

FY3/18 Results Materials

(Fiscal Year ended March 31, 2018)

May 15, 2018

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.

“FY3/18” means the fiscal year ended March 31, 2018.

The period from January 1, 2018 to March 31, 2018 is referred to as “4Q.”

FY3/18 Consolidated Results

<April 1, 2017 to March 31, 2018>

Millions of yen

	FY3/17	FY3/18	YoY		Forecast (Announced on Feb. 2)	FY3/18—Forecast	
Net Sales	653,976	646,536	(7,439)	(1.1)%	644,600	1,936	100.3%
Operating Income	22,319	25,258	2,939	13.2%	23,500	1,758	107.5%
Ordinary Income	30,380	35,120	4,739	15.6%	30,500	4,620	115.1%
Net income attributable to owners of the parent	27,396	24,956	(2,439)	(8.9)%	21,300	3,656	117.2%

Net Sales and Operating Income by Segment

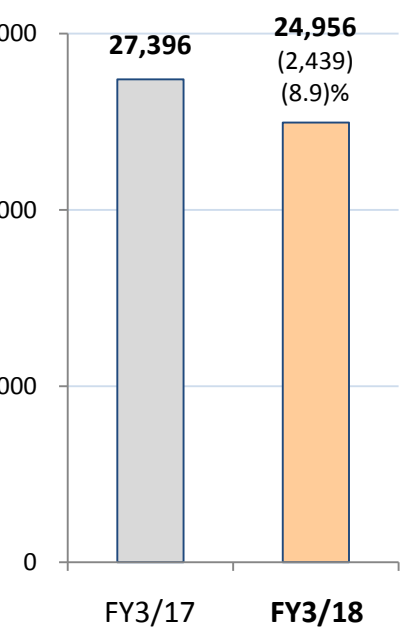
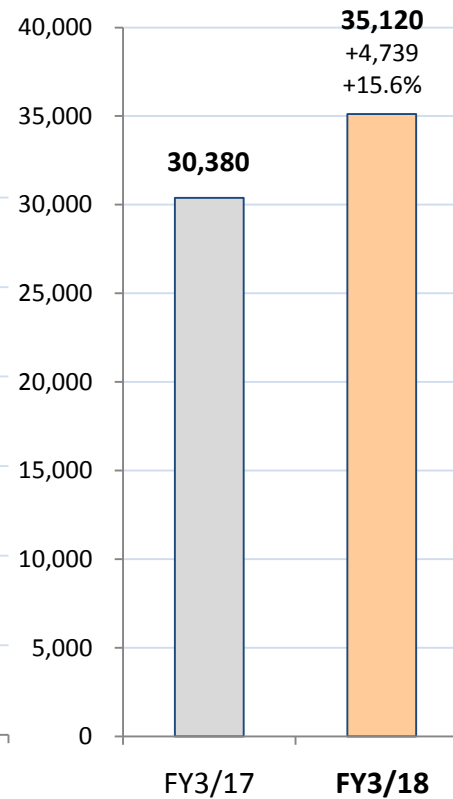
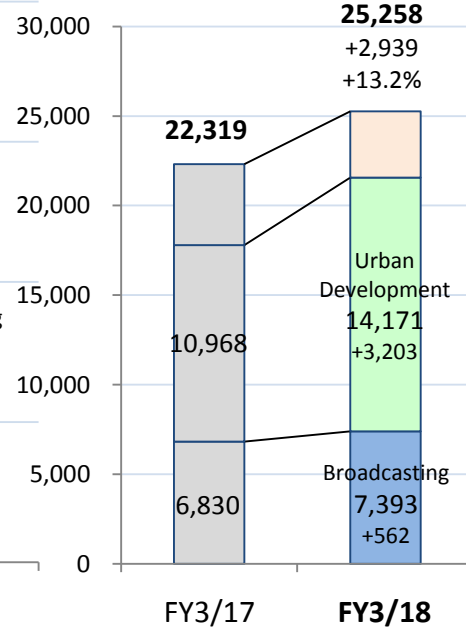
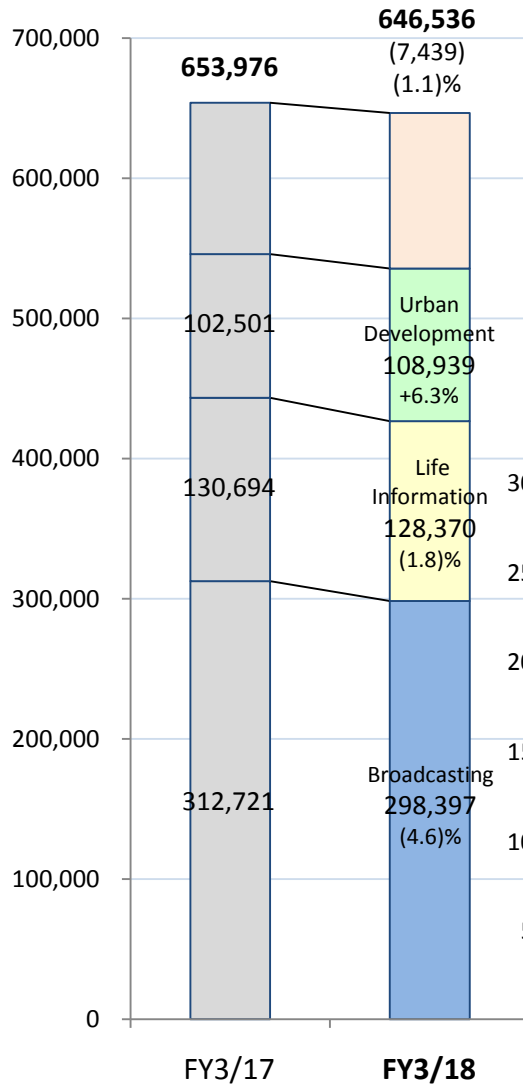
<April 1, 2017 to March 31, 2018>

