

Flash Report [Japanese GAAP] (Consolidated Basis)**Results for the three months ended June 30, 2016****Company name: Fuji Media Holdings, Inc.**

Stock listing: Tokyo Stock Exchange Code number: 4676

URL: <http://www.fujimediahd.co.jp/en>

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Scheduled date of filing quarterly securities report: August 12, 2016

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: No

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

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

Three Months ended June 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	%
2016	151,771	2.0	6,872	53.5	9,450	42.9	6,772	60.0
2015	148,859	(1.6)	4,476	(32.9)	6,612	(23.3)	4,232	(16.1)

(Note) Comprehensive income: Three months ended June 30, 2016: ¥4,325 million, (43.0)%;

Three months ended June 30, 2015: ¥7,591 million, (23.4)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2016	29.29	—
2015	18.30	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2016	1,136,725	637,685	55.4
March 31, 2016	1,136,406	638,383	55.4

(Reference) Total shareholders' equity: June 30, 2016: ¥629,544 million, March 31, 2016: ¥629,785 million

2. Dividends

Year ended March 31, 2016/ Year ending March 31, 2017

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2016	—	20.00	—	20.00	40.00
2017	—				
2017 (Forecast)		20.00	—	20.00	40.00

(Note) Revision to dividends forecast: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year ending March 31, 2017

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	333,700	7.0	11,200	128.3	14,200	73.8
Fiscal year	670,500	4.7	27,200	11.5	33,000	1.9

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Interim period	9,000	77.2	38.92
Fiscal year	23,000	0.7	99.47

(Note) Revision to 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: Yes

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

- 3) Changes in accounting estimates: None

- 4) Modifications and restatements: None

(Note) Please refer to "2. MATTERS REGARDING SUMMARY INFORMATION (NOTES): Changes in Accounting Policies, Changes in Accounting Estimates, and Modifications and Restatements: *Changes in Accounting Policies*" on page 8.

4. Number of issued shares (Common stock)

	Three months ended June 30, 2016	Year ended March 31, 2016
1) Number of issued shares (including treasury stock) at end of the period	236,429,800	236,429,800
2) Number of treasury stock at end of the period	5,199,688	5,199,629
		Three months ended June 30, 2015
3) Average number of issued shares during the period	231,230,124	231,264,252

Indication of quarterly review procedure implementation status

This flash report is not subject to quarterly review procedures under the Financial Instruments and Exchange Act. The quarterly review procedures of financial statements in accordance with the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this flash report.

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 FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2017: (3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections" on page 7.

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1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2017

(1) Explanation of Business Results

The Japanese government's *Monthly Economic Report* on the Japanese economy for the first quarter of the fiscal year ending March 31, 2017 (April 1, 2016 to June 30, 2016) states "Although weakness is seen in some parts, the economy is on a moderate recovery track. With the continuing improvement trend of the employment and income situation, along with the effect of various government measures, the moderate recovery trend is expected to continue in the future." Discretion can be seen in the business outlook of corporations as improvement in corporate earnings has reached a standstill.

Amid this economic environment, the Fuji Media Holdings Group's consolidated net sales increased in the first quarter of the fiscal year under review, up 2.0% from the same period of the previous fiscal year to ¥151,771 million, as increases in the Advertising, Urban Development and Other segments offset declines in the Broadcasting, Production, Video and Music, and Life Information segments.

In terms of earnings, operating income amounted to ¥6,872 million, up 53.5% year-on-year, as while a decline in the Production segment and an operating loss of Video and Music segment were recorded, the mainstay Broadcasting, Life Information, Urban Development and Other segments recorded increased income and the Advertising segment secured operating income despite an operating loss in the previous fiscal year. Recurring profit increased 42.9% year-on-year to ¥9,450 million, and net income attributable to owners of the parent increased 60.0% year-on-year to ¥6,772 million.

Results by operating segment are as follows.

Three months ended June 30

	Net sales			Operating income (loss)		
	2015	2016	Change	2015	2016	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Broadcasting	78,608	78,297	(0.4)	4,293	5,204	21.2
Production	11,616	10,508	(9.5)	535	54	(89.9)
Video and Music	11,459	11,126	(2.9)	(643)	(396)	—
Life Information	33,341	32,812	(1.6)	121	416	241.6
Advertising	8,927	9,830	10.1	(40)	22	—
Urban Development	14,255	17,118	20.1	130	1,478	—
Other	6,326	6,886	8.8	13	104	670.9
Eliminations	(15,677)	(14,809)	—	64	(11)	—
Total	148,859	151,771	2.0	4,476	6,872	53.5

Broadcasting

Fuji Television Network, Inc. saw a decrease in broadcasting revenue due to the impact of sluggish viewer ratings of time advertising and spot advertising. In non-broadcasting revenues, revenue from other business increased mainly thanks to the contribution of *TOTEM* in the event business and *Assassination Classroom: Graduation* in the movie business. As a result, for the first quarter, net sales declined overall, but operating income increased for the first time in four fiscal years due to decreased operating expenses.

