

Flash Report [Japanese GAAP] (Consolidated Basis)**Results for the nine months ended December 31, 2021****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: February 10, 2022

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results**(1) Business Performance**

Nine months ended December 31

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	%
2021	395,271	1.4	26,334	78.3	36,588	66.2	26,509	27.1
2020	389,691	(18.5)	14,769	(40.2)	22,014	(28.7)	20,856	(39.5)

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥38,801 million, (2.0)%,
Nine months ended December 31, 2020: ¥39,599 million, (6.7)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2021	119.18	—
2020	90.83	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2021	1,356,968	813,962	59.2
March 31, 2021	1,336,042	784,429	57.9

(Reference) Total shareholders' equity: December 31, 2021: ¥803,426 million,
March 31, 2021: ¥774,011 million

2. Dividends

Year ended March 31, 2021/ Year ending March 31, 2022

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2021	—	18.00	—	18.00	36.00
2022	—	18.00	—		
2022 (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, 2022

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	523,400	0.7	29,600	81.9	39,200	75.8

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year	21,800	115.6	98.01

(Note) Revision to the most recently announced financial results forecasts: Yes

Notes:

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

Additions: None

Deletions: None

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

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

1) Changes in accounting policies based on revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Modifications and restatements: None

(Note) For details, please refer to "2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES: (3) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" on page 13.

4. Number of issued shares (Common stock)

	Nine months ended December 31, 2021	Year ended March 31, 2021
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)	11,786,120	11,743,558
		Nine months ended December 31, 2020
3) Average number of issued shares during the period (shares)	222,429,942	229,626,973

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 THIRD QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2022: (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 THIRD QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2022

(1) Explanation of Business Results

The Japanese government's Monthly Economic Report on the Japanese economy for the nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021) states, "Concerning short-term prospects, the economy is expected to pick up, supported by the effects of various policies and improvement in overseas economies while economic and social activities are moving toward normalization. However, full attention should be given to further downside risks due to supply-side constraints and the trend of raw material prices." It also states that firms' judgments on business conditions "show movements of picking up."

Fuji Media Holdings Group (the "Group"), as in the same period of the previous fiscal year, was affected by the lasting impact of the novel coronavirus infection (COVID-19), including a drop in travel and tourism demand. However, the Group was able to improve its performance thanks to a recovery in advertising revenue and efforts to cut back on operating expenses.

Amid this economic environment, consolidated net sales of the Group increased overall during the nine months ended December 31, 2021, up 1.4% from the same period of the previous fiscal year to ¥395,271 million, thanks to an increase in the Urban Development, Hotels & Resorts segment, despite a decrease in the Media & Content segment due to the application of the Accounting Standard for Revenue Recognition, etc. and the sale of the Cecile business.

In terms of earnings, operating income increased 78.3% year-on-year to ¥26,334 million, as there were revenue increases in both the Media & Content segment and the Urban Development, Hotels & Resorts segment. Recurring profit increased 66.2% year-on-year to ¥36,588 million and net income attributable to owners of the parent increased 27.1% year-on-year to ¥26,509 million, despite a reactionary decrease in gain on sales of investment securities recorded under extraordinary gain in the same period of the previous fiscal year.

Due to the application of the Accounting Standard for Revenue Recognition, etc., net sales decreased ¥17,284 million, cost of sales decreased ¥15,020 million and selling, general and administrative expenses decreased ¥2,395 million, while operating income, recurring profit and income before income taxes increased ¥131 million, respectively.

Results by operating segment are as follows.

