

Flash Report [Japanese GAAP] (Consolidated Basis)**Results for the six months ended September 30, 2019****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, 2019

Scheduled date of commencing dividend payments: December 6, 2019

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	%
2019	316,550	8.3	18,277	62.9	22,692	50.5	28,854	185.2
2018	292,293	(6.3)	11,223	(3.8)	15,079	(3.5)	10,118	(12.8)

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

Six months ended September 30, 2018: ¥32,047 million, (9.8)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2019	124.65	—
2018	43.69	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2019	1,259,927	759,259	59.5
March 31, 2019	1,290,484	743,348	56.5

(Reference) Total shareholders' equity: September 30, 2019: ¥749,496 million,

March 31, 2019: ¥729,354 million

2. Dividends

Year ended March 31, 2019/ Year ending March 31, 2020

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2019	—	22.00	—	22.00	44.00
2020	—	22.00			
2020 (Forecast)			—	22.00	44.00

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

Breakdown of dividends per share for the year ended March 31, 2019:

2Q: Ordinary dividend: ¥20.00, Commemorative dividend: ¥2.00

Year-end: Ordinary dividend: ¥20.00, Commemorative dividend: ¥2.00

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	639,500	(4.4)	28,500	(17.9)	34,000	(19.0)

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year	33,900	43.5	146.44

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

Notes:

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

Additions: None

Deletions: None

2. Adoption of special accounting treatment in preparing the quarterly consolidated financial statements: None

3. Changes in accounting policies, changes in accounting estimates, and modifications and restatements:

1) Changes in accounting policies based on revision of accounting standards: None

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: Yes

4) Modifications and restatements: None

(Note) The Company has changed the method of depreciation and years of useful life as from the three months ended June 30, 2019, and this is applicable under "Change in Accounting Policy Difficult to be Distinguished from Change in Accounting Estimates, and Change in Accounting Estimates." For details, please refer to "2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES, (4) Notes to Consolidated Financial Statements, (Change in Accounting Policy Difficult to be Distinguished from Change in Accounting Estimates, and Change in Accounting Estimates)" on page 15.

4. Number of issued shares (Common stock)

	Six months ended September 30, 2019	Year ended March 31, 2019
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)	2,705,536	2,695,505
		Six months ended September 30, 2018
3) Average number of issued shares during the period (shares)	231,488,964	231,576,289

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, 2020: (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, 2020

(1) Explanation of Business Results

The Japanese government's Monthly Economic Report on the Japanese economy for the six months ended September 30, 2019 (April 1, 2019 to September 30, 2019) states, "Concerning short-term prospects, weakness remains for the time being, but the economy is expected to continue recovering moderately, supported by the effects of various government policy measures, while the employment and income situation is improving. However, adequate attention should be given to the tension over trade issues and the prospect of the Chinese economy." It also states that firms' judgments on current business conditions "show increasing cautiousness, mainly among manufacturers."

Amid this economic environment, the consolidated net sales of Fuji Media Holdings Group (the "Group") increased during the six months ended September 30, 2019, up 8.3% from the same period of the previous fiscal year to ¥316,550 million, as there were increases in all segments of the Media & Content, Urban Development, Hotels & Resorts and Other segments.

In terms of earnings, operating income also increased 62.9% year-on-year to ¥18,277 million due to increases in the Media & Content, Urban Development, Hotels & Resorts and Other segments. Recurring profit increased 50.5% year-on-year to ¥22,692 million, and net income attributable to owners of the parent increased 185.2% year-on-year to ¥28,854 million due to the posting of a gain on return of substitutional portion of employees' pension fund as an extraordinary gain during the first quarter.

Results by operating segment are as follows.