Fuji Satellite Broadcasting, Inc. (BS Fuji) recorded an increase in net sales overall, from strong time advertising sales, and increased revenue from other business. In terms of earnings, operating income decreased due to increased program production expenses and selling, general and administrative expenses.

Although Nippon Broadcasting System, Inc. posted a decline in broadcasting revenue, the event business and radio shopping business were strong, and net sales increased overall. In terms of earnings, operating loss was recorded because of an increase in selling, general and administrative expenses.

As a result, for the Broadcasting segment overall, net sales decreased 0.4% from the same period of the previous fiscal year to ¥78,297 million, and segment operating income increased 21.2% to ¥5,204 million.

Net Sales by Broadcasting Operations

Three months ended June 30

	2015	2016	Change
	Millions of yen	Millions of yen	%
Fuji Television Network, Inc.			
Broadcasting businesses	63,003	60,290	(4.3)
Broadcasting	54,964	51,904	(5.6)
Network time	24,053	21,813	(9.3)
Local time	3,351	3,263	(2.6)
Spot	27,559	26,826	(2.7)
Other broadcasting business	8,038	8,386	4.3
Program sales	4,480	4,390	(2.0)
Other	3,558	3,996	12.3
Other businesses	8,853	10,853	22.6
Subtotal	71,856	71,144	(1.0)
Fuji Satellite Broadcasting, Inc. (BS Fuji)	3,874	4,181	7.9
Nippon Broadcasting System, Inc.	3,462	3,496	1.0
Elimination in the segment	(584)	(524)	—
Total	78,608	78,297	(0.4)

Production

Net sales in the Production segment overall decreased 9.5% from the same period of the previous fiscal year to ¥10,508 million due to decreased number of orders and order unit prices for programs. Segment operating income declined 89.9% from the same period of the previous fiscal year to ¥54 million.

Video and Music

Pony Canyon, Inc. posted a decline in sales overall as there were few hit titles that formed its core. In terms of earnings, operating loss was decreased over the same period of the previous fiscal year due to a decrease in procurement cost for video titles.

Fujipacific Music Inc. recorded a decrease in sales overall due to decreased royalty revenue and master recording usage fees. Earnings increased because of lower cost rates.

As a result, net sales in the Video and Music segment overall declined 2.9% from the same period of the previous fiscal year to ¥11,126 million, with segment operating loss amounting to ¥396 million.

Life Information

The Dinos business of Dinos Cecile Co., Ltd. posted a decrease in overall revenue, for although the performance of television shopping remained strong, the catalog business struggled. The Cecile business showed strong performances in its mainstay ladies' outerwear, but other service business and wholesale business struggled and net sales were on par with the same period of the previous fiscal year. As a result, for the entire business of Dinos Cecile, net sales decreased, but the cost rates were improved and earnings increased.

Sankei Living Shimbun Inc. recorded a revenue decline overall due to sluggishness mainly in advertising income from *Living Shimbun* and *City Living*, but operating loss decreased compared to the same period of the previous fiscal year thanks to efforts made on cost reduction.

As a result, net sales in the Life Information segment overall decreased 1.6% from the same period of the previous fiscal year to ¥32,812 million, with segment operating income up 241.6% to ¥416 million.

Advertising

Quaras Inc. posted increases in both revenue and earnings resulting from strong performance of radio advertising, out-of-home advertising, advertising production, and online advertising income.

As a result, net sales in the Advertising segment overall increased 10.1% from the same period of the previous fiscal year to ¥9,830 million, and segment operating income of ¥22 million was secured in the first quarter of this fiscal year despite an operating loss in the same period of the previous fiscal year.

Urban Development

The Sankei Building Co., Ltd. posted a major increase in net sales overall and a major increase also in earnings, as the mainstay office building business remained strong, purchase and sale of land contributed to the asset development business. GRANVISTA Hotels & Resorts Co., Ltd. posted declines in both revenue and earnings, due to some hotels suspending operations for seismic retrofitting. Net sales in the Urban Development segment overall increased 20.1% from the same period of the previous fiscal year to ¥17,118 million, with segment operating income amounting to ¥1,478 million, resulting in a major increase in earnings.

Other

Fujimic, Inc. recorded declines in both revenue and earnings due to decreased orders for systems. Fusosha Publishing, Inc. posted an increase in revenue due to strong performance in its book division and online business, but recorded an operating loss due to the impact of sluggish growth in the magazine division.

