

3Q FY3/17 Results Materials

(Nine Months ended December 31, 2016)

February 3, 2017

Fuji Media Holdings, Inc.

These materials are an English translation of the original document in Japanese. The Company's performance forecasts and other information are based on the Company's understanding as of the time the earnings presentation materials were prepared.

These materials may contain information about financial targets, forecasts, and other forward looking statements regarding Fuji Media Holdings, Inc., its affiliates, and investees. Actual results may differ substantially due to a variety of factors, including changes in business management, economic conditions, financial markets, and other circumstances.

“FY3/17” means the fiscal year ending March 31, 2017.

The period from April 1, 2016 to December 31, 2016 is referred to as “3Q.”

3Q FY3/17 Consolidated Results

<April 1, 2016 to December 31, 2016>

Millions of yen

	3Q FY3/16	3Q FY3/17	YoY		FY3/17 Forecast (Announced on Oct. 31)	3Q FY3/17 Actual / FY3/17 Forecast	
Net Sales	473,806	488,672	14,865	3.1%	663,200	(174,527)	73.7%
Operating Income	13,976	20,201	6,224	44.5%	27,200	(6,998)	74.3%
Ordinary Income	19,750	26,649	6,898	34.9%	34,400	(7,750)	77.5%
Net income attributable to owners of the parent	13,663	22,550	8,887	65.0%	24,500	(1,949)	92.0%

Net Sales and Operating Income by Segment

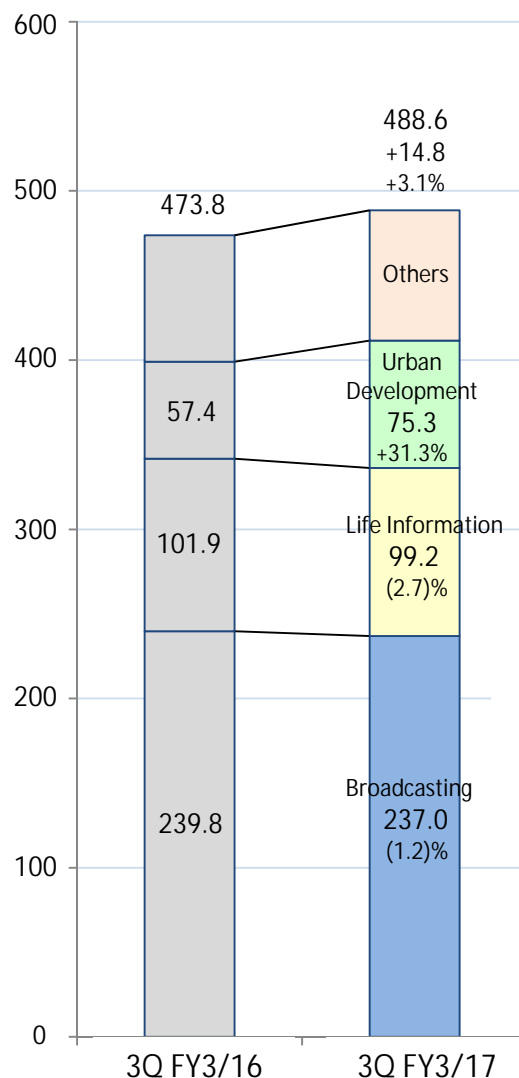
<April 1, 2016 to December 31, 2016>

Millions of yen

	Business Segment								Total	Adjust- ment	Consolidated statement of income
		Broad- casting	Produc- tion	Video and Music	Life Informa- tion	Advertis- ing	Urban Develop- ment	Other			
Net Sales	3Q FY3/17	237,076	36,534	34,081	99,206	32,760	75,392	21,491	536,541	(47,869)	488,672
	3Q FY3/16	239,894	38,570	35,807	101,936	30,643	57,438	19,672	523,963	(50,157)	473,806
	YoY	(2,818)	(2,036)	(1,726)	(2,730)	2,116	17,953	1,819	12,578	2,287	14,865
	YoY%	(1.2)%	(5.3)%	(4.8)%	(2.7)%	6.9%	31.3%	9.3%	2.4%	—	3.1%
Operat- ing Income	3Q FY3/17	6,882	1,608	(114)	1,399	215	9,708	480	20,181	20	20,201
	3Q FY3/16	4,968	1,913	41	1,312	246	4,940	494	13,916	60	13,976
	YoY	1,914	(304)	(155)	87	(30)	4,768	(14)	6,265	(40)	6,224
	YoY%	38.5%	(15.9)%	—	6.7%	(12.6)%	96.5%	(2.9)%	45.0%	—	44.5%