Millions of yen

	Business Segment								Total	Adjustment	Consolidated statement of Income
		Broadcasting	Production	Video and Music	Life Information	Advertising	Urban Development	Other			
Net Sales	FY3/18	298,397	47,768	48,993	128,370	44,514	108,939	31,098	708,081	(61,544)	646,536
	FY3/17	312,721	49,292	48,071	130,694	45,476	102,501	29,221	717,979	(64,003)	653,976
	YoY	(14,324)	(1,523)	921	(2,323)	(961)	6,437	1,876	(9,898)	2,458	(7,439)
	YoY%	(4.6)%	(3.1)%	1.9%	(1.8)%	(2.1)%	6.3%	6.4%	(1.4)%	—	(1.1)%
Operating Income	FY3/18	7,393	1,912	1,441	865	521	14,171	258	26,564	(1,305)	25,258
	FY3/17	6,830	1,819	1,071	952	384	10,968	245	22,271	47	22,319
	YoY	562	93	370	(86)	136	3,203	13	4,292	(1,353)	2,939
	YoY%	8.2%	5.1%	34.6%	(9.1)%	35.4%	29.2%	5.4%	19.3%	—	13.2%

FY3/18 Consolidated Results (Year-on-Year)

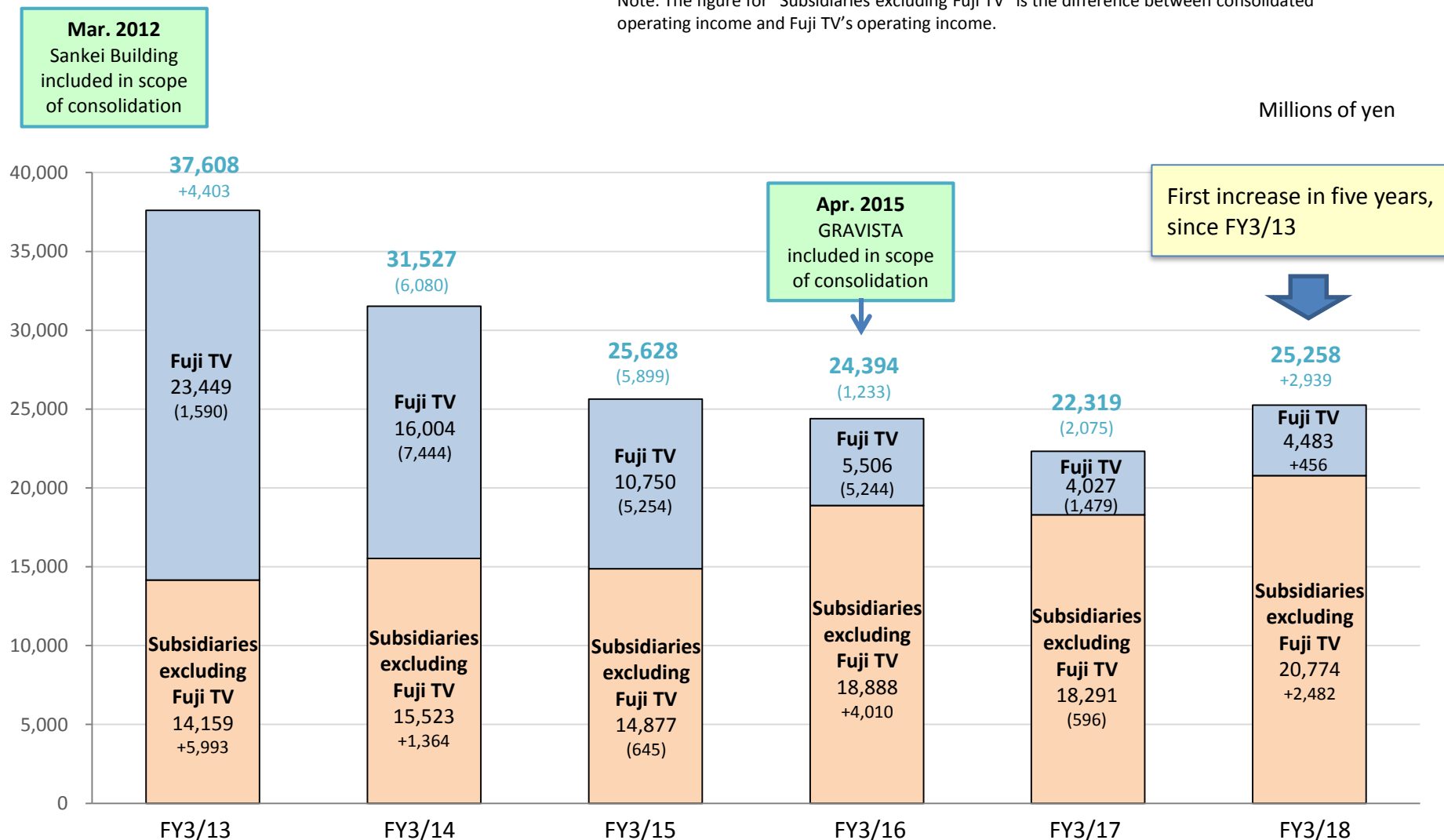
Millions of yen



Overview of FY3/18 Consolidated Results

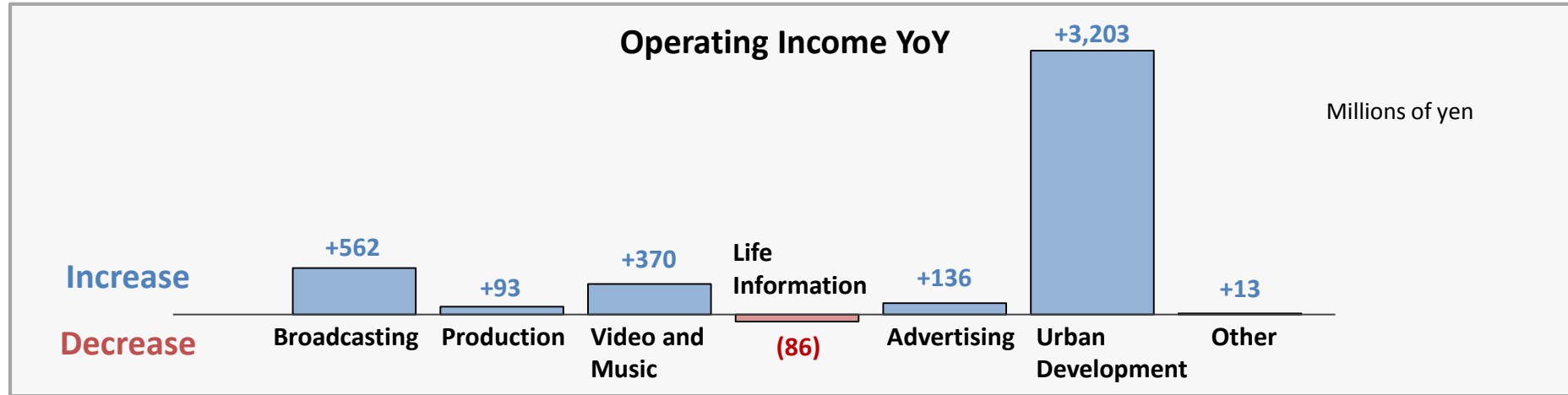
Full-year consolidated operating income over the last six years

Note: The figure for “Subsidiaries excluding Fuji TV” is the difference between consolidated operating income and Fuji TV’s operating income.



