

**Flash Report [Japanese GAAP] (Consolidated Basis)****Results for the three months ended June 30, 2017****Company name: Fuji Media Holdings, Inc.**Stock listing: Tokyo Stock Exchange Code number: 4676 URL: <http://www.fujimediahd.co.jp/en>

Representative: Masaki Miyauchi, President and Representative Director

Person to contact: Junji Okunogi, Senior Executive Director of Treasury &amp; Finance Department

Telephone: +81-3-3570-8000 (key)

Scheduled date of filing quarterly securities report: August 10, 2017

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	%
2017	149,079	(1.8)	3,300	(52.0)	5,776	(38.9)	4,202	(37.9)
2016	151,771	2.0	6,872	53.5	9,450	42.9	6,772	60.0

(Note) Comprehensive income: Three months ended June 30, 2017: ¥16,438 million, 280.0%,

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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2017	18.18	—
2016	29.29	—

**(2) Financial Position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2017	1,200,345	694,776	56.7
March 31, 2017	1,185,199	682,062	56.3

(Reference) Total shareholders' equity: June 30, 2017: ¥680,308 million,

March 31, 2017: ¥667,843 million

**2. Dividends**

Year ended March 31, 2017/ Year ending March 31, 2018

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2017	—	20.00	—	20.00	40.00
2018	—				
2018 (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, 2018

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	317,900	(3.0)	9,100	(31.6)	12,800	(27.8)
Fiscal year	661,500	1.2	23,500	5.3	30,500	0.4

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Interim period	8,800	(30.9)	38.05
Fiscal year	21,300	(22.3)	92.09

(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: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Modifications and restatements: None
4. Number of issued shares (Common stock)

	Three months ended June 30, 2017	Year ended March 31, 2017
1) Number of issued shares (including treasury stock) at end of the period (shares)	236,429,800	236,429,800
2) Number of treasury stock at end of the period (shares)	5,094,338	5,405,228
		Three months ended June 30, 2016
3) Average number of issued shares during the period (shares)	231,181,725	231,230,124

**This flash report is outside the scope of quarterly review.**

#### **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, 2018: (3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections" on page 7.

## CONTENTS OF ATTACHMENT

<b>1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2018</b>	<b>4</b>
(1) Explanation of Business Results	4
(2) Explanation of the Financial Position	6
(3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections	7
<b>2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES</b>	<b>8</b>
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
(3) Notes to Consolidated Financial Statements	12
(4) Segment Information	12

# 1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2018

## (1) Explanation of Business Results

The Japanese government's Monthly Economic Report on the Japanese economy for the three months ended June 30, 2017 (April 1, 2017 to June 30, 2017) states, "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." The report also states that the business outlook of corporations "is improving."

Amid this economic environment, the consolidated net sales of Fuji Media Holdings Group (the "Group") decreased during the three months ended June 30, 2017, down 1.8% from the same period of the previous fiscal year to ¥149,079 million, as decreases in the Broadcasting, Video and Music and Life Information segments offset increases in the Production, Advertising, Urban Development and Other segments.

In terms of earnings, operating income amounted to ¥3,300 million, down 52.0% year-on-year, because while increases in the Production, Urban Development and Other segments were recorded, the Broadcasting, Life Information and Advertising segments showed decreases in income and an operating loss in the Video and Music segment was posted. Recurring profit decreased 38.9% year-on-year to ¥5,776 million, and net income attributable to owners of the parent decreased 37.9% year-on-year to ¥4,202 million.

Results by operating segment are as follows.

Three months ended June 30

	Net sales			Operating income (loss)		
	2016	2017	Change	2016	2017	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Broadcasting	78,297	<b>72,884</b>	(6.9)	5,204	<b>1,659</b>	(68.1)
Production	10,508	<b>11,476</b>	9.2	54	<b>244</b>	351.8
Video and Music	11,126	<b>10,909</b>	(2.0)	(396)	<b>(744)</b>	—
Life Information	32,812	<b>32,129</b>	(2.1)	416	<b>54</b>	(86.9)
Advertising	9,830	<b>9,841</b>	0.1	22	<b>20</b>	(5.5)
Urban Development	17,118	<b>19,070</b>	11.4	1,478	<b>1,996</b>	35.0
Other	6,886	<b>7,859</b>	14.1	104	<b>187</b>	79.7
Eliminations	(14,809)	<b>(15,091)</b>	—	(11)	<b>(118)</b>	—
Total	151,771	<b>149,079</b>	(1.8)	6,872	<b>3,300</b>	(52.0)