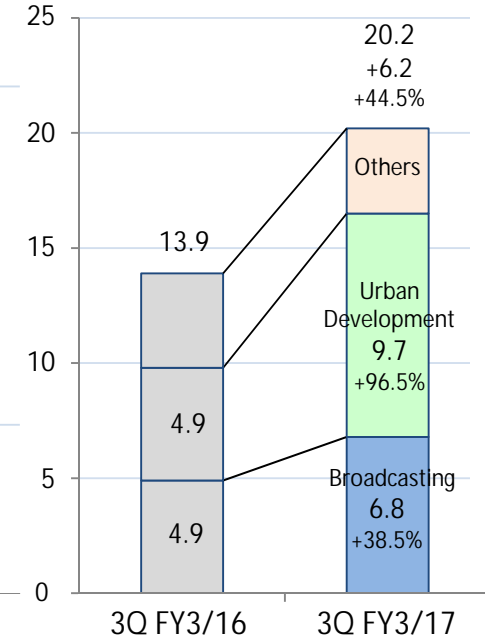
3Q FY3/17 Consolidated Results (Year-on-Year)

Billions of yen



Net Sales

Billions of yen



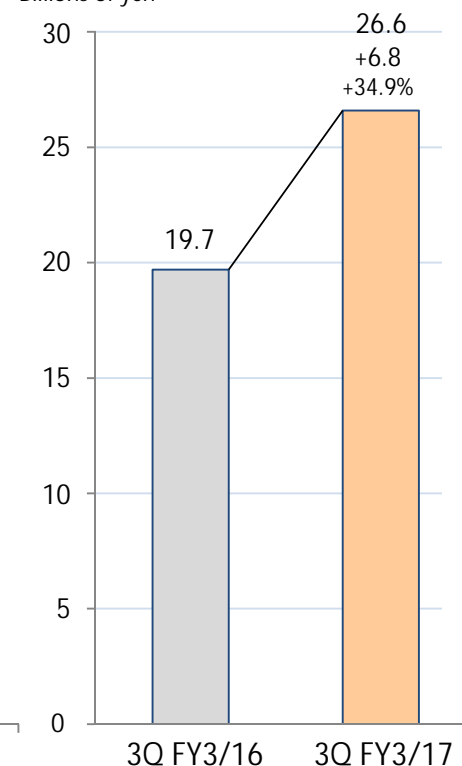
Operating Income

Operating Income of Major Subsidiaries

Name	3Q FY3/16	3Q FY3/17	YoY
Fuji TV	2.9	5.0	2.1
Sankei Building	2.5	7.3	4.7
BS Fuji	1.9	1.9	0
Dinos Cecile	1.7	1.4	(0.2)
GRANVISTA Hotels & Resorts	2.7	2.2	(0.5)
Pony Canyon	(0.2)	(0.7)	(0.5)