FY3/18 Financial Highlights

Consolidated operating income of ¥25.2 billion
Revenue decline with operating income gain



Broadcasting (Fuji TV)

- Revenue decline due to decrease in broadcasting revenue, and in the event business, a rebound decline from major events in the previous fiscal year
- Operating income rose for the first time in six years, due to effective cost management and positive performance in movies and the FOD steaming service

Life Information

- Dinos Cecile: Dinos business revenue and earnings increased on steady growth in both catalog and TV shopping
Cecile business earnings increased through greater efficiency in issuing catalogs
- Sankei Living Shimbun struggled, posting a revenue decline and operating loss

Video and Music (Pony Canyon)

- Non-package sales contributed to results, including overseas sales of anime, merchandise sales of live events, and distribution revenue from investment works
- An extraordinary loss was recorded for business restructuring

Urban Development (Sankei Building/Granvista)

- Sankei Building: Revenue and earnings reached record levels, with sales of held properties during 1H making a significant contribution, and steady growth in the building business (office leasing)
- Granvista: Revenue and earnings increased with the elimination of the negative effect in the previous fiscal year from hotel renovations, along with positive performance at marine leisure facilities

[Segment Details] Summary of Broadcasting Segment by Company

<April 1, 2017 to March 31, 2018>

Millions of yen

	Net Sales			Operating Income		
	FY3/17	FY3/18	YoY	FY3/17	FY3/18	YoY
Fuji Television	280,550	260,677	(19,872) (7.1)%	4,027	4,483	456 11.3%
BS Fuji	17,722	18,011	288 1.6%	2,571	2,601	30 1.2%
Nippon Broadcasting System	14,566	14,400	(165) (1.1)%	42	21	(21) (50.3)%
Others and adjustment	(117)	5,307	—	188	286	—
Total	312,721	298,397	(14,324) (4.6)%	6,830	7,393	562 8.2%

[Segment Details] Summary of Production Segment by Company

<April 1, 2017 to March 31, 2018>

Millions of yen

	Net Sales			Operating Income		
	FY3/17	FY3/18	YoY	FY3/17	FY3/18	YoY
Fuji Creative Corporation	14,208	14,626	418 2.9%	1,128	1,148	19 1.7%
Kyodo Television	14,637	14,394	(243) (1.7)%	356	316	(40) (11.4)%
Others and adjustment	20,446	18,747	—	333	448	—
Total	49,292	47,768	(1,523) (3.1)%	1,819	1,912	93 5.1%

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

<April 1, 2017 to March 31, 2018>

Millions of yen

	Net Sales			Operating Income		
	FY3/17	FY3/18	YoY	FY3/17	FY3/18	YoY
Pony Canyon	33,937	33,587	(349) (1.0)%	225	365	140 62.3%
Others and adjustment	14,134	15,405	—	845	1,075	—
Total	48,071	48,993	921 1.9%	1,071	1,441	370 34.6%

[Segment Details] Summary of Life Information Segment by Company

<April 1, 2017 to March 31, 2018>

Millions of yen

	Net Sales			Operating Income		
	FY3/17	FY3/18	YoY	FY3/17	FY3/18	YoY
Dinos Cecile	115,422	113,831	(1,590) (1.4)%	816	1,281	465 57.1%
Others and adjustment	15,271	14,538	—	136	(416)	—
Total	130,694	128,370	(2,323) (1.8)%	952	865	(86) (9.1)%

[Segment Details] Summary of Advertising Segment by Company

<April 1, 2017 to March 31, 2018>

Millions of yen

	Net Sales			Operating Income		
	FY3/17	FY3/18	YoY	FY3/17	FY3/18	YoY
Quaras	45,476	44,514	(961) (2.1)%	385	521	136 35.4%
Adjustment	—	—	—	(0)	(0)	—
Total	45,476	44,514	(961) (2.1)%	384	521	136 35.4%

[Segment Details] Summary of Urban Development Segment by Company

<April 1, 2017 to March 31, 2018>

Millions of yen

	Net Sales			Operating Income		
	FY3/17	FY3/18	YoY	FY3/17	FY3/18	YoY
Sankei Building	64,103	69,009	4,905 7.7%	8,625	9,654	1,029 11.9%
GRANVISTA Hotels & Resorts	27,835	28,152	316 1.1%	1,922	2,552	630 32.8%
Others and adjustment	10,562	11,778	—	421	1,964	—
Total	102,501	108,939	6,437 6.3%	10,968	14,171	3,203 29.2%