## **Broadcasting**

Fuji Television Network, Inc. (“Fuji TV”) saw a decrease in broadcasting revenue due to the impact of sluggish viewer ratings. In non-broadcasting revenues, although *Teiichi no Kuni* (working title) and *Daytime Shooting Star* in the movie business contributed to revenue, the event and digital businesses recorded decreases in revenue. Thus, revenue in Other segment overall also decreased. As a result, net sales declined overall and operating income also decreased.

Fuji Satellite Broadcasting, Inc. (BS Fuji) recorded increases in both revenue and earnings thanks to strong spot advertising and increased revenue from other businesses.

Although Nippon Broadcasting System, Inc. showed a strong performance in the event business, broadcasting revenue declined, and overall net sales decreased. In terms of earnings, operating income was secured despite an operating loss in the same period of the previous fiscal year.

Sendai Television Inc., which was made a consolidated subsidiary of Fuji Media Holdings, Inc. in December 2016, contributed to net sales and operating income.

As a result, for the Broadcasting segment overall, net sales decreased 6.9% from the same period of the previous fiscal year to ¥72,884 million, and segment operating income decreased 68.1% to ¥1,659 million.

## **Production**

Net sales in the Production segment overall increased 9.2% from the same period of the previous fiscal year to ¥11,476 million due to a recovery in orders for programs and events. Segment operating income increased 351.8% from the same period of the previous fiscal year to ¥244 million.

## **Video and Music**

Pony Canyon Inc. posted a decline in net sales overall as there were no hit titles that formed the core of the video division. In terms of earnings, an operating loss was posted.

Fujipacific Music Inc. recorded an increase in net sales overall thanks to increased royalty revenue, despite decreased video production revenue. Earnings decreased because of higher cost rates.

As a result, net sales in the Video and Music segment overall declined 2.0% from the same period of the previous fiscal year to ¥10,909 million, with segment operating loss amounting to ¥744 million.

## **Life Information**

The Dinos business of Dinos Cecile Co., Ltd. posted a decrease in overall revenue, because the performance of television shopping was sluggish, although sales promotion in the catalog business worked well during the Golden Week holidays. In the Cecile business, the overall catalog business was sluggish, and net sales decreased. As a result, both revenue and earnings decreased for the entire business of Dinos Cecile Co., Ltd.

Sankei Living Shimbun Inc. recorded a revenue decline overall due to sluggish advertising income from *Living Shimbun* and *City Living*, etc. and an operating loss was posted.

As a result, net sales in the Life Information segment overall decreased 2.1% from the same period of the previous fiscal year to ¥32,129 million, with segment operating income decreasing

86.9% from the same period of the previous fiscal year to ¥54 million.

### **Advertising**

Quaras Inc. secured revenue at the same level as the same period of the previous fiscal year resulting from strong performances of TV advertising, out-of-home advertising, advertising production and online advertising. However, earnings declined due mainly to sluggish radio advertising and newspaper advertising.

As a result, net sales in the Advertising segment overall increased 0.1% from the same period of the previous fiscal year to ¥9,841 million, and segment operating income decreased 5.5% from the same period of the previous fiscal year to ¥20 million.

### **Urban Development**

The Sankei Building Co., Ltd. recorded increases in revenue and earnings, as the mainstay office building business was robust, and the number of condominiums sold also rose in the residential business.

GRANVISTA Hotels & Resorts Co., Ltd. posted an increase in revenue and a sharp increase in earnings, as seismic retrofitting in some hotels was completed and hotel occupancy rates recovered.

Net sales in the Urban Development segment overall increased 11.4% from the same period of the previous fiscal year to ¥19,070 million, with segment operating income up 35.0% to ¥1,996 million.

### **Other**

Fujimic, Inc. recorded an increase in revenue due to robust orders for system solutions, and posted an increase in earnings thanks to efforts made on cost reduction. Fusosha Publishing Inc. posted an increase in revenue due to a strong performance in its book division and online business, and an operating loss decreased compared to the same period of the previous fiscal year.

