quarter period of FY2009, up 1.9% from the same period of the previous fiscal year. Although revenue declined in the mainstay Broadcasting segment and Video and Music segment, sales rose in the Life Information and Advertising segments with the addition of new consolidated subsidiaries.

Operating income declined 70.6% from the same period of the previous fiscal year to ¥5,882 million, due mainly to a sharp downturn in earnings in the Broadcasting segment resulting from falls in broadcasting revenue, along with the operating loss in the Video and Music segment. Recurring profit declined 62.5% to ¥8,899 million, with net income down 28.5% to ¥6,520 million.

Results by operating segment are as follows:

Nine months ended December 31

	Net sales			Operating income (loss)		
	2008	2009	Change	2008	2009	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Broadcasting	282,335	261,882	(7.2)	17,793	6,307	(64.6)
Production	35,791	32,172	(10.1)	1,527	1,267	(17.0)
Video and Music	51,322	46,191	(10.0)	2,151	(91)	—
Life Information	62,642	88,545	41.4	63	536	746.8
Advertising	24,044	33,564	39.6	(94)	(211)	—
Other	25,855	21,866	(15.4)	270	50	(81.3)
Eliminations	(54,519)	(48,841)	—	(1,676)	(1,976)	—
Total	427,473	435,382	1.9	20,035	5,882	(70.6)

Note: Fuji Media Holdings reclassified its business segments from the third quarter of FY2008. The figures shown for the nine-month period (beginning from April 1, 2008) have been recalculated to reflect these new segment classifications for reference.

Broadcasting

In the Television Broadcasting division, broadcasting operations revenue was boosted in the third quarter by the first year-on-year rise in spot advertising sales in two years, but this was insufficient to cover the revenue decline through the first half of FY2009. Both network and local time advertising sales suffered double-digit declines as regular programming fees for the new October lineup were down across the board. Revenue from other operations in the Television Broadcasting division rose from the same period of the previous fiscal year, boosted in the event business by *Corteo*, which offset declines in the movie business despite such hit titles as *La strada per Amalfi*, and in the video business reflecting the slowdown in consumption. Overall, net sales in the Television Broadcasting division declined sharply as a result of the falloff in broadcasting operations revenue. In terms of expenses, operating expenses decreased from the same period of the previous fiscal year as a result of declines in broadcasting operations costs and selling, general and administrative ("SG&A") expenses, despite an increase in costs for other operations related to the rise in revenue. However, this decrease was insufficient to offset the impact from the decline in revenue.

In the Radio Broadcasting division, event and merchandise sales were up from the same period of the previous fiscal year, but division revenue declined overall as this rise was insufficient to cover the falloff in broadcasting operations revenue resulting from sluggish conditions for advertising. In terms of expenses, operating expenses declined as a result of efforts to trim program production and SG&A expenses, but earnings were down overall due to the falloff in revenue, and the division posted an operating loss.

As a result, net sales in the Broadcasting segment overall decreased 7.2% from the same period of the previous fiscal year to ¥261,882 million, with operating income down sharply 64.6% to ¥6,307 million.

Net Sales by Broadcasting Operations

Nine months ended December 31

	2008	2009	Change
	Millions of Yen	Millions of Yen	%
Television broadcasting			
Broadcasting operations	228,245	208,541	(8.6)
Broadcasting	204,498	184,497	(9.8)
Network time	100,920	89,151	(11.7)
Local time	15,415	12,907	(16.3)
Spot	88,162	82,437	(6.5)
Broadcasting related business	23,746	24,043	1.3
Program sales	13,736	13,911	1.3
Other	10,010	10,132	1.2
Other operations	36,404	36,923	1.4
Subtotal	264,650	245,464	(7.2)
Radio broadcasting	17,704	16,481	(6.9)
Elimination in the segment	(19)	(62)	—
Total	282,335	261,882	(7.2)

Production

Net sales in the Production segment declined 10.1% from the same period of the previous fiscal year to ¥32,172 million, as a result of a falloff in orders for program production. Operating income, despite efforts to trim production costs and other expenses, decreased 17.0% to ¥1,267 million.