Net sales in the Other segment overall increased 8.8% from the same period of the previous fiscal year to ¥6,886 million, and segment operating income increased 670.9% to ¥104 million.

Equity-Method Affiliates

The eleven Fuji TV network affiliates, along with WOWOW Inc., ITOCHU Fuji Partners, Inc. and

others contributed to the equity in earnings of affiliates.

(2) Explanation of the Financial Position

Total assets at the end of the first quarter of the fiscal year under review (June 30, 2016) amounted to ¥1,136,725 million, an increase of ¥318 million (0.0%) from the end of the previous fiscal year (March 31, 2016).

Total current assets amounted to ¥380,252 million, a decrease of ¥5,758 million (1.5%) from the end of the previous fiscal year. This was due mainly to decreases of ¥14,001 million in notes and accounts receivable-trade; and ¥6,099 million in marketable securities; against an increase of ¥8,338 million in cash and deposits.

Total noncurrent assets amounted to ¥756,372 million, an increase of ¥6,086 million (0.8%) from the end of the previous fiscal year. This was due mainly to an increase of ¥7,020 million in land; against a decrease of ¥1,266 million in investment securities.

Total liabilities amounted to ¥499,039 million, an increase of ¥1,016 million (0.2%) from the end of the previous fiscal year. This was due mainly to increases of ¥11,905 million in short-term loans payable; and ¥4,464 million in deposits received included in “Other” line item under current liabilities; against decreases of ¥4,660 million in notes and accounts payable-trade; ¥7,393 million in accrued expenses included in “Other” line item under current liabilities; and ¥1,189 million in long-term loans payable.

Net assets at the end of the first quarter of the fiscal year under review amounted to ¥637,685 million, a decrease of ¥697 million (0.1%) from the end of the previous fiscal year. This was due mainly to decreases of ¥1,269 million in valuation difference on available-for-sale securities; and ¥1,101 million in foreign currency translation adjustment; and the recording of ¥4,683 million in dividends from surplus; against the recording of ¥6,772 million in net income attributable to owners of the parent.

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

Consolidated results during the first quarter of the fiscal year under review comprised increases in both revenue and earnings in the Advertising, Urban Development and Other segments, with a decrease in both revenue and earnings in the Production segment. Despite fluctuations by segment, overall consolidated performance was mainly in line with the plan. Accordingly, Fuji Media Holdings is making no changes to its full-year consolidated forecasts for the fiscal year ending March 31, 2017, from those announced on May 12, 2016.

2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)

Changes in Accounting Policies, Changes in Accounting Estimates, and Modifications and Restatements

Changes in Accounting Policies

In accordance with the revision of the Corporation Tax Act, the Company has adopted the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32, June 17, 2016) as from the first quarter of the fiscal year under review. Accordingly, the depreciation method for facilities attached to buildings and structures that were acquired on or after April 1, 2016 has been changed from the declining-balance method to the straight-line method, but the effect of this change is minimal.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2016	June 30, 2016
ASSETS		
Current assets:		
Cash and deposits	50,544	58,882
Notes and accounts receivable-trade	119,588	105,586
Marketable securities	95,364	89,264
Inventories	79,842	82,303
Other	41,463	44,908
Allowance for doubtful accounts	(791)	(693)
Total current assets	386,011	380,252
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	134,666	134,974
Land	231,080	238,101
Other	23,907	24,262
Total property, plant and equipment	389,655	397,338
Intangible assets		
Goodwill	1,608	1,618
Other	32,876	33,611
Total intangible assets	34,485	35,230
Investments and other assets		
Investment securities	279,764	278,498
Other	48,255	47,164
Allowance for doubtful accounts	(1,874)	(1,858)
Total investments and other assets	326,145	323,804
Total noncurrent assets	750,286	756,372
Deferred assets	108	100
Total assets	1,136,406	1,136,725

	Millions of yen	
	March 31, 2016	June 30, 2016
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	57,943	53,283
Short-term loans payable	31,304	43,209
Provision for sales returns	844	775
Provision for directors' bonuses	337	62
Provision for point card certificates	800	776
Provision for environmental measures	13	13
Provision for business restructuring expenses	27	14
Other	108,511	104,902
Total current liabilities	199,783	203,037
Noncurrent liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	120,983	119,793
Provision for directors' retirement benefits	1,854	1,414
Provision for loss on interest repayment	0	0
Provision for environmental measures	66	66
Provision for loss on reconstruction	302	302
Provision for business restructuring expenses	13	13
Net defined benefit liability	69,787	69,755
Other	95,232	94,656
Total noncurrent liabilities	298,239	296,002
Total liabilities	498,023	499,039
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	146,200
Capital surplus	173,673	173,673
Retained earnings	272,716	274,804
Treasury stock	(9,816)	(9,816)
Total shareholders' equity	582,773	584,862
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	61,937	60,668
Deferred gains or losses on hedges	(732)	(1,248)
Revaluation reserve for land	1,509	1,509
Foreign currency translation adjustment	654	(447)
Remeasurements of defined benefit plans	(16,357)	(15,800)
Total accumulated other comprehensive income	47,011	44,681
Non-controlling interests	8,598	8,141
Total net assets	638,383	637,685
Total liabilities and net assets	1,136,406	1,136,725