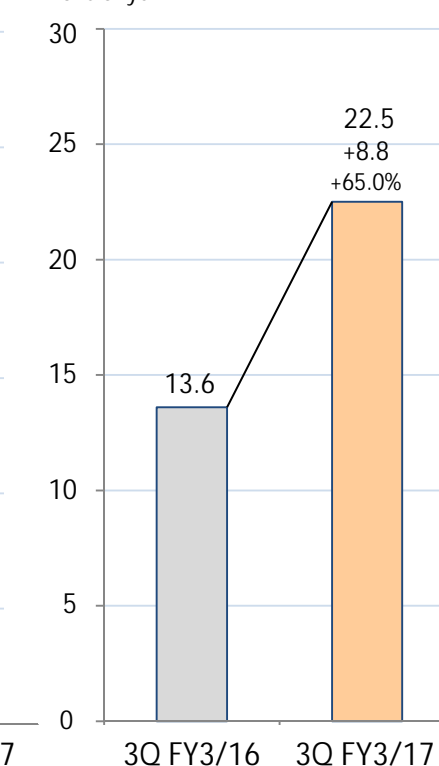
Billions of yen

Billions of yen



Ordinary Income

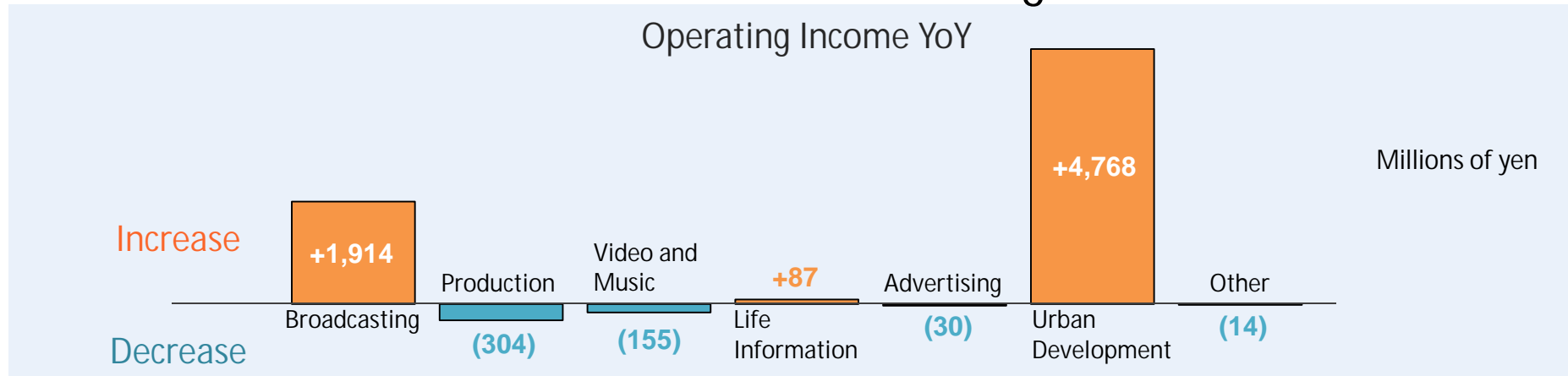
Billions of yen



Net income attributable to owners of the parent

3Q FY3/17 Financial Highlights

Consolidated Operating Income of ¥20.2 Billion
— Gains in Both Revenue and Earnings



Fuji TV

- Broadcast revenue down; Event and other businesses contributed to earnings
- Continued cost controls

Life Information (Dinos Cecile)

- Sluggish growth in mainstay catalogue sales for both Dinos and Cecile businesses
- Continued positive trend in TV shopping

Video and Music (Pony Canyon)

- Revenue decline on slow package sales, operating loss
- Continue structural reforms toward mainly non-package sales

Urban Development (Sankei Building/GRANVISTA)

- Considerable contribution from asset development business in 1H
- Building and residential businesses remain firm
- GRANVISTA: Earnings decline due to renovation work

[Segment Details] Summary of Broadcasting Segment by Company

<April 1, 2016 to December 31, 2016>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/16	3Q FY3/17	YoY	3Q FY3/16	3Q FY3/17	YoY
Fuji Television	217,798	214,072	(3,725) (1.7)%	2,921	5,082	2,160 73.9%
Nippon Broadcasting System	10,803	10,958	154 1.4%	89	(101)	(190) —
BS Fuji	12,841	13,400	558 4.4%	1,931	1,954	22 1.2%
Adjustment	(1,548)	(1,355)	—	26	(52)	—
Total	239,894	237,076	(2,818) (1.2)%	4,968	6,882	1,914 38.5%

[Segment Details] Summary of Production Segment by Company

<April 1, 2016 to December 31, 2016>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/16	3Q FY3/17	YoY	3Q FY3/16	3Q FY3/17	YoY
Kyodo Television	12,316	10,676	(1,640) (13.3)%	240	341	101 42.2%
Fuji Creative Corporation	10,150	9,914	(235) (2.3)%	580	724	144 24.8%
Others and adjustment	16,103	15,942	—	1,092	541	—
Total	38,570	36,534	(2,036) (5.3)%	1,913	1,608	(304) (15.9)%

[Segment Details] Summary of Video and Music Segment by Company

<April 1, 2016 to December 31, 2016>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/16	3Q FY3/17	YoY	3Q FY3/16	3Q FY3/17	YoY
Pony Canyon	25,716	23,297	(2,419) (9.4)%	(277)	(788)	(511) —
Others and adjustment	10,091	10,783	—	318	674	—
Total	35,807	34,081	(1,726) (4.8)%	41	(114)	(155) —