Main Items in Non-Operating Income and Expenses

<April 1, 2017 to March 31, 2018>

Millions of yen

	FY3/17	FY3/18	YoY	
Non-operating income				
Dividends income	2,452	2,987	534	21.8%
Equity in earnings of affiliates	4,317	5,619	1,302	30.2%
Other	3,777	3,073	(703)	(18.6)%
Total	10,547	11,680	1,133	10.7%
Non-operating expenses				
Interests	1,447	1,204	(243)	(16.8)%
Loss on investments in partnership	279	154	(124)	(44.7)%
Other	759	460	(299)	(39.4)%
Total	2,486	1,818	(667)	(26.8)%

Main Items in Extraordinary Gain and Loss

<April 1, 2017 to March 31, 2018>

Millions of yen

		FY3/17	FY3/18	YoY	
Extraordinary gain					
	Gain on sales of investment securities	200	2,820	2,620	—
	Gain on negative goodwill	4,253	—	(4,253)	(100.0)%
	Other	1,273	393	(880)	(69.1)%
Total		5,728	3,214	(2,514)	(43.9)%
Extraordinary loss					
	Loss on sales of investment securities	0	2,113	2,113	—
	Loss on business restructuring	—	1,661	1,661	—
	Loss on step acquisitions	1,296	—	(1,296)	(100.0)%
	Other	1,979	2,499	519	26.2%
Total		3,276	6,274	2,997	91.5%

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, EXIT TUNES, Fujipacific Music, Shinko Music Publishers, FUJI MUSIC GROUP, ARC MUSIC, ARC/CONRAD MUSIC	8
Life Information	Dinos Cecile, Dinos Cecile Communications	2
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		40

Fuji TV Results

FY3/18 Fuji TV Results

<April 1, 2017 to March 31, 2018>

Millions of yen

	FY3/17	FY3/18	YoY	
Net Sales	280,550	260,677	(19,872)	(7.1)%
Operating Income	4,027	4,483	456	11.3%
Ordinary Income	4,540	4,829	288	6.4%
Net Income	2,823	2,647	(176)	(6.2)%

Broadcasting Business: Revenues and Cost

<April 1, 2017 to March 31, 2018>

Millions of yen

	FY3/18	YoY	
Broadcasting Business Revenues	222,801	(12,255)	(5.2)%
Broadcasting	190,686	(10,812)	(5.4)%
Network time	79,857	(7,777)	(8.9)%
Local time	13,455	418	3.2%
Spot	97,372	(3,453)	(3.4)%
Other Broadcasting	32,115	(1,442)	(4.3)%
Program sales	17,427	(165)	(0.9)%
CS broadcasting and Other	14,687	(1,276)	(8.0)%
Cost of Broadcasting Business	153,181	(8,701)	(5.4)%

Spot Advertising YoY Trend by Industry

Jan. – Mar. 2018

*Administrative accounting base

Industry	Share Last Year	Share	YoY
Information/ Telecommunication/ Broadcasting	10.4%	14.6%	38.4%
Cosmetic/Toiletries	11.5%	10.4%	(10.5)%
Fast Foods/Services	8.4%	8.8%	3.8%
Autos	7.4%	8.6%	15.7%
Finance/Insurance	7.3%	7.1%	(3.3)%
Foods	8.8%	6.4%	(28.0)%
Beverage (Non-Alcoholic)	5.8%	5.8%	0.0%
Pharmaceuticals/ Medical Products	5.2%	4.6%	(12.0)%
Publications/ Entertainment	5.9%	4.6%	(21.6)%

Industry	Share Last Year	Share	YoY
Real Estate/Housing	4.8%	4.6%	(4.8)%
Apparel/Accessories	4.3%	4.6%	6.7%
Distribution/Retail	3.8%	3.9%	3.8%
Travel/Leisure	3.4%	3.6%	4.3%
Telephone Services	3.8%	3.4%	(12.3)%
Beverage (Alcoholic)	2.2%	2.5%	16.3%
Office/Precision/Optical Equipment	3.5%	2.4%	(32.6)%
Consumer Electronics	1.3%	1.0%	(21.6)%
Energy/Machinery	1.0%	0.8%	(18.8)%
Others	1.5%	2.2%	47.3%

Production Costs

Millions of yen

	FY3/17	FY3/18	YoY
1Q	21,599	20,495	(5.1)%
2Q	23,619	20,305	(14.0)%
1H	45,218	40,801	(9.8)%
3Q	21,709	19,960	(8.1)%
4Q	21,295	19,922	(6.4)%
2H	43,004	39,882	(7.3)%
Full Year	88,223	80,684	(8.5)%