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

Consolidated Statements of Income

Three months ended June 30

	Millions of yen	
	2015	2016
Net sales	148,859	151,771
Cost of sales	99,969	102,047
Gross profit	48,889	49,723
Selling, general and administrative expenses	44,413	42,850
Operating income	4,476	6,872
Non-operating income:		
Dividends income	1,117	1,248
Equity in earnings of affiliates	1,050	1,030
Other	771	926
Total	2,938	3,205
Non-operating expenses:		
Interests	465	377
Other	337	250
Total	803	628
Recurring profit	6,612	9,450
Extraordinary gain:		
Gain on sales of noncurrent assets	—	0
Gain on sales of investment securities	1	—
Gain on redemption of investment securities	0	—
Other	0	—
Total	2	0
Extraordinary loss:		
Loss on retirement of noncurrent assets	30	76
Loss on liquidation of subsidiaries and affiliates	18	—
Loss on reconstruction	—	79
Other	19	31
Total	67	187
Income before income taxes	6,546	9,264
Income taxes-current	1,419	1,721
Income taxes-deferred	817	816
Total	2,236	2,538
Net income	4,310	6,726
Net income (loss) attributable to non-controlling interests	78	(45)
Net income attributable to owners of the parent	4,232	6,772

Consolidated Statements of Comprehensive Income

Three months ended June 30

	Millions of yen	
	2015	2016
Net income	4,310	6,726
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,606	(1,006)
Deferred gains or losses on hedges	(50)	(208)
Foreign currency translation adjustment	(47)	(1,050)
Remeasurements of defined benefit plans	460	554
Share of other comprehensive income of affiliates accounted for using equity method	312	(690)
Total other comprehensive income	3,281	(2,401)
Comprehensive income	7,591	4,325
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	7,514	4,442
Comprehensive income attributable to non-controlling interests	76	(116)

(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

(4) Segment Information**I. Three months ended June 30, 2015****1. Information on Amounts of Net Sales and Profit or Loss by Reported Segment**

(Millions of Yen)

	Reported segment							Other (Note 1)	Total	Adjust- ment (Note 2)	Consolidated statement of income (Note 3)
	Broad- casting	Produc- tion	Video and Music	Life Informa- tion	Advertis- ing	Urban Develop- ment	Total				
Net sales:											
Net sales to third parties	74,949	4,483	11,341	33,182	8,253	14,065	146,276	2,582	148,859	—	148,859
Inter-segment net sales and transfers	3,659	7,133	117	158	674	190	11,934	3,743	15,677	(15,677)	—
Total net sales	78,608	11,616	11,459	33,341	8,927	14,255	158,210	6,326	164,536	(15,677)	148,859
Segment operating income (loss)	4,293	535	(643)	121	(40)	130	4,398	13	4,411	64	4,476

Notes: 1. The "Other" category is a business segment not included in reported segments. It includes such operations as publishing, temporary agency services, movables leasing and software development.

2. The segment operating income adjustment of ¥64 million mainly comprises ¥1,267 million in eliminations of inter-segment business, together with minus ¥1,203 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. Three months ended June 30, 2016

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

(Millions of Yen)

	Reported segment							Other (Note 1)	Total	Adjust- ment (Note 2)	Consolidated statement of income (Note 3)
	Broad- casting	Produc- tion	Video and Music	Life Informa- tion	Advertis- ing	Urban Develop- ment	Total				
Net sales:											
Net sales to third parties	74,113	4,510	10,929	32,639	9,102	16,988	148,283	3,487	151,771	—	151,771
Inter-segment net sales and transfers	4,183	5,997	197	173	728	130	11,411	3,398	14,809	(14,809)	—
Total net sales	78,297	10,508	11,126	32,812	9,830	17,118	159,694	6,886	166,580	(14,809)	151,771
Segment operating income (loss)	5,204	54	(396)	416	22	1,478	6,780	104	6,884	(11)	6,872

Notes: 1. The "Other" category is a business segment not included in reported segments. It includes such operations as publishing, temporary agency services, movables leasing and software development.

2. The segment operating income adjustment of minus ¥11 million mainly comprises ¥1,220 million in eliminations of inter-segment business, together with minus ¥1,232 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.

3. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

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