[Segment Details] Summary of Life Information Segment by Company

<April 1, 2016 to December 31, 2016>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/16	3Q FY3/17	YoY	3Q FY3/16	3Q FY3/17	YoY
Dinos Cecile	90,738	88,151	(2,587) (2.9)%	1,729	1,462	(266) (15.4)%
Sankei Living Shimbun	7,205	7,066	(138) (1.9)%	(494)	(225)	268 —
Others and adjustment	3,992	3,988	—	77	162	—
Total	101,936	99,206	(2,730) (2.7)%	1,312	1,399	87 6.7%

[Segment Details] Summary of Advertising Segment by Company

<April 1, 2016 to December 31, 2016>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/16	3Q FY3/17	YoY	3Q FY3/16	3Q FY3/17	YoY
Quaras	30,643	32,760	2,116 6.9%	246	215	(30) (12.6)%
Adjustment	—	—	—	(0)	(0)	—
Total	30,643	32,760	2,116 6.9%	246	215	(30) (12.6)%

[Segment Details] Summary of Urban Development Segment by Company

<April 1, 2016 to December 31, 2016>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/16	3Q FY3/17	YoY	3Q FY3/16	3Q FY3/17	YoY
Sankei Building	27,875	46,199	18,324 65.7%	2,588	7,322	4,734 182.9%
GRANVISTA Hotels & Resorts	22,417	21,756	(661) (3.0)%	2,766	2,260	(505) (18.3)%
Others and adjustment	7,145	7,436	—	(414)	125	—
Total	57,438	75,392	17,953 31.3%	4,940	9,708	4,768 96.5%

Main Items in Non-Operating Income and Expenses

<April 1, 2016 to December 31, 2016>

Millions of yen

		3Q FY3/16	3Q FY3/17	YoY	
Non-operating income					
	Dividends income	1,933	2,107	174	9.0%
	Equity in earnings of affiliates	3,609	3,323	(285)	(7.9)%
	Other	2,590	2,897	306	11.8%
Total		8,133	8,328	195	2.4%
Non-operating expenses					
	Interests	1,290	1,127	(163)	(12.7)%
	Loss on investments in partnership	466	294	(172)	(36.9)%
	Other	603	460	(142)	(23.7)%
Total		2,359	1,881	(478)	(20.3)%

Main Items in Extraordinary Gain and Loss

<April 1, 2016 to December 31, 2016>

Millions of yen

		3Q FY3/16	3Q FY3/17	YoY	
Extraordinary gain					
	Gain on negative goodwill	—	4,250	4,250	—
	Other	5	211	205	—
Total		5	4,461	4,455	—
Extraordinary loss					
	Impairment loss	164	702	537	326.7%
	Loss on step acquisitions	—	1,296	1,296	—
	Other	662	882	220	33.3%
Total		826	2,882	2,055	248.6%

Fuji TV Results

3Q FY3/17 Fuji TV Results

<April 1, 2016 to December 31, 2016>

Millions of yen

	3Q FY3/16	3Q FY3/17	YoY	
Net Sales	217,798	214,072	(3,725)	(1.7)%
Operating Income	2,921	5,082	2,160	73.9%
Ordinary Income	3,848	5,454	1,605	41.7%
Net Income	2,399	3,535	1,135	47.3%

Broadcasting Business: Revenues and Cost

<April 1, 2016 to December 31, 2016>

Millions of yen

	3Q FY3/17	YoY	
Broadcasting Business Revenues	178,624	(8,013)	(4.3)%
Broadcasting	153,167	(8,450)	(5.2)%
Network time	66,983	(5,427)	(7.5)%
Local time	9,961	(611)	(5.8)%
Spot	76,221	(2,412)	(3.1)%
Other Broadcasting	25,457	437	1.7%
Program sales	13,169	(319)	(2.4)%
CS broadcasting and Other	12,288	756	6.6%
Cost of Broadcasting Business	122,642	(6,967)	(5.4)%

Spot Advertising YoY Trend by Industry

Oct. – Dec. 2016

*Administrative accounting base

Industry	Share Last Year	Share	YoY
Cosmetic/Toiletries	15.7%	17.2%	8.6%
Foods	9.7%	10.4%	6.4%
Information/ Communications/ Broadcasting	8.6%	10.3%	18.1%
Beverage (Non-Alcoholic)	6.3%	7.8%	22.2%
Pharmaceuticals/ Medical Products	7.6%	7.8%	1.5%
Publications/ Entertainment	5.6%	5.5%	(2.6)%
Autos	4.2%	5.1%	20.1%
Finance/Insurance	4.9%	5.0%	0.7%
Apparel/Accessories	5.0%	5.0%	(1.4)%