Nine months ended December 31

	Net sales			Operating income		
	2020	2021	Change	2020	2021	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Media & Content	327,256	309,718	(5.4)	10,526	17,028	61.8
Urban Development, Hotels & Resorts	58,922	81,819	38.9	4,896	9,719	98.5
Other	13,103	13,416	2.4	385	503	30.5
Eliminations	(9,590)	(9,683)	—	(1,038)	(916)	—
Total	389,691	395,271	1.4	14,769	26,334	78.3

Media & Content

Fuji Television Network, Inc. (“Fuji TV”) saw an increase in broadcasting revenue as a result of the noticeable recovery trend in terrestrial TV advertising revenue, which had been materially impacted by the slowdown in economic activities due to COVID-19 in the same period of the previous fiscal year. Revenue from other businesses increased as a result of strong distribution revenue from the movie business, much higher revenue from the digital business and the merchandising business as compared with the same period of the previous fiscal year, and a reactionary increase in revenue from the events business. As a result of the above, Fuji TV as a whole recorded increases in both revenue and earnings.

Fuji Satellite Broadcasting, Inc. recorded increases in both revenue and earnings due to steady revenues from both broadcasting and other businesses.

Nippon Broadcasting System, Inc. recorded increases in both revenue and earnings due to the recovery in broadcasting revenue and box-office revenue from events, both of which had been materially impacted by COVID-19 in the same period of the previous fiscal year, as well as efforts to cut back on costs.

Pony Canyon Inc. recorded increases in both revenue and earnings due to strong package sales of music and distributed profits from, and sales of streaming rights of, anime, as well as the recovery trend in revenue from events and concerts.

Fujipacific Music Inc. recorded a decline in revenue from royalties despite an increase in video production revenue, resulting in the overall revenue and earnings to fall slightly short of those in the same period of the previous fiscal year although the cost rate improved.

DINOS CORPORATION posted a decrease in revenue due to a significant impact of the sale of the Cecile business. In addition, spending from home on catalog shopping, which had performed steadily in the same period of the previous fiscal year on the back of the stay-at-home demand, returned to normal. As a result, the company recorded decreases in both revenue and earnings.

Quaras Inc. posted a decrease in revenue due to the effects of the application of the Accounting Standard for Revenue Recognition, etc. Meanwhile, it turned profitable in terms of operating income thanks to the recovery in advertising revenue, including from web advertising, and event revenue, as well as the strong merchandise sales.

FUSOSHA Publishing Inc. recorded increases in both revenue and earnings due to strong sales of books, e-books and mooks (magazine-format books).

As a result of the above, in the Media & Content segment overall, net sales declined 5.4% from the same period of the previous fiscal year to ¥309,718 million, while segment operating income increased 61.8% from the same period of the previous fiscal year to ¥17,028 million.

Due to the application of the Accounting Standard for Revenue Recognition, etc., net sales of the Media & Content segment decreased ¥17,368 million and segment operating income increased ¥47 million.

Urban Development, Hotels & Resorts

The Sankei Building Co., Ltd. recorded increases in both revenue and earnings due to a strong performance in the building business including office leasing and also helped significantly by sales

of owned properties, despite a decline in the number of condominium units sold.

GRANVISTA Hotels & Resorts Co., Ltd. posted an operating loss as in the same period of the previous fiscal year, due to a continued decline in demand for travel and tourism, including that of inbound tourists, caused by the impact of COVID-19, despite reporting an increase in revenue. However, the amount of loss improved thanks to efforts to cut back on costs.

As a result of the above, the Urban Development, Hotels & Resorts segment overall recorded net sales of ¥81,819 million, up 38.9% from the same period of the previous fiscal year, with segment operating income increasing 98.5% from the same period of the previous fiscal year to ¥9,719 million.

Due to the application of the Accounting Standard for Revenue Recognition, etc., net sales of the Urban Development, Hotels & Resorts segment increased ¥83 million and segment operating income increased by the same amount.

Other

Net sales in the Other segment overall increased 2.4% from the same period of the previous fiscal year to ¥13,416 million, and segment operating income increased 30.5% from the same period of the previous fiscal year to ¥503 million.

Affiliates accounted for using the equity method such as Fuji TV network affiliates, 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 third quarter of the fiscal year under review (December 31, 2021) amounted to ¥1,356,968 million, an increase of ¥20,926 million (1.6%) from the end of the previous fiscal year (March 31, 2021).

