FY3/18 Financial Results Briefing
Summary of Question and Answer Session

Q. What approach and steps will you take to accomplish the goals of Fuji Media Holdings' medium-term strategy plan, specifically with respect to Fuji Television Network?

A. Under the plan, we aim to boost TV viewer ratings by at least 10% by fiscal 2020, and raise broadcasting income from fiscal 2019 onward. We also expect events and movies to contribute to revenues. From fiscal 2019, we plan to increase program production expenditures. While working to curb fixed costs besides production expenditures, we intend to substantially reduce capital expenditure and also bring down depreciation expenses. We believe the plan can be successfully carried out even though Japan's television advertising market is shrinking to some extent.

Q. What is your outlook for personnel expenses in the future?

A. We regard our human resources as vital assets, so we have no intention of rashly cutting personnel expenses. We will be able to reduce expenses by returning pension fund assets to the government in fiscal 2019. Due to that extraordinary factor, personnel expenses are expected to decline.

Q. What has been the response to reform initiatives at Fuji Television Network, and what are your strategies going forward?

A. By shifting to a system in which authority is consolidated in the programming division, we put into place a system that enables the whole company to provide support to the programing and program production departments. Under that system, our first initiative was to create a timetable linked to earnings. Furthermore, personnel reassignments regularly scheduled for July were pushed ahead to April in order to allow the program lineup changes to be made on time this autumn. As a result, we expect the changes for this October and April of next year to proceed on course. We want to push forward with all-new TV programing while resolutely making reforms in the future.

Q. Why is operating income in the Urban Development, Hotels & Resorts business segment projected to remain flat according to the plan?

A. Results in the Urban Development, Hotels & Resorts business were unusually high in fiscal 2017. Looking ahead, we want to make this business a segment that consistently generates over 10 billion yen in operating income each year. By making maximize use of its existing assets and taking extra steps to boost profits, we are targeting a steady level of operating income of 11.5 billion every year. We also aim to boost earnings while increasing new investment.

Q. Are you considering mergers or acquisitions as a means for expanding the Urban Development, Hotels & Resorts business segment?

A. That can be considered as a possibility, but there is no need to limit such means to mergers or acquisitions because we are exploring a wide range of options.

Q. Is there any possibility of the company buying back its own shares?

A. We would like to consider conducting a share buyback, but I think it may be difficult for a number of reasons, including the effect of foreign capital investment restrictions on the voting rights of non-Japanese shareholders. The company pays dividends to all shareholders, including foreign shareholders who do not have voting rights.

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