Net sales in the Other segment overall increased 14.1% from the same period of the previous fiscal year to ¥7,859 million, and segment operating income increased 79.7% from the same period of the previous fiscal year to ¥187 million.

The ten Fuji TV network affiliates, along with WOWOW Inc. and ITOCHU Fuji Partners, Inc. 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, 2017) amounted to ¥1,200,345 million, an increase of ¥15,146 million (1.3%) from the end of the previous fiscal year (March 31, 2017).

Total current assets amounted to ¥385,668 million, a decrease of ¥6,465 million (1.6%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥10,222 million in notes and accounts receivable-trade despite an increase of ¥4,620 million in inventories.

Total noncurrent assets amounted to ¥814,625 million, an increase of ¥21,642 million (2.7%) from the end of the previous fiscal year. This was due mainly to increases of ¥18,113 million in investment securities; and ¥3,572 million in buildings and structures.

Total liabilities amounted to ¥505,569 million, an increase of ¥2,433 million (0.5%) from the end of the previous fiscal year. This was due mainly to increases of ¥9,906 million in short-term loans payable; and ¥5,435 million in deferred tax liabilities included in “Other” line item under noncurrent liabilities; against decreases of ¥4,427 million in notes and accounts payable-trade; ¥6,519 million in accrued expenses included in “Other” line item under current liabilities; and ¥2,296 million in long-term loans payable.

Net assets at the end of the first quarter of the fiscal year under review amounted to ¥694,776 million, an increase of ¥12,713 million (1.9%) from the end of the previous fiscal year. This was due mainly to an increase of ¥12,387 million in valuation difference on available-for-sale securities.

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

Consolidated financial results during the first quarter of the fiscal year under review comprised increases in both revenue and earnings in the Production, Urban Development and Other segments, and decreases in both revenue and earnings in the Broadcasting, Video and Music and Life Information segments. 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 financial results forecasts for the fiscal year ending March 31, 2018 from those announced on May 11, 2017.

## 2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

### (1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2017	June 30, 2017
<b>ASSETS</b>		
Current assets:		
Cash and deposits	64,081	<b>59,096</b>
Notes and accounts receivable-trade	112,698	<b>102,476</b>
Marketable securities	98,755	<b>99,566</b>
Inventories	78,628	<b>83,249</b>
Other	38,729	<b>42,009</b>
Allowance for doubtful accounts	(759)	<b>(729)</b>
Total current assets	392,133	<b>385,668</b>
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	134,929	<b>138,502</b>
Land	237,962	<b>237,322</b>
Other	29,765	<b>29,232</b>
Total property, plant and equipment	402,656	<b>405,057</b>
Intangible assets		
Goodwill	1,433	<b>1,372</b>
Other	31,447	<b>32,163</b>
Total intangible assets	32,881	<b>33,536</b>
Investments and other assets		
Investment securities	313,675	<b>331,789</b>
Other	45,330	<b>45,810</b>
Allowance for doubtful accounts	(1,560)	<b>(1,567)</b>
Total investments and other assets	357,445	<b>376,032</b>
Total noncurrent assets	792,983	<b>814,625</b>
Deferred assets	82	<b>51</b>
Total assets	1,185,199	<b>1,200,345</b>