Video and Music

Pony Canyon, Inc. posted an overall year-on-year decline in revenue for the subject period, along with an operating loss. The music division was boosted by such hit singles as Takeshi Tsuruno's "Tsuru no uta" and "Tsuru no oto" made popular by the variety show *Quiz! Hexagon II*, but revenue declined as sales failed to reach the level of those of such artists as aiko and Shuchishin in the previous fiscal year. The video division posted strong sales of such titles as the animated features *K-ON!* and *CLANNAD*, but these could not match sales of such titles as *Dragonball GT* and *Prince of the Legend* in the previous fiscal year.

Fujipacific Music Inc. was boosted by sales from Hexagon Family-related works derived from the *Quiz! Hexagon II* show, as well as master recording division artists such as Superfly, but sales were down due to a falloff in song royalties for commercials and DVDs. Earnings declined due to cost increases stemming from royalty payment increases for Japanese music.

As a result, net sales in the Video and Music segment overall decreased 10.0% from the same period of the previous fiscal year to ¥46,191 million, with the segment posting an operating loss of ¥91 million for the period.

Life Information

Dinos Inc. recorded an increase in television shopping sales on the popularity of the weekday morning program *limono Premium*, but this could not offset the revenue declines from catalogue shopping and event business, and sales declined overall. Operating income, however, rose year-on-year due to improvement in expenses such as direct marketing and administrative costs.

Sankei Living Shimbun Inc., despite a falloff in advertising revenue from its mainstay publications *Living Shimbun* and *City Living*, achieved profitability through efforts to cut 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, but managed to secure an operating profit.

As a result, net sales in the Life Information segment increased 41.4% from the same period of the previous fiscal year to ¥88,545 million, with the segment posting a considerable improvement in earnings, up 746.8% from a year earlier to ¥536 million.

Advertising

Quaras Inc. achieved revenue increases due to increases in its mainstay television advertising volume and contracted events, and narrowed its operating loss through efforts to cut expenses and administrative overhead.

Kyodo Advertising Co., Ltd., which was newly made a consolidated subsidiary from the subject fiscal year, achieved sales from placement of television spots for the pharmaceutical, 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 39.6% from the same period of the previous fiscal year to ¥33,564 million, but the segment's operating loss for the period expanded ¥116 million from a year earlier to ¥211 million.

Other

Fujimic, Inc. recorded declines in both sales and earnings due to sluggishness in software development and hardware sales.

Fusosha Publishing, Inc. continued to struggle with slow magazine sales and advertising, but narrowed its operating loss by trimming expenses and other initiatives.

As a result, net sales in the Other segment overall declined 15.4% from the same period of the previous fiscal year to ¥21,866 million, with operating income down 81.3% to ¥50 million.

Equity-Method Affiliates

The Sankei Building Co., Ltd. posted increases in revenue from the opening of Breezé Tower in August 2008 and brisk sales of condominiums, with earnings up sharply from the same period of the previous fiscal year.

Fuji Satellite Broadcasting, Inc. (BS Fuji) received a revenue boost from BS Fuji Live Prime News, the first major news program on a broadcast satellite station, as well as live broadcasts of baseball night games, bj-League basketball games and other sporting events, increasing sales in excess of the Beijing Olympics in the same period of the previous fiscal year. Earnings were down, however, as a result of increases in program production expenses.

As a result, equity in earnings of affiliates declined ¥276 million from the same period of the previous fiscal year to ¥1,415 million.

2. Qualitative Information on the Financial Position (Consolidated)

Total assets at the end of the subject third-quarter period (December 31, 2009) amounted to ¥726,819 million, an increase of ¥43,295 million from the end of the previous fiscal year (March 31, 2009).

Total current assets amounted to ¥316,093 million, an increase of ¥21,724 million from the end of the previous fiscal year. This was due mainly to increases of ¥10,302 million in notes and accounts receivable-trade; and ¥9,447 million in inventories.

Noncurrent assets totaled ¥410,725 million, an increase of ¥21,571 million from the end of the previous fiscal year. This was due mainly to increases of ¥15,485 million in investment securities; and ¥5,918 million in music copyrights included in other noncurrent assets stemming from the addition of consolidated subsidiaries and other factors.