Total current assets amounted to ¥412,022 million, a decrease of ¥686 million (0.2%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥21,753 million in inventories; against increases of ¥8,357 million in cash and deposits and ¥8,189 million in marketable securities.

Total noncurrent assets amounted to ¥944,946 million, an increase of ¥21,612 million (2.3%) from the end of the previous fiscal year. This was due mainly to increases of ¥12,984 million in investment securities and ¥8,553 million in land.

Total liabilities amounted to ¥543,006 million, a decrease of ¥8,606 million (1.6%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥142,777 million, an increase of ¥2,763 million (2.0%) from the end of the previous fiscal year. This was due mainly to an increase of ¥16,000 million in short-term loans payable; against decreases of ¥10,000 million in current portion of bonds payable and ¥4,771 million in trade accounts payable included in the "Other" line item.

Total noncurrent liabilities amounted to ¥400,228 million, a decrease of ¥11,370 million (2.8%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥15,770 million in long-term loans payable; against an increase of ¥5,711 million in deferred tax liabilities included in the "Other" line item.

Total net assets amounted to ¥813,962 million, an increase of ¥29,532 million (3.8%) from the

end of the previous fiscal year. This was due mainly to an increase of ¥17,340 million in retained earnings due in part to recording the payment of dividends of surplus of ¥8,112 million and net income attributable to owners of the parent of ¥26,509 million, as well as an increase of ¥9,512 million in valuation difference on available-for-sale securities.

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

The consolidated financial results during the nine months ended December 31, 2021 saw an increase in earnings in both the Media & Content segment and the Urban Development, Hotels & Resorts segment as a result of not only the noticeable trend toward recovery of the advertising market from the COVID-19 pandemic but also the real estate market environment continuing to be steady.

The Company expects that consolidated net sales, operating income and recurring profit overall will exceed the previous forecasts in the full-year consolidated financial results forecasts for the fiscal year ending March 31, 2022, with the recovery of sales of many of the Group companies' core businesses and their successful efforts to reduce costs and review workstyles in the Media & Content segment coupled with contribution from sales of owned properties of The Sankei Building Co., Ltd., among other things, in the Urban Development, Hotels & Resorts segment. The Company has made no change to its previous forecast for net income attributable to owners of the parent although an extraordinary loss of approximately ¥9,000 million is expected to be recorded in association with the call for voluntary retirement through the "Next Career Support Voluntary Retirement Program" introduced by Fuji Television Network, Inc. in the fourth quarter.

As a result of the foregoing, the Company has made changes to the consolidated financial results forecasts as follows after considering recent trends and other factors based on currently available information.

There is no revision to the dividends forecast due to the changes to the consolidated financial results forecasts mentioned above.

Consolidated financial results (full year)

(Millions of yen)

	Net sales	Operating income	Recurring profit	Net income attributable to owners of the parent
Previous forecast (A)	520,100	27,500	35,400	21,800
Revised forecast (B)	523,400	29,600	39,200	21,800
Change (B-A)	3,300	2,100	3,800	—
Percent change (%)	0.6	7.6	10.7	—
(Reference) Consolidated financial results for the previous fiscal year (Fiscal year ended March 31, 2021)	519,941	16,274	22,295	10,112

2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2021	December 31, 2021
ASSETS		
Current assets:		
Cash and deposits	104,851	113,208
Notes and accounts receivable-trade	91,194	—
Notes and accounts receivable-trade, and contract assets	—	95,200
Marketable securities	88,806	96,996
Inventories	89,841	68,087
Other	38,619	38,811
Allowance for doubtful accounts	(603)	(281)
Total current assets	412,709	412,022
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	150,175	158,678
Land	261,148	269,702
Other, net	36,160	32,948
Total property, plant and equipment	447,484	461,329
Intangible assets		
Goodwill	707	629
Other	20,524	18,485
Total intangible assets	21,231	19,115
Investments and other assets		
Investment securities	408,767	421,752
Other	47,478	44,317
Allowance for doubtful accounts	(1,629)	(1,568)
Total investments and other assets	454,616	464,501
Total noncurrent assets	923,333	944,946
Total assets	1,336,042	1,356,968