	Millions of yen	
	March 31, 2017	June 30, 2017
<b>LIABILITIES</b>		
Current liabilities:		
Notes and accounts payable-trade	56,629	<b>52,202</b>
Short-term loans payable	29,497	<b>39,403</b>
Provision for sales returns	761	<b>621</b>
Provision for directors' bonuses	335	<b>70</b>
Provision for point card certificates	663	<b>746</b>
Provision for loss on reconstruction	265	<b>48</b>
Provision for environmental measures	17	<b>17</b>
Other	84,163	<b>77,770</b>
Total current liabilities	<b>172,333</b>	<b>170,880</b>
Noncurrent liabilities:		
Bonds payable	20,000	<b>20,000</b>
Long-term loans payable	140,161	<b>137,865</b>
Provision for directors' retirement benefits	2,029	<b>1,958</b>
Provision for environmental measures	70	<b>70</b>
Provision for loss on reconstruction	326	<b>326</b>
Net defined benefit liability	66,399	<b>66,620</b>
Other	101,816	<b>107,847</b>
Total noncurrent liabilities	<b>330,803</b>	<b>334,688</b>
Total liabilities	<b>503,136</b>	<b>505,569</b>
<b>NET ASSETS</b>		
Shareholders' equity:		
Capital stock	146,200	<b>146,200</b>
Capital surplus	173,673	<b>173,641</b>
Retained earnings	290,788	<b>290,640</b>
Treasury stock	(10,248)	<b>(9,739)</b>
Total shareholders' equity	<b>600,413</b>	<b>600,742</b>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	78,202	<b>90,589</b>
Deferred gains or losses on hedges	(325)	<b>(177)</b>
Revaluation reserve for land	1,466	<b>1,466</b>
Foreign currency translation adjustment	46	<b>(509)</b>
Remeasurements of defined benefit plans	(11,958)	<b>(11,802)</b>
Total accumulated other comprehensive income	<b>67,430</b>	<b>79,566</b>
Non-controlling interests	14,219	<b>14,467</b>
Total net assets	<b>682,062</b>	<b>694,776</b>
Total liabilities and net assets	<b>1,185,199</b>	<b>1,200,345</b>

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

### Consolidated Statements of Income

Three months ended June 30

	Millions of yen	
	2016	2017
Net sales	151,771	<b>149,079</b>
Cost of sales	102,047	<b>102,954</b>
Gross profit	49,723	<b>46,125</b>
Selling, general and administrative expenses	42,850	<b>42,824</b>
Operating income	6,872	<b>3,300</b>
Non-operating income:		
Dividends income	1,248	<b>1,418</b>
Equity in earnings of affiliates	1,030	<b>896</b>
Other	926	<b>638</b>
Total	3,205	<b>2,953</b>
Non-operating expenses:		
Interests	377	<b>309</b>
Other	250	<b>167</b>
Total	628	<b>477</b>
Recurring profit	9,450	<b>5,776</b>
Extraordinary gain:		
Gain on sales of investment securities	—	<b>409</b>
Other	0	<b>87</b>
Total	0	<b>496</b>
Extraordinary loss:		
Loss on retirement of noncurrent assets	76	<b>85</b>
Loss on valuation of investment securities	21	<b>81</b>
Other	89	<b>71</b>
Total	187	<b>238</b>
Income before income taxes	9,264	<b>6,034</b>
Income taxes-current	1,721	<b>922</b>
Income taxes-deferred	816	<b>755</b>
Total	2,538	<b>1,678</b>
Net income	6,726	<b>4,355</b>
Net income (loss) attributable to non-controlling interests	(45)	<b>153</b>
Net income attributable to owners of the parent	6,772	<b>4,202</b>

## Consolidated Statements of Comprehensive Income

Three months ended June 30

	Millions of yen	
	2016	2017
Net income	6,726	<b>4,355</b>
Other comprehensive income:		
Valuation difference on available-for-sale securities	(1,006)	<b>12,384</b>
Deferred gains or losses on hedges	(208)	<b>24</b>
Foreign currency translation adjustment	(1,050)	<b>(586)</b>
Remeasurements of defined benefit plans	554	<b>154</b>
Share of other comprehensive income of affiliates accounted for using equity method	(690)	<b>104</b>
Total other comprehensive income	(2,401)	<b>12,082</b>
Comprehensive income	4,325	<b>16,438</b>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	4,442	<b>16,259</b>
Comprehensive income attributable to non-controlling interests	(116)	<b>178</b>

### (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, 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.

## II. Three months ended June 30, 2017

### 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	68,757	5,266	10,807	32,007	8,912	18,949	144,700	4,379	149,079	—	149,079
Inter-segment net sales and transfers	4,127	6,210	101	121	928	121	11,611	3,480	15,091	(15,091)	—
Total net sales	72,884	11,476	10,909	32,129	9,841	19,070	156,311	7,859	164,171	(15,091)	149,079
Segment operating income (loss)	1,659	244	(744)	54	20	1,996	3,231	187	3,418	(118)	3,300

- 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, software development and games.
2. The segment operating income adjustment of minus ¥118 million mainly comprises ¥1,134 million in eliminations of inter-segment business, together with minus ¥1,252 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.

---End of Document---