Industry	Share Last Year	Share	YoY
Distribution/Retail	6.1%	4.9%	(21.1)%
Fast Foods/Services	5.1%	4.8%	(7.4)%
Consumer Electronics	3.8%	4.6%	20.6%
Precision/Optical Equipment	7.0%	4.4%	(38.4)%
Telephone Services	2.4%	2.5%	2.4%
Travel/Leisure	3.3%	1.7%	(50.7)%
Real Estate/Housing	0.9%	1.4%	48.7%
Beverage (Alcoholic)	1.8%	1.0%	(47.6)%
Energy/Machinery	0.6%	0.0%	—
Others	1.3%	0.6%	(52.2)%

Production Costs

	Millions of yen		
	3Q FY3/16	3Q FY3/17	YoY
1Q	22,206	21,599	(2.7)%
2Q	27,307	23,619	(13.5)%
1H	49,514	45,218	(8.7)%
3Q	22,881	21,709	(5.1)%
Cumulative total	72,395	66,928	(7.6)%
4Q	20,840		
2H	43,722		
Full Year	93,236		

* Direct costs of in-house production and program purchases

Other Businesses: Revenues and Cost

<April 1, 2016 to December 31, 2016>

Millions of yen

	3Q FY3/17	YoY	
Other Businesses Revenues	35,448	4,287	13.8%
Event	14,859	6,873	86.1%
Movie	6,402	(308)	(4.6)%
Digital	5,286	(645)	(10.9)%
Merchandising	3,829	(482)	(11.2)%
Video	1,681	(539)	(24.3)%
Other	3,389	(610)	(15.3)%
Cost of Other Businesses	28,816	3,126	12.2%

SG&A and Non-Operating Income and Expenses

<April 1, 2016 to December 31, 2016>

Millions of yen

	3Q FY3/17	YoY	
SG&A	57,531	(2,045)	(3.4)%
Selling expenses	40,726	(1,917)	(4.5)%
General and administrative expenses	16,805	(128)	(0.8)%
Operating Expenses	208,990	(5,886)	(2.7)%
Operating Income	5,082	2,160	73.9%
Non-operating income	681	(453)	(40.0)%
Non-operating expenses	309	101	48.9%
Ordinary Income	5,454	1,605	41.7%

Fuji TV: Programming

- Continued strengthening of regular programs, focusing on weekends
Aim for strong support from the main viewer target of kids, teens, and adults 20s to 40s

◆ New programs launched in October

Tuesdays 19:00
Brain Workout



Average ratings +3.1pt
(Compared with overall average for previous program *SOKOHOME?!* in that time slot)
Support from younger viewers and families

Fridays 19:00
The Cause is X!



Average ratings +1.4pt
(Compared with overall average for previous program *Friday Night with Curious Ladies* in that time slot)

Sundays 19:00-20:54
The Furutachi Sunday Show



In-depth look at a wide range of issues
New subjects continually being added
Aim to establish popularity

- Introduction of “comprehensive rating” a shift to an indicator applicable to changes in viewing styles

“Comprehensive Rating” = “Real Time Rating” + “Time Shift Rating” – “Duplicate Viewing”

Airtime	Program	Real Time Rating	Time Shift Rating	Comprehensive Rating
Thursdays 22:00	<i>Chef ~Three Star School Lunch~</i>	7.0%	6.9%	13.1%
Mondays 21:00	<i>CAIN AND ABEL</i>	8.2%	5.0%	12.5%
Sundays 21:00	<i>Offbeat Chief Police</i>	7.2%	4.6%	11.5%

* October 3-month series drama average

Source: Video Research Ltd.

Initiatives in Growth Areas

Program Streaming Business



Fuji TV On-Demand

No. of paying subscribers
800,000

No. of monthly users
(including free content)
3.5 million

- Unique comprehensive streaming platform drawing on strength of in-house content
Business profitability established, revenue continuing to rise in current fiscal period

Three types of service offered

Ad-supported free
Streaming of missed
episodes, etc.