Total liabilities amounted to ¥263,553 million, an increase of ¥33,425 million from the end of the previous fiscal year. This was due mainly to increases of ¥13,469 million in notes and accounts payable-trade; ¥5,039 million in short-term loans payable; and ¥4,996 million in provision for retirement benefits; along with an increase of ¥6,374 million in deferred tax liabilities included in other noncurrent liabilities.

Total net assets at the end of the subject third-quarter period amounted to ¥463,265 million, an increase of ¥9,870 million from the end of the previous fiscal year. This was the result of a ¥5,988 million decrease in retained earnings arising from the payment of dividends; against ¥6,520 million recorded in net income; and increases of ¥7,804 million in valuation difference on available-for-sale securities; and ¥1,622 million in minority interests stemming from the addition of consolidated subsidiaries and other factors.

Cash flows during the subject nine-month third-quarter period were as follows:

Cash provided by operating activities totaled ¥11,024 million, a decrease of ¥34,197 million from cash provided during the same period of the previous fiscal year. This was due mainly to a ¥12,464 million decrease in notes and accounts receivable-trade; and a ¥5,523 million decrease in inventories; along with an increase of ¥6,096 million in payment of income taxes; and a decrease of ¥8,696 million in income before income taxes.

Cash used in investing activities totaled ¥7,619 million, a decrease of ¥12,875 million from cash used during the same period of the previous fiscal year. This was due mainly to an increase of ¥6,402 million in payments for purchase of securities; against an increase of ¥8,385 million in proceeds from sales and redemption of securities; and a decrease of ¥7,110 million in expenditures for purchase of property, plant and equipment.

Cash used in financing activities totaled ¥3,180 million, a decrease of ¥5,725 million in cash used during the same period of the previous fiscal year. This was due mainly to an increase of ¥3,650 million in proceeds from long-term loans payable; and a net increase of ¥3,545 million from short-term loans payable.

As a result, cash and cash equivalents at the end of the subject third-quarter period amounted to ¥116,794 million, an increase of ¥195 million from the end of the previous fiscal year (March 31, 2009), and an increase of ¥21,895 million from the end of the same period of the previous fiscal year (December 31, 2008).

3. Qualitative Information on Forecasts of Financial Results (Consolidated)

In the Broadcasting segment, Fuji Television's spot advertising sales showed signs of recovery at the beginning of the third quarter, with placements up year-on-year from such industries as foods, distribution and retail, and telecommunications, though DVD sales slumped due to slow consumer spending, and depreciation costs increased due to implementation of certain broadcast equipment earlier than planned. As a result, for the full fiscal year, revenue in this segment is forecast to exceed the previous estimate, though earnings are expected to be basically in line with the previous forecast.

Other segments are expected to face difficult circumstances. In the Video and Music segment DVD and CD sales are down, in the Life Information segment catalogue shopping is sluggish, in the Advertising segment sponsors have cut back on ad placements, and in the Other segment publishing operations face declines in magazine sales and advertising.

As a result, we have revised downward our consolidated forecasts for the full fiscal year, to net sales of ¥578.1 billion, operating income of ¥3.7 billion, recurring profit of ¥6.2 billion, and net income of ¥3.5 billion.

The changes from the previous full-year consolidated forecast announced on November 4, 2009 are as follows:

Consolidated Forecasts of Financial Results for Fiscal Year Ending March 31, 2010

	Net Sales	Operating Income	Recurring Profit	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Previous Forecast (A)	581,000	6,600	9,800	5,400
Revised Forecast (B)	578,100	3,700	6,200	3,500
Change (B-A)	(2,900)	(2,900)	(3,600)	(1,900)
Percent Change (%)	(0.5)	(43.9)	(36.7)	(35.2)

4. Other

- (1) Significant changes in subsidiaries during the subject period (Transfer of particular subsidiaries following a change in the scope of consolidation): None

- (2) Adoption of simplified accounting practices and special accounting policy for quarterly financial reporting: None