* Direct costs of in-house production and program purchases

Other Businesses: Revenues and Cost

<April 1, 2017 to March 31, 2018>

Millions of yen

	FY3/18	YoY	
Other Businesses Revenues	37,876	(7,617)	(16.7)%
Event	9,438	(8,346)	(46.9)%
Movie	7,007	(1,362)	(16.3)%
Digital	9,210	2,012	28.0%
Merchandising	5,258	199	3.9%
Video	2,263	(10)	(0.5)%
Other	4,698	(110)	(2.3)%
Cost of Other Businesses	30,168	(7,513)	(19.9)%

SG&A and Non-Operating Income/Expenses

<April 1, 2017 to March 31, 2018>

Millions of yen

	FY3/18	YoY	
SG&A	72,843	(4,115)	(5.3)%
Selling expenses	51,411	(2,896)	(5.3)%
General and administrative expenses	21,431	(1,218)	(5.4)%
Operating Expenses	256,194	(20,329)	(7.4)%
Operating Income	4,483	456	11.3%
Non-operating income	591	(300)	(33.7)%
Non-operating expenses	245	(132)	(34.9)%
Ordinary Income	4,829	288	6.4%

FY3/19 Earnings Forecasts
Year ending March 31, 2019

FY3/19 Consolidated Earnings Forecast

<April 1, 2018 to March 31, 2019>

Millions of yen

	FY3/18	FY3/19	YoY	
Net Sales	646,536	623,000	(23,536)	(3.6)%
Operating Income	25,258	25,500	241	1.0%
Ordinary Income	35,120	33,100	(2,020)	(5.8)%
Net Income Attributable to Owners of the Parent	24,956	25,000	43	0.2%

Full-year Projections for Terrestrial TV Advertising Revenue

<April 1, 2018 to March 31, 2019>

Network Time	Local Time	Spot	Total broadcasting revenues	
(1.7)%	(6.4)%	(4.1)%	(3.2)%	(YoY)

FY3/19 Segment Forecasts

<April 1, 2018 to March 31, 2019>

Millions of yen

	Business Segment				Total	Adjust- ment	Consolidated statement of income
		Media & Content	Urban Development, Hotels & Resorts	Other			
Net Sales	FY3/19 Forecast	514,000	101,600	19,500	635,100	(12,100)	623,000
	FY3/18	532,224	108,939	20,105	661,269	(14,732)	646,536
	YoY%	(3.4)%	(6.7)%	(3.0)%	(4.0)%	—	(3.6)%
Operating Income	FY3/19 Forecast	14,100	11,500	400	26,000	(500)	25,500
	FY3/18	11,839	14,171	662	26,673	(1,415)	25,258
	YoY%	19.1%	(18.9)%	(39.6)%	(2.5)%	—	1.0%

Highlights of FY3/19 Earnings Forecasts

Forecast consolidated operating income of ¥25.5 billion

Forecast for revenue decline and operating income gain

Media & Content

Fuji TV

- Anticipate a decline in broadcast revenue, but an earnings gain on expanded profit and continued effective cost management
- Contribution expected from the major event Cirque du Soleil

Pony Canyon

- Contributions expected from promising additions to the lineup such as Season 3 of *Attack on Titan*, and overseas sales of movies and other properties
- Strengthen such areas as streaming, live events, and the rights business, and shift to a business structure not dependent on package sales

Dinos Cecile

- Implement strict cost controls due to the increase in delivery costs
By streamlining catalogue expenses, aim to raise earnings
- Through combined use of the internet, catalogues, and TV, stimulate business from existing customers, and gain new customers

Urban Development, Hotels & Resorts

Sankei Building/GRANVISTA

- Earnings decline anticipated on rebound from sales of held properties in the previous fiscal year
- Successively open new office buildings and hotels, expanding the earnings base
- Granvista: Continued high occupancy rate expected at existing hotels

New Segment Information (Consolidated Subsidiaries)

Segment	Company Name	No. of Companies
Media & Content	Fuji Television Network, Fuji Satellite Broadcasting (BS Fuji), Nippon Broadcasting System, Sendai Television, Fuji Creative Corporation, Kyodo Television, Vasc, Fuji Media Technology, NEXTEP TV WORKSHOP, Fuji Art, Van Eight Production, Kyodo Edit, Basis, Fuji Music Partners, Pony Canyon, EXIT TUNES, Fujipacific Music, Shinko Music Publishers, FUJI MUSIC GROUP, ARC MUSIC, ARC/CONRAD MUSIC, Dinos Cecile, Dinos Cecile Communications, Quaras, Fusosha Publishing, Fuji Games	26
Urban Development, Hotels & Resorts	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	Fujimic, Nippon Broadcasting Project, FUJI CAREER DESIGN, FUJISANKEI COMMUNICATIONS INTERNATIONAL	4
Total		40