Subscription (SVOD)
¥888/month

Pay-as-you-go

- Collect viewing data independently with free, ad-supported streaming
Strengthen sales to expand streaming advertising revenue
- Offer program content on other major platforms, and secure earnings
- Create virtual reality (VR) images, strengthen VR streaming structure

Game Business

As a game company originating from a broadcaster, draw on expertise in planning/production, promotional tie-ins, and other areas, aiming for steady hit games

- Two major titles scheduled for release by Fuji Games in FY3/18

PROJECT CHRONUS

Collaboration with Marvelous Inc. Release planned for summer 2017

Aim for release of 2-3 titles each year from FY3/19

- Three current titles remain popular
(Fuji&gumi Games)

Phantom of the Kill 3.5 million downloads

Expand earnings with multifaceted development, including events and overseas distribution

For Whom the Alchemist

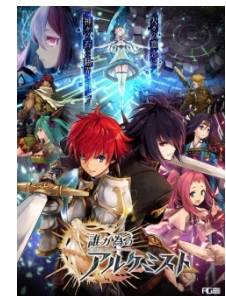
1.1 million downloads

Sales growth on a par with *Phantom of the Kill*

Shinobi Nightmare

0.5 million downloads

Rapid growth since major renewal

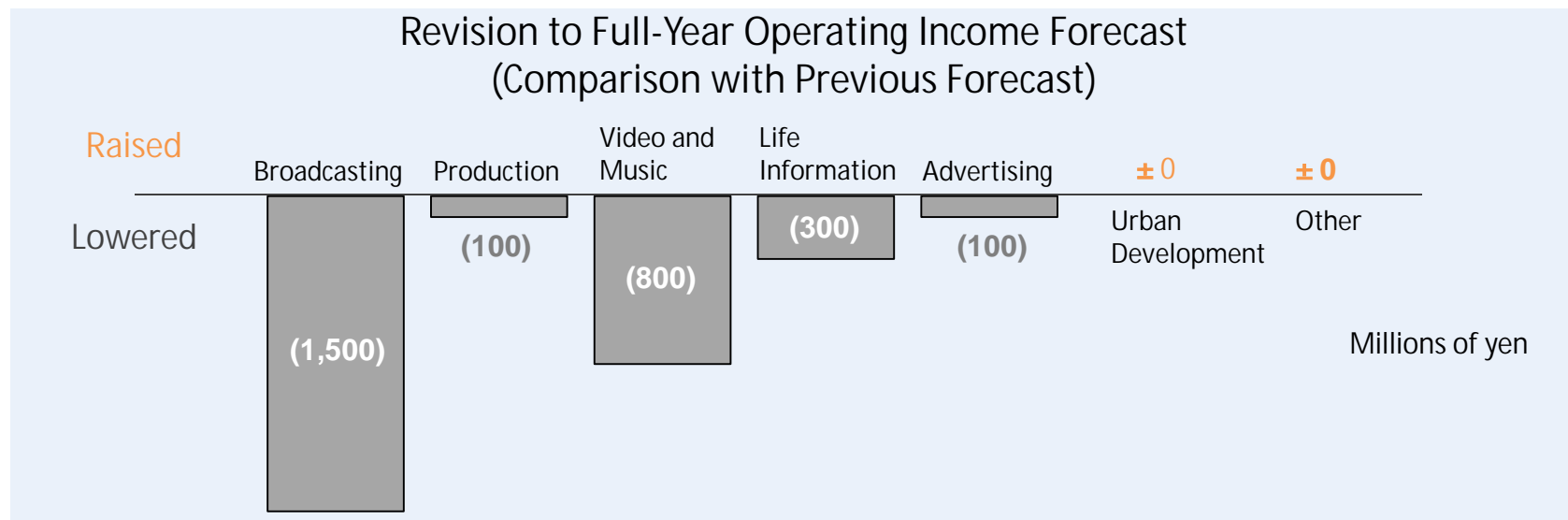


FY3/17 Earnings Forecasts

Highlights of Revision to FY3/17 Earnings Forecast

Full-year consolidated operating income forecast revised to ¥24.4 billion

Downward revision to forecasts for Fuji TV, Video and Music segment



Fuji TV	Video and Music (Pony Canyon)	Life Information (Dinos Cecile)
<ul style="list-style-type: none"> ➤ Broadcast revenue forecast revised downward ➤ Aim to secure profit from earnings in other businesses, and continued efficient cost management 	<ul style="list-style-type: none"> ➤ Downward revision as package sales fell short of plan ➤ Contribution from non-package sales expected in 4Q 	<ul style="list-style-type: none"> ➤ Downward revision on lackluster catalogue sales in December 2016 ➤ Steady improvement in cost structure from inventory reductions and other measures