- (3) Changes from accounting methods, procedures and the presentation of the quarterly consolidated financial statements: None

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

	December 31, 2009	March 31, 2009
ASSETS		
Current assets:		
Cash and deposits	73,084	69,265
Notes and accounts receivable-trade	120,363	110,060
Marketable securities	53,580	60,269
Inventories	29,660	20,213
Other	40,065	35,048
Allowance for doubtful accounts	(661)	(487)
Total current assets	316,093	294,369
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures (net)	108,940	108,275
Other (net)	55,625	58,377
Total property, plant and equipment	164,565	166,652
Intangible assets		
Goodwill	6,680	5,936
Other	45,422	39,915
Total intangible assets	52,103	45,851
Investments and other assets		
Investment securities	166,439	150,953
Other	29,552	27,449
Allowance for doubtful accounts	(1,935)	(1,754)
Total investments and other assets	194,056	176,649
Total noncurrent assets	410,725	389,153
Total assets	726,819	683,523

	December 31, 2009	March 31, 2009
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	64,752	51,283
Short-term loans payable	10,227	5,188
Provision for sales returns	738	714
Provision for directors' bonuses	200	321
Provision for point card certificates	1,025	—
Other	63,206	64,104
Total current liabilities	140,151	121,613
Noncurrent liabilities:		
Bonds payable	50,471	49,989
Provision for retirement benefits	39,042	34,046
Provision for directors' retirement benefits	2,228	2,312
Provision for loss on interest repayment	113	—
Negative goodwill	9,125	9,332
Other	22,420	12,832
Total noncurrent liabilities	123,402	108,514
Total liabilities	263,553	230,127
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	146,200
Capital surplus	173,664	173,664
Retained earnings	155,317	154,913
Treasury stock	(15,505)	(15,505)
Total shareholders' equity	459,677	459,273
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	21	(7,782)
Deferred gains or losses on hedges	79	—
Revaluation reserve for land	365	358
Foreign currency translation adjustment	(3,159)	(3,057)
Total valuation and translation adjustments	(2,693)	(10,482)
Stock acquisition rights	54	—
Minority interests	6,227	4,604
Total net assets	463,265	453,395
Total liabilities and net assets	726,819	683,523

(2) Consolidated Statements of Income

Millions of Yen

	Nine months ended December 31	
	2008	2009
Net sales	427,473	435,382
Cost of sales	287,011	300,133
Gross profit	140,461	135,249
Selling, general and administrative expenses:	120,426	129,366
Operating income	20,035	5,882
Non-operating revenues:		
Dividends income	2,289	1,685
Equity in earnings of affiliates	1,691	1,415
Other	2,105	1,845
Total	6,086	4,945
Non-operating expenses:		
Interests	675	823
Loss on investments in partnership	603	541
Rental fee	581	421
Other	500	142
Total	2,361	1,928
Recurring profit	23,761	8,899
Extraordinary gain:		
Gain on the sale of noncurrent assets	206	2,159
Gain on sales of investment securities	—	1,587
Other	36	203
Total	242	3,950
Extraordinary loss:		
Loss on disposal of noncurrent assets	—	339
Impairment loss	809	—
Valuation loss of investment securities	1,890	—
Loss on sales of investment securities	—	254
Other	789	439
Total	3,489	1,033
Income before income taxes	20,514	11,817
Income taxes -current	9,590	4,138
Income taxes-deferred	1,767	1,025
Total	11,357	5,164
Minority interests in income	36	132
Net income	9,120	6,520