Six months ended September 30

	Net sales			Operating income		
	2018	2019	Change	2018	2019	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Media & Content	253,227	255,812	1.0	7,263	8,017	10.4
Urban Development, Hotels & Resorts	36,597	57,833	58.0	3,665	10,740	193.0
Other	9,167	9,787	6.8	204	268	31.4
Eliminations	(6,699)	(6,883)	—	88	(749)	—
Total	292,293	316,550	8.3	11,223	18,277	62.9

Media & Content

Fuji Television Network, Inc. (“Fuji TV”) saw a decrease in broadcasting revenue due to a decrease in spot advertising revenue from the Kanto region as its market underperformed the previous year results despite an increase in its share, and a reactionary drop in network time advertising sales after a major sports event and other events in the previous fiscal year. Revenue from other businesses overall decreased due to a reactionary drop in the event business after major events in the previous fiscal year, despite increases in distribution revenue from “ONE PIECE STAMPEDE,” “Tonde Saitama (Fly Me to the Saitama)” and “THE CONFIDENCE MAN JP -The Movie-” and in digital business revenue. Earnings increased as Fuji TV worked on efficient use of resources to reduce costs. As a result of the above, a decrease in revenue and an increase in earnings were recorded.

Fuji Satellite Broadcasting, Inc. (“BS Fuji”) recorded decreases in revenue and earnings as a result of a decline in broadcasting revenue overall due to a sluggish time advertising revenue growth despite strong spot advertising revenue, as well as an increase in expenses from BS 4K-resolution broadcasts, outweighing an increase in revenue from other businesses.

Nippon Broadcasting System, Inc. showed strong performances in the radio shopping business and event business, and revenue and earnings increased as a result.

Pony Canyon Inc. posted an increase in revenue as a result of strong performances in streaming, events and goods revenues in addition to a strong performance in the music division, despite a decrease in revenue in the video division. As a result, operating loss decreased from the same period of the previous fiscal year.

Fujipacific Music Inc. recorded decreases in revenue and earnings as a result of declining revenue in video production and artists management, despite a strong performance in royalty revenue.

The Dinos business of Dinos Cecile Co., Ltd. recorded an increase in revenue due to continued a strong performance particularly of beauty and health products in television shopping and flexibly capturing last-minute demand before the consumption tax hike. However, in the Cecile business, revenue decreased as the catalog business growth was sluggish. As a result, the entire business of Dinos Cecile Co., Ltd. posted increases in revenue and earnings and secured profits compared with a loss in the same period of the previous fiscal year.

Quaras Inc. posted increases in revenue and earnings due to strong performances in events and sales of goods derived from such events.

Fuji Games, Inc. posted an increase in revenue due to a release of a new title. However, an operating loss was posted as the existing titles struggled.

As a result, for the Media & Content segment overall, net sales increased 1.0% from the same period of the previous fiscal year to ¥255,812 million, and segment operating income increased 10.4% to ¥8,017 million.

Urban Development, Hotels & Resorts

The Sankei Building Co., Ltd. recorded increases in both revenue and earnings, due to sales of some of the development properties of the asset development business, despite a decrease in revenue in the office building business.

GRANVISTA Hotels & Resorts Co., Ltd. posted increases in both revenue and earnings, due mainly to 10 consecutive holidays of the Golden Week and the continued growth of foreign visitors to Japan.

As a result of the above, the Urban Development, Hotels & Resorts segment had net sales of ¥57,833 million, up 58.0% from the same period of the previous fiscal year, with segment operating income up 193.0% to ¥10,740 million, recording a significant increase in earnings.

Other

Net sales in the Other segment overall increased 6.8% from the same period of the previous fiscal year to ¥9,787 million, and segment operating income increased 31.4% from the same period of the previous fiscal year to ¥268 million.

The Fuji TV network affiliates, along with SANKEI SHIMBUN CO., LTD., WOWOW Inc. and ITOCHU Fuji Partners, Inc. contributed to the 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, 2019) amounted to ¥1,259,927 million, a decrease of ¥30,556 million (2.4%) from the end of the previous fiscal year (March 31, 2019).

Total current assets amounted to ¥396,504 million, a decrease of ¥11,101 million (2.7%) from the end of the previous fiscal year. This was due mainly to decreases of ¥11,786 million in cash and deposits and ¥9,448 million in notes and accounts receivable-trade; against an increase of ¥17,650 million in inventories.

Total noncurrent assets amounted to ¥862,924 million, a decrease of ¥19,394 million (2.2%) from the end of the previous fiscal year. This was due mainly to decreases of ¥7,593 million in deferred tax assets included in the "Other" line item under investments and other assets, ¥6,833 million in land and ¥5,376 million in buildings and structures.