	Millions of yen	
	March 31, 2021	December 31, 2021
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	34,803	32,833
Electronically recorded obligations-operating	10,530	12,258
Short-term loans payable	16,668	32,668
Provision for sales returns	414	—
Provision for directors' bonuses	423	229
Provision for point card certificates	9	—
Other	77,163	64,786
Total current liabilities	140,013	142,777
Noncurrent liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	247,529	231,758
Provision for directors' retirement benefits	2,474	2,383
Net defined benefit liability	32,403	31,465
Other	119,192	124,621
Total noncurrent liabilities	411,599	400,228
Total liabilities	551,612	543,006
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	146,200
Capital surplus	173,797	173,797
Retained earnings	347,506	364,847
Treasury stock	(14,037)	(14,084)
Total shareholders' equity	653,467	670,760
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	122,069	131,581
Deferred gains or losses on hedges	(216)	(207)
Revaluation reserve for land	1,453	1,539
Foreign currency translation adjustment	(2,579)	(742)
Remeasurements of defined benefit plans	(182)	495
Total accumulated other comprehensive income	120,543	132,666
Non-controlling interests	10,418	10,535
Total net assets	784,429	813,962
Total liabilities and net assets	1,336,042	1,356,968

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

Consolidated Statements of Income

Nine months ended December 31

	Millions of yen	
	2020	2021
Net sales	389,691	395,271
Cost of sales	268,917	275,526
Gross profit	120,774	119,744
Selling, general and administrative expenses	106,004	93,410
Operating income	14,769	26,334
Non-operating income:		
Dividends income	2,941	2,701
Equity in earnings of affiliates	3,459	6,013
Other	2,688	3,119
Total	9,089	11,834
Non-operating expenses:		
Interests	1,061	1,118
Other	782	461
Total	1,844	1,580
Recurring profit	22,014	36,588
Extraordinary gain:		
Gain on sales of noncurrent assets	1	153
Other	11,302	193
Total	11,304	347
Extraordinary loss:		
Loss on COVID-19	1,852	168
Other	541	603
Total	2,394	771
Income before income taxes	30,923	36,164
Income taxes-current	9,129	7,718
Income taxes-deferred	133	1,717
Total	9,263	9,436
Net income	21,660	26,727
Net income attributable to non-controlling interests	804	217
Net income attributable to owners of the parent	20,856	26,509

Consolidated Statements of Comprehensive Income

Nine months ended December 31

	Millions of yen	
	2020	2021
Net income	21,660	26,727
Other comprehensive income:		
Valuation difference on available-for-sale securities	17,810	9,531
Deferred gains or losses on hedges	(21)	—
Revaluation reserve for land	—	41
Foreign currency translation adjustment	(704)	1,698
Remeasurements of defined benefit plans	573	736
Share of other comprehensive income of affiliates accounted for using equity method	281	65
Total other comprehensive income	17,938	12,073
Comprehensive income	39,599	38,801
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	39,341	38,632
Comprehensive income attributable to non-controlling interests	257	168

(3) 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

(Changes in Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter the "Accounting Standard for Revenue Recognition"), etc., effective from the beginning of the first quarter of the fiscal year ending March 31, 2022, and recognizes revenue in the amount expected to be received in exchange for promised goods or services at the time when the control of these goods or services is transferred to the customer. The major changes resulting from the application of the Accounting Standard for Revenue Recognition, etc., are as follows.