Revision to FY3/17 Earnings Forecasts

Millions of yen

Consolidated	Revised Forecast	Previous Forecast	Change
Net Sales	652,400	663,200	(10,800)
Operating Income	24,400	27,200	(2,800)
Ordinary Income	31,400	34,400	(3,000)
Net Income Attributable to Owners of the Parent	25,100	24,500	600

Fuji TV	Revised Forecast	Previous Forecast	Change
Net Sales	282,000	288,300	(6,300)
Operating Income	6,000	7,500	(1,500)
Ordinary Income	6,400	7,900	(1,500)
Net Income	4,000	4,900	(900)

YoY	2H Forecast	Previous Forecast	Full-Year Forecast	Previous Forecast
Network Time	(6.1)%	(4.1)%	(7.4)%	(6.4)%
Local Time	(6.9)%	(7.9)%	(7.2)%	(7.7)%
Spot	(4.3)%	2.0%	(3.9)%	(0.6)%
Total Broadcasting Revenues	(5.2)%	(1.2)%	(5.7)%	(3.7)%

Revision to FY3/17 Segment Forecasts

<April 1, 2016 to March 31, 2017>

Millions of yen

	Business Segment								Total	Adjustment	Consolidated statement of income
		Broadcasting	Production	Video and Music	Life Information	Advertising	Urban Development	Other			
Net Sales	Revised forecast	313,600	48,600	47,000	132,600	43,000	102,500	28,500	715,800	(63,400)	652,400
	Previous forecast	318,200	48,900	50,300	135,100	43,000	103,800	28,500	727,800	(64,600)	663,200
	Change	(4,600)	(300)	(3,300)	(2,500)	0	(1,300)	0	(12,000)	—	(10,800)
Operating Income	Revised forecast	8,600	1,800	1,000	1,500	300	10,500	700	24,400	0	24,400
	Previous forecast	10,100	1,900	1,800	1,800	400	10,500	700	27,200	0	27,200
	Change	(1,500)	(100)	(800)	(300)	(100)	0	0	(2,800)	—	(2,800)

CAPEX Plan and Depreciation and Amortization

Millions of yen

		FY3/17		FY3/18 (Plan)
		3Q (Actual)	Full-Year (Plan)	
CAPEX	Consolidated	24,687	45,200	51,300
	Fuji TV	2,953	6,700	11,500
	Urban Development	18,386	33,000	36,700
	Fuji Media HD	149	500	500
Depreciation and amortization	Consolidated	13,615	19,600	21,000
	Fuji TV	5,810	8,800	9,200
	Urban Development	3,510	4,800	5,900
	Fuji Media HD	1,704	2,400	2,400

Segment Information (Consolidated Subsidiaries)

Segment	Company Name	No. of Companies
Broadcasting	Fuji Television Network, Fuji Satellite Broadcasting (BS Fuji), Nippon Broadcasting System, Sendai Television	4
Production	Fuji Creative Corporation, Kyodo Television, Vasc, Fuji Media Technology, NEXTEP TV WORKSHOP, Fuji Art, Van Eight Production, Kyodo Edit, Basis	9
Video and Music	Fuji Music Partners, Pony Canyon, Ponycanyon Enterprise, EXIT TUNES, Fujipacific Music, Shinko Music Publishers, FUJI MUSIC GROUP, ARC MUSIC, ARC/CONRAD MUSIC	9
Life Information	Sankei Living Shimbun, Dinos Cecile, Living Pro-seed, Dinos Cecile Communications	4
Advertising	Quaras	1
Urban Development	The Sankei Building, Granvista Holdings, Koshien Development , Sankei Kaikan, GRANVISTA Hotels & Resorts, Sankei Building Well Care, The Sankei Bldg Techno, The Sankei Building Management, SKB USA , SKB Seattle	10
Other	Fusosha Publishing, Fujimic, Nippon Broadcasting Project, Fuji Games , FUJI CAREER DESIGN, FUJISANKEI COMMUNICATIONS INTERNATIONAL	6
Total		43

*Companies listed in **red** were included in the scoped of consolidation in FY3/17.