Total liabilities amounted to ¥500,668 million, a decrease of ¥46,468 million (8.5%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥165,043 million, a decrease of ¥25,738 million (13.5%) from the end of the previous fiscal year. This was due mainly to decreases of ¥8,101 million in notes and accounts payable-trade, ¥5,980 million in short-term loans payable and ¥3,816 million in accrued income taxes included in the "Other" line item.

Total noncurrent liabilities amounted to ¥335,624 million, a decrease of ¥20,729 million (5.8%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥28,493 million in net defined benefit liability resulting from the return of the substitutional portion of the Employees' Pension Fund, despite an increase of ¥11,755 million in long-term loans payable.

Net assets amounted to ¥759,259 million, an increase of ¥15,911 million (2.1%) from the end of the previous fiscal year. This was due mainly to the recording of ¥28,854 million in net income attributable to owners of the parent; against decreases of ¥5,152 million in retained earnings due to dividends of surplus and ¥10,364 million in valuation difference on available-for-sale securities.

Cash flows during the second quarter of the fiscal year under review were as follows.

Cash provided by operating activities amounted to ¥9,165 million, a decrease of ¥11,582 million (55.8%) from cash provided during the same period of the previous fiscal year. This was due mainly to increases of ¥18,483 million in net defined benefit liability, ¥6,862 million in income taxes paid and ¥6,026 million in notes and accounts payable-trade; against an increase of ¥24,435 million in income before income taxes.

Cash used in investing activities amounted to ¥23,041 million, a decrease of ¥39,270 million (63.0%) from cash used during the same period of the previous fiscal year. This was due mainly to a decrease of ¥31,216 million in payments on purchase of property, plant and equipment and an increase of ¥22,309 million in proceeds from sales and redemption of securities, against an increase of ¥9,992 million in payments on purchase of marketable securities.

Cash used in financing activities amounted to ¥4,357 million, a decrease of ¥29,306 million in cash provided compared to ¥24,948 million provided during the same period of the previous fiscal year. This was due mainly to a decrease of ¥51,000 million in net increase (decrease) in short-term loans payable; against a decrease of ¥20,400 million in repayments of long-term loans payable.

As a result of taking into account a decrease of ¥1,114 million in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation, the balance of cash and cash equivalents at the end of the second quarter of the fiscal year under review amounted to ¥70,224 million, a decrease of ¥19,675 million (21.9%) from the end of the previous fiscal year and a decrease of ¥6,090 million (8.0%) from the end of the same period of the previous fiscal year.

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

Consolidated financial results during the six months ended September 30, 2019 comprised increases in both revenue and earnings in the Media & Content, Urban Development, Hotels & Resorts and Other segments. Overall consolidated performance was mainly in line with the plan. Accordingly, the Company has made no changes to its full-year consolidated financial results forecasts for the fiscal year ending March 31, 2020 from those announced on May 15, 2019.

2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2019	September 30, 2019
ASSETS		
Current assets:		
Cash and deposits	75,655	63,869
Notes and accounts receivable-trade	112,994	103,545
Marketable securities	107,300	98,447
Inventories	74,192	91,842
Other	38,179	39,566
Allowance for doubtful accounts	(715)	(767)
Total current assets	407,606	396,504
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	134,005	128,628
Land	266,168	259,335
Other, net	38,023	41,459
Total property, plant and equipment	438,197	429,423
Intangible assets		
Goodwill	923	927
Other	17,112	17,817
Total intangible assets	18,035	18,745
Investments and other assets		
Investment securities	378,036	374,125
Other	49,856	42,407
Allowance for doubtful accounts	(1,807)	(1,776)
Total investments and other assets	426,085	414,756
Total noncurrent assets	882,319	862,924
Deferred assets	558	497
Total assets	1,290,484	1,259,927