(3) Consolidated Statements of Cash Flows

Millions of yen

	Nine months ended December 31	
	2008	2009
Cash flows from operating activities:		
Income before income taxes	20,514	11,817
Depreciation and amortization	17,929	17,279
Interest and dividend receivable	(2,771)	(1,906)
Interest expenses	675	823
Equity in earnings of affiliates	(1,691)	(1,415)
Decrease (increase) in notes and accounts receivable-trade	9,964	(2,500)
Decrease (increase) in inventories	2,180	(3,343)
Decrease in notes and accounts payable-trade	(3,740)	5,235
Others	6,843	(1,008)
Subtotal	49,903	24,981
Proceeds from interests and dividend income	3,185	2,269
Interest expenses paid	(452)	(569)
Income taxes paid	(9,714)	(15,811)
Income taxes refunded	2,300	154
Net cash provided by (used in) operating activities	45,222	11,024
Cash flows from investing activities:		
Payments for purchase of securities	—	(6,801)
Proceeds from sales and redemption of securities	—	11,000
Payments for purchase of property, plant and equipment	(10,968)	(3,857)
Payments for purchase of intangible assets	(4,715)	(3,161)
Payments for purchase of investment securities	(4,589)	(3,742)
Proceeds from sales and redemption of investment securities	—	2,682
Payments for purchase of subsidiary shares due to the change of scope of consolidation	(3,451)	(7,047)
Others	3,230	3,308
Net cash provided by (used in) investing activities	(20,494)	(7,619)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(1,194)	2,351
Proceeds from long-term loans payable	700	4,350
Repayment of long-term loans payable	(1,002)	(3,474)
Dividends paid by the Company	(7,354)	(5,971)
Dividends paid to minorities	(31)	(36)
Others	(22)	(399)
Net cash used in financing activities	(8,905)	(3,180)
Effect of exchange rate changes on cash and cash equivalents	(2,008)	(75)
Increase (decrease) in cash and cash equivalents	13,813	149
Cash and cash equivalents at the beginning of the term	80,171	116,598
Increase in cash and cash equivalents from newly consolidated subsidiaries	913	45
Cash and cash equivalents at the end of the term	94,899	116,794

(4) Note on assumptions for going concern

Not applicable

(5) Segment Information

1. Business segment information

Nine months ended December 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	263,642	15,024	49,910	51,893	8,252	38,750	427,473	—	427,473
2. Intra-group net sales and transfers	18,692	22,469	1,412	402	773	10,333	54,084	(54,084)	—
Total net sales	282,335	37,493	51,322	52,296	9,026	49,083	481,558	(54,084)	427,473
Operating income (loss)	17,275	1,728	2,151	314	76	(419)	21,127	(1,091)	20,035

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. Major consolidated subsidiaries by business segment:

Business segment	Major consolidated subsidiaries
Broadcasting	Fuji Television Network, Inc.* Nippon Broadcasting System, Inc.
Production	Kyodo Edit, Inc., Kyodo Television, Ltd., VASC Co., Ltd., Happo Television, Inc., Van Eight Productions, Inc., Fuji Art, Inc., Fuji Creative, Corporation, Fuji Lighting and Technology, Inc., Basis Ltd.
Video and Music	Shinko Music Publishers Co., Ltd., Fujipacific Music Inc., Fuji Music Partners, Pony Canyon Inc., Ponycanyon Enterprise, Inc. Fujipacific Music (USA), Inc. Fuji Entertainment America, Inc.** Windswept Classics, Inc.
Life Information	Sankei Living Shimbun Inc., Dinos Inc., Living Pro-Seed, Inc.
Advertising	Quaras Inc.
Other	Nippon Broadcasting Projects, Inc., Fujisankei Personnel, Inc., Fujimic, Inc., Fusosha Publishing, Inc., Fujisankei Communications International, Inc.

* Fuji Media Holdings, Inc. changed in the corporate name from Fuji Television Network, Inc. on October 1, 2008, and newly established Fuji Television Network, Inc., a television broadcaster, implementing a corporate split.

**Fujisankei California Entertainment, Inc. was changed in the corporate name to Fuji Entertainment America, Inc. on October 1, 2008.

4. Fuji Media Holdings, at a meeting of its Board of Directors on November 6, 2008, decided to change the classification of its business segments from the third quarter of FY2008 ending March 31, 2009.