CAPEX Plan and Depreciation and Amortization

Millions of yen

		FY3/18 (Actual)	FY3/19 (Plan)	FY3/20 (Plan)
CAPEX	Consolidated	46,269	58,100	37,900
	Fuji TV	6,857	7,500	7,500
	Urban Development, Hotels & Resorts	35,050	32,100	23,300
	Fuji Media HD	607	14,900*	800
Depreciation and amortization	Consolidated	18,569	18,900	20,500
	Fuji TV	7,902	8,000	8,700
	Urban Development, Hotels & Resorts	4,700	5,500	6,200
	Fuji Media HD	2,291	2,000	2,000

* Includes purchase of land (limited land rights) for the head office building.

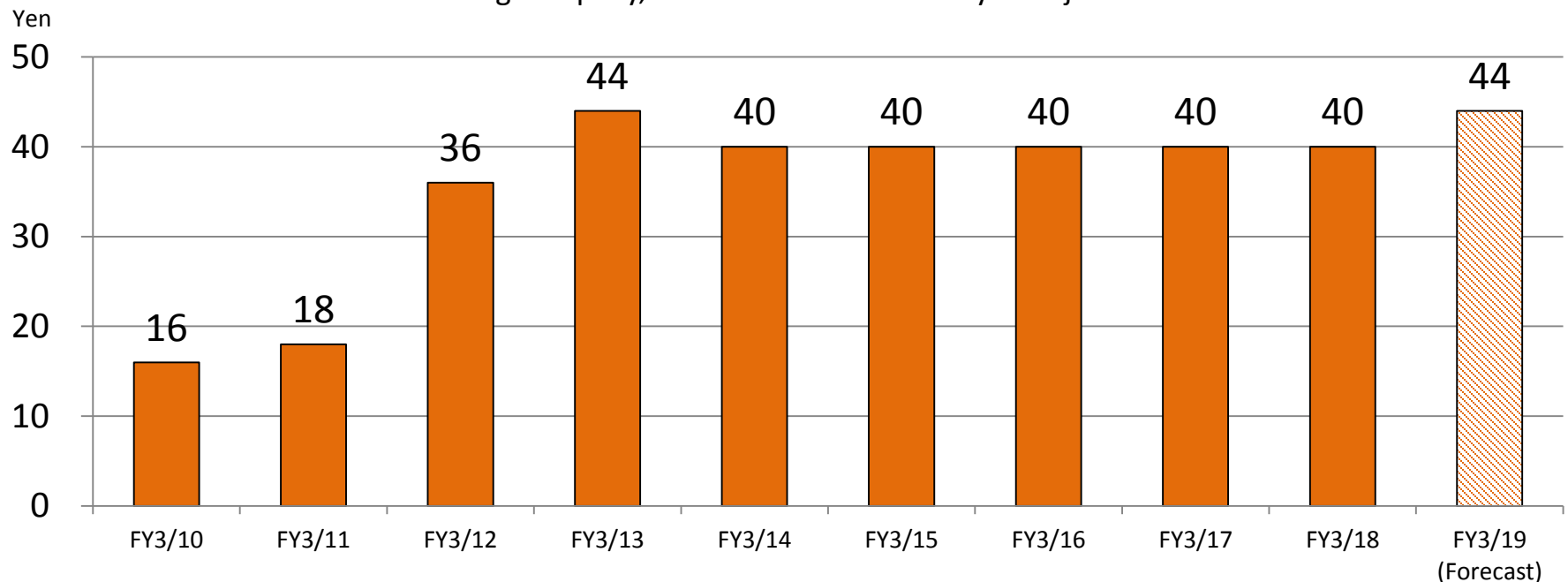
Shareholder Returns

Guiding principle of stable dividend based on a 40% target payout ratio

FY3/18 Interim Dividends ¥20 Year-end Dividends ¥20 Annual Dividends ¥40

FY3/19 Interim Dividends ¥22 Year-end Dividends ¥22 Annual Dividends ¥44 (Forecast)

The FY3/19 interim and year-end dividend payments comprise a 20 yen per share dividend on ordinary shares, and a commemorative dividend of 2 yen per share to mark the 10th anniversary of the transition to a certified broadcast holding company, and the 60th anniversary of Fuji Television Inc.