	Millions of yen	
	March 31, 2019	September 30, 2019
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	47,796	39,694
Electronically recorded obligations-operating	15,218	13,365
Short-term loans payable	41,924	35,944
Provision for sales returns	990	825
Provision for directors' bonuses	392	148
Provision for point card certificates	448	511
Other	84,012	74,553
Total current liabilities	<u>190,782</u>	<u>165,043</u>
Noncurrent liabilities:		
Bonds payable	20,000	20,000
Long-term loans payable	157,063	168,818
Provision for directors' retirement benefits	2,272	2,269
Provision for environmental measures	46	46
Provision for loss on guarantees	37	31
Net defined benefit liability	65,747	37,254
Other	111,185	107,202
Total noncurrent liabilities	<u>356,353</u>	<u>335,624</u>
Total liabilities	<u>547,136</u>	<u>500,668</u>
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	146,200
Capital surplus	173,680	173,794
Retained earnings	315,956	339,307
Treasury stock	(3,808)	(3,822)
Total shareholders' equity	<u>632,029</u>	<u>655,479</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	107,804	97,439
Deferred gains or losses on hedges	(205)	(272)
Revaluation reserve for land	616	1,566
Foreign currency translation adjustment	(995)	(1,599)
Remeasurements of defined benefit plans	(9,893)	(3,116)
Total accumulated other comprehensive income	<u>97,325</u>	<u>94,016</u>
Non-controlling interests	<u>13,993</u>	<u>9,763</u>
Total net assets	<u>743,348</u>	<u>759,259</u>
Total liabilities and net assets	<u>1,290,484</u>	<u>1,259,927</u>

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

Consolidated Statements of Income

Six months ended September 30

	Millions of yen	
	2018	2019
Net sales	292,293	316,550
Cost of sales	203,057	220,553
Gross profit	89,236	95,997
Selling, general and administrative expenses	78,013	77,719
Operating income	11,223	18,277
Non-operating income:		
Dividends income	1,721	2,001
Equity in earnings of affiliates	1,447	2,351
Other	1,581	1,084
Total	4,750	5,436
Non-operating expenses:		
Interests	575	536
Other	318	485
Total	893	1,022
Recurring profit	15,079	22,692
Extraordinary gain:		
Gain on return of substitutional portion of employees' pension fund	—	18,832
Other	734	76
Total	734	18,909
Extraordinary loss:		
Impairment loss	10	1,536
Other	500	326
Total	511	1,863
Income before income taxes	15,302	39,738
Income taxes-current	3,992	5,902
Income taxes-deferred	614	4,833
Total	4,607	10,735
Net income	10,695	29,002
Net income attributable to non-controlling interests	576	147
Net income attributable to owners of the parent	10,118	28,854

Consolidated Statements of Comprehensive Income

Six months ended September 30

	Millions of yen	
	2018	2019
Net income	10,695	29,002
Other comprehensive income:		
Valuation difference on available-for-sale securities	20,226	(9,891)
Deferred gains or losses on hedges	54	(32)
Revaluation reserve for land	—	975
Foreign currency translation adjustment	(413)	(575)
Remeasurements of defined benefit plans	754	6,885
Share of other comprehensive income of affiliates accounted for using equity method	730	(627)
Total other comprehensive income	21,352	(3,265)
Comprehensive income	32,047	25,737
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	31,180	25,545
Comprehensive income attributable to non-controlling interests	866	191

(3) Consolidated Statements of Cash Flows

Six months ended September 30

	Millions of yen	
	2018	2019
Cash flows from operating activities:		
Income before income taxes	15,302	39,738
Depreciation and amortization	8,774	7,800
Impairment loss	10	1,536
Increase (decrease) in net defined benefit liability	(501)	(18,984)
Interest and dividends income	(1,816)	(2,116)
Interest expenses	575	536
Equity in (earnings) losses of affiliates	(1,447)	(2,351)
Decrease (increase) in notes and accounts receivable-trade	10,147	8,928
Decrease (increase) in inventories	31	(1,118)
Increase (decrease) in notes and accounts payable-trade	(3,919)	(9,945)
Other	(5,397)	(6,725)
Subtotal	21,758	17,297
Interest and dividends income received	3,060	3,350
Interest expenses paid	(543)	(524)
Income taxes paid	(5,444)	(12,306)
Income taxes refunded	1,916	1,348
Net cash provided by operating activities	20,748	9,165
Cash flows from investing activities:		
Payments on purchase of marketable securities	(99,108)	(109,101)
Proceeds from sales and redemption of marketable securities	88,690	111,000
Payments on purchase of property, plant and equipment	(44,813)	(13,597)
Payments on purchase of intangible assets	(1,496)	(2,118)
Payments on purchase of investment securities	(8,881)	(12,633)
Proceeds from sales and redemption of investment securities	2,755	3,622
Other	543	(213)
Net cash used in investing activities	(62,312)	(23,041)