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 centered on Fuji Media Holdings, Inc. We consider the transition to a certified broadcast holding company 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 allocation 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 third-quarter period include the results for the first half prior to the segment reclassification. In the figures for the subject third-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 FY 2008 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 net sales	187,294	25,654	29,139	34,613	39,579	316,281	(34,306)	281,975
Operating income (loss)	10,659	1,485	(286)	1,369	(549)	12,677	(36)	12,641

5. Segment results cumulative through the third quarter of FY2008, assuming a change in segment classifications from the start of the fiscal year, are as follows:

Nine months ended December 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	263,642	14,525	49,910	61,944	22,664	14,786	427,473	—	427,473
2. Intra-group net sales and transfers	18,692	21,266	1,412	697	1,380	11,069	54,519	(54,519)	—
Total net sales	282,335	35,791	51,322	62,642	24,044	25,855	481,992	(54,519)	427,473
Operating income (loss)	17,793	1,527	2,151	63	(94)	270	21,712	(1,676)	20,035

6. Fuji Media Holdings reclassified its business segments from the third quarter of FY2008. Segment information for the first-half period of FY2008 after the reclassification is as follows:

Six months ended September 30, 2008

	Millions of Yen								
	Broadcasting	Production	Video and music	Life information	Advertising	Other	Total	Eliminations	Consolidation
Net sales:									
1. Net sales to third parties	177,164	9,931	33,804	39,064	14,411	7,597	281,975	—	281,975
2. Intra-group net sales and transfers	10,129	14,020	808	420	606	8,754	34,740	(34,740)	—
Total net sales	187,294	23,951	34,613	39,485	15,018	16,351	316,715	(34,740)	281,975
Operating income (loss)	11,177	1,284	1,369	(537)	(170)	140	13,262	(621)	12,641

7. Assets in the Life Information segment increased by ¥12,805 million from the end of the previous fiscal year due to the addition of consolidated subsidiaries. Of this increase, the portion attributable to newly consolidated subsidiaries is ¥10,438 million. A summary of the increase is as follows:

	December 31, 2008	March 31, 2008	Change
	Millions of yen	Millions of yen	Millions of yen
Assets of Life Information segment	31,234	18,428	12,805
Assets of newly consolidated subsidiaries included			
Sankei Living Shimbun Inc.	8,080	—	8,080
Living Pro-Seed, Inc.	2,358	—	2,358
Total	10,438	—	10,438

Note: Asset figures for the Life Information segment at the end of the previous fiscal year are asset figures for the Direct Marketing segment at the end of the previous fiscal year.

8. Assets in the Eliminations category increased ¥163,756 million from the end of the previous fiscal year. This is due to the inclusion from the subject third quarter of ¥183,429 million in assets at the parent company in accordance with the transition to a certified broadcasting holding company structure. These assets include surplus operating capital (cash and deposits, marketable securities, etc.), long-term investment capital (investment securities, etc.), and assets related to management divisions.

Nine months ended December 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	247,839	13,171	45,095	87,908	31,784	9,582	435,382	—	435,382
2. Intra-group net sales and transfers	14,043	19,001	1,095	637	1,779	12,284	48,841	(48,841)	—
Total net sales	261,882	32,172	46,191	88,545	33,564	21,866	484,224	(48,841)	435,382
Operating income (loss)	6,307	1,267	(91)	536	(211)	50	7,858	(1,976)	5,882

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. Assets in the Advertising segment increased by ¥4,810 million compared to the end of the previous fiscal year (March 31, 2009). This was due mainly to the addition of Kyodo Advertising Co., Ltd. to the scope of consolidation during the first-quarter period of the subject fiscal year.
4. The value of assets in the Life Information segment increased ¥31,228 million compared to the end of the previous fiscal year (March 31, 2009). This was due mainly to the addition from the second quarter of the subject fiscal year of the consolidated subsidiaries Cecile Co., Ltd., Almado, Inc., Cecile Communications Co., Ltd., Cecile Business & Staffing Co., Ltd., and Cecile Logistics Co., Ltd.

2. Geographical segment information

For the nine months ended December 31, 2008 and 2009, geographical segment information is not disclosed because businesses within Japan occupied more than 90% of total net sales of all segments.

3. Overseas net sales

For the nine months ended December 31, 2008 and 2009, overseas net sales are not disclosed because they were below 10% of consolidated net sales.

(6) Notes in the event of major changes in shareholders' equity

Not applicable.