Note: Fuji Media Holdings adopted the unit share system, and implemented a share split at the ratio of 100 shares for each share of common stock, effective October 1, 2013. Previous dividend figures have been calculated with the number of shares following the split.

Reference

FY3/19 Fuji TV Event and Movie Lineup

■ Event ■

Cirque du Soleil's *KURIOS*

Current performance in Tokyo popular

Expected to make a significant contribution to full-year results

Tour performances scheduled for Osaka, Nagoya, Fukuoka, and Sendai (to 2019)



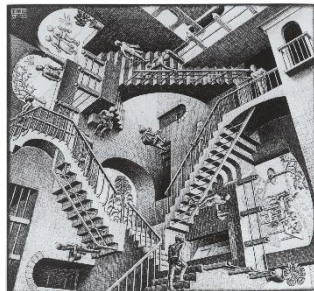
VERMEER

October 5, 2018 to February 3, 2019
The Ueno Royal Museum

A record eight paintings by Johannes Vermeer planned for display, including works shown in Japan for the first time

The Miracle of M.C. Escher: Prints from The Israel Museum, Jerusalem

June 6, 2018 to July 29, 2018
The Ueno Royal Museum



■ Movie ■

April 20

INUYASHIKI

Live action movie of the popular comic that sold 3.1 million copies. A "new sensation virtual movie" that gives the viewer a lifelike virtual reality experience

June 8

SHOPLIFTERS

A new work of shocking and moving human drama portraying "bonds beyond family" from director Hirokazu Koreeda, winner of numerous awards for *The Third Murder*

July 27

CODE BLUE THE MOVIE (Working title)

Highly anticipated, large-scale movie version of the hit medical drama that gained high ratings and spawned several sequels

Sept. 7

KASANE (Working title)

Live action version of the popular comic, a love-hate drama of exposed desire, co-starring two actresses known for their young and pure look

Nov.

The House Where The Mermaid Sleeps

A shocking and tearful human mystery, based on the novel by Keigo Higashino

Dec. 14

DRAGON BALL SUPER (Working title)

Commemorative project for the 20th film in the popular *Dragon Ball* series

Jan. 2019

MASQUERADE HOTEL

Live action movie of the best-selling mystery by Keigo Higashino, which sold more than 2.75 million copies in the series

Sankei Building/GRANVISTA

Building Business

- Develop the highly functional S-GATE Series, concentrating on prime urban areas
Expand the portfolio to broaden the earnings base

S-GATE NIHONBASHI-HONCHO
planned to be completed
in October 2018



Residential Business

- Pursue well-balanced development of condominiums and leased residences
Strengthen to leasing business to secure stable earnings

Hotel Resort Business

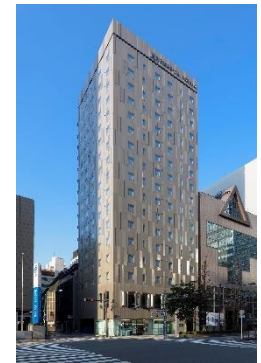
- Increase earnings from existing hotels, and steadily develop new hotel brands
Aim for further growth by capturing tourism demand

Open INTERGATE HOTELS, a new hotel brand jointly developed by Sankei Building and GRANVISTA

Locations in highly convenient and popular areas
Openings in Hiroshima and Kanazawa planned for spring 2019



Hotel Intergate Kyoto Shijo Shinmachi
Opened in March 2018



Hotel Intergate Tokyo Kyobashi
Opened in April 2018

Fuji Games

As a game company originating from a broadcaster, strengths in planning/production, promotional tie-ins, and other functions

Aim for established hits, and expand game-originated content business

- Strong launch for *ORDINAL STRATA*, the first new app game for Fuji Games, a cooperative title with Marvelous Inc.

More than 2 million downloads

Aim for further advancement through collaboration with popular games and anime, and adding new chapters



- New title releases for FY3/19 currently in planning and development

Project 7 scheduled for release in fall 2018

Prepared scenarios with seven light novels

Depending on the player's choices, this genuine RPG unfolds in multiple directions



- P. 31 : Photos: Martin Girard, Pierre Manning / shootstudio.ca © 2014 Cirque du Soleil
- P. 31 : Johannes Vermeer The Milkmaid Oil on Canvas ca. 1660 Rijksmuseum, Amsterdam
Purchased with the support of the Vereniging Rembrandt, 1908 © Rijksmuseum, Amsterdam **RIJKS MUSEUM**
- P. 31 : “*Relativity*” 1953 All M.C. Escher works copyright © The M.C. Escher Company B.V. - Baarn-Holland.
All rights reserved. www.mcescher.com