(Continued on page 14)

	Millions of yen	
	2018	2019
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	35,500	(15,500)
Proceeds from long-term loans payable	22,500	24,747
Repayments of long-term loans payable	(24,074)	(3,674)
Dividends paid	(4,679)	(5,148)
Dividends paid to non-controlling shareholders	(761)	(1,374)
Repayments to non-controlling shareholders	—	(2,900)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(3,000)	—
Other	(535)	(507)
Net cash provided by (used in) financing activities	24,948	(4,357)
Effect of exchange rate changes on cash and cash equivalents	(224)	(350)
Net increase (decrease) in cash and cash equivalents	(16,839)	(18,584)
Cash and cash equivalents at the beginning of the period	93,155	89,900
Increase in cash and cash equivalents resulting from merger	—	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	76,315	70,224

(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

(Change in Accounting Policy Difficult to be Distinguished from Change in Accounting Estimates, and Change in Accounting Estimates)

(Change in Method of Depreciation and Change in Years of Useful Life)

Although the declining balance method has been used for some of the property, plant and equipment of the Company and some of its consolidated subsidiaries, it has been changed to the straight-line method as from the three months ended June 30, 2019.

As the result of the consideration of the use status of property, plant and equipment at the time of renewal of broadcasting transmission and other facilities, which are the main assets, the change was made because it was judged that the straight-line method in which the benefits of use are allocated to expense on an average basis would appropriately reflect the status of use thereof, on the grounds that renewal investments would basically continue stably and regularly for the maintenance of the facilities based on the medium-term business plan, that there would be a low risk of technical obsolescence and that the stable use thereof is expected in the future.

In addition, although some of the broadcasting machinery and equipment owned by some of the consolidated subsidiaries has been depreciated based on a useful life of 6 years, the useful life thereof has been revised to 10 years as from the three months ended June 30, 2019 because by carrying out regular maintenance and the like, renewal investments are expected to be made about every 10 years. The useful life will prospectively be changed.

As a result, in comparison with those under the previous method, operating income, recurring profit and income before income taxes each increased by ¥430 million for the six months ended September 30, 2019.

(Segment Information)

I. Six months ended September 30, 2018

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	252,966	36,329	289,295	2,997	292,293	—	292,293
Inter-segment net sales and transfers	261	267	529	6,170	6,699	(6,699)	—
Total net sales	253,227	36,597	289,825	9,167	298,993	(6,699)	292,293
Segment operating income	7,263	3,665	10,929	204	11,134	88	11,223

- 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 ¥88 million mainly comprises ¥2,312 million in eliminations of inter-segment business, together with minus ¥2,224 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.
3. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

II. Six months ended September 30, 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. Matters concerning Changes of the Reported Segment

(Change in Method of Depreciation and Change in Years of Useful Life)

As stated in “Change in Accounting Policy Difficult to be Distinguished from Change in Accounting Estimates, and Change in Accounting Estimates,” although the declining balance method has been used for some of the property, plant and equipment of the Company and some of its consolidated subsidiaries, it has been changed to the straight-line method as from the three months ended June 30, 2019. In addition, the useful life has been revised from 6 years to 10 years for some of the broadcasting machinery and equipment owned by some of the consolidated subsidiaries and the useful life will prospectively be changed as from the three months ended June 30, 2019.

As a result of the change, segment operating income for the six months ended September 30, 2019 increased ¥427 million in the Media & Content segment. In addition, Group-wide expenses not allocated to a particular reported segment decreased ¥2 million.

3. 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.

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