- The Company, in certain advertising transactions, previously recognized the amount invoiced by the Group to a customer as revenue, but instead recognizes revenue in the amount net of the cost of sales associated with such transaction, in cases where the Group acts as an agent.
- The Company previously recognized certain sales promotion transactions in selling, general and administrative expenses, but instead recognizes revenue by deducting such amounts from net sales as consideration to be paid to customers.
- The Company, regarding occupancy contracts in the elderly facilities operation business, previously recognized the non-refundable portion of the deposit in a lump sum as revenue at the time the customer moved in, but has shifted to the method by which it allocates the amount over the estimated length of residency.

The application of the Accounting Standard for Revenue Recognition, etc. is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application of the new accounting policy, assuming it has been applied to the periods prior to the beginning of the first quarter of the fiscal year ending March 31, 2022, has been added to or subtracted from retained earnings at the beginning of the first quarter of the fiscal year ending March 31, 2022, and the new accounting policy has been applied from the said beginning balance. In addition, based on paragraph 86, second sentence, (1) of the Accounting Standard for Revenue Recognition, the Company has accounted for the contracts modified prior to the beginning of the first quarter of the fiscal year ending March 31, 2022, by applying the contract conditions made after reflecting all the modifications to the contracts, and the amount of their cumulative effect has been added to or subtracted from retained earnings at the beginning of the first quarter of the fiscal year ending March 31, 2022.

As a result, for the nine months ended December 31, 2021, net sales decreased ¥17,284 million; cost of sales decreased ¥15,020 million; selling, general and administrative expenses decreased ¥2,395 million; and operating income, recurring profit and income before income taxes increased ¥131 million, respectively. In addition, the balance of retained earnings at the beginning of the period decreased ¥1,007 million.

Due to the application of the Accounting Standard for Revenue Recognition, etc., “notes and accounts receivable-trade,” which were presented under “current assets” in the consolidated balance sheet for the previous fiscal year, are included in “notes and accounts receivable-trade, and contract assets” from the first quarter of the fiscal year ending March 31, 2022. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, the Company has not reclassified the financial statements for the previous fiscal year by using the new presentation method.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Accounting Standard for Fair Value Measurement”), etc., effective from the beginning of the first quarter of the fiscal year ending March 31, 2022 and in accordance with the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Company will apply the new accounting policy prescribed by the Accounting Standard for Fair Value Measurement, etc. into the future. This has no impact on the consolidated financial statements.

(Segment Information)

I. Nine months ended December 31, 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	326,999	58,620	385,619	4,071	389,691	—	389,691
Inter-segment net sales and transfers	256	301	558	9,031	9,590	(9,590)	—
Total net sales	327,256	58,922	386,178	13,103	399,281	(9,590)	389,691
Segment operating income	10,526	4,896	15,422	385	15,808	(1,038)	14,769

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 ¥1,038 million mainly comprises ¥2,390 million in eliminations of inter-segment business, together with minus ¥3,429 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. Nine months ended December 31, 2021

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	309,323	81,651	390,974	4,296	395,271	—	395,271
Inter-segment net sales and transfers	395	168	563	9,119	9,683	(9,683)	—
Total net sales	309,718	81,819	391,538	13,416	404,954	(9,683)	395,271
Segment operating income	17,028	9,719	26,747	503	27,251	(916)	26,334

- 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 ¥916 million mainly comprises ¥2,404 million in eliminations of inter-segment business, together with minus ¥3,320 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.
3. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

2. Information on Changes in Reported Segments

The Company has applied the Accounting Standard for Revenue Recognition, etc., effective from the beginning of the first quarter of the fiscal year ending March 31, 2022, as stated in "Changes in Accounting Policies," and due to the changes in the accounting treatment of revenue recognition, the method of calculating incomes or losses of the business segments has been changed as well.

As a result of this change, net sales decreased ¥17,368 million and segment operating income increased ¥47 million in the Media & Content segment, while net sales increased ¥83 million and segment operating income increased by the same amount in the Urban Development, Hotels & Resorts segment, compared to the previous method.

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