

1Q FY3/17 Results Materials

(Three Months ended June 30, 2016)

July 29, 2016

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 June 30, 2016 is referred to as “1Q.”

1Q FY3/17 Consolidated Results

<April 1, 2016 to June 30, 2016>

Millions of yen

	FY3/16	FY3/17	YoY		1H FY3/17 Forecast (Announced on May 12)	1Q FY3/17 Actual/ 1H Forecast	FY3/17 Forecast (Announced on May 12)
Net Sales	148,859	151,771	2,912	2.0%	333,700	45.5%	670,500
Operating Income	4,476	6,872	2,396	53.5%	11,200	61.4%	27,200
Ordinary Income	6,612	9,450	2,838	42.9%	14,200	66.6%	33,000
Net income attributable to owners of the parent	4,232	6,772	2,540	60.0%	9,000	75.2%	23,000

1Q FY3/17 Segment Results

<April 1, 2016 to June 30, 2016>

Millions of yen

	Reported Segment								Total	Adjustment	Consolidated statement of income
		Broadcasting	Production	Video and Music	Life Information	Advertising	Urban Development	Other			
Net Sales	FY3/17	78,297	10,508	11,126	32,812	9,830	17,118	6,886	166,580	(14,809)	151,771
	FY3/16	78,608	11,616	11,459	33,341	8,927	14,255	6,326	164,536	(15,677)	148,859
	YoY	(311)	(1,108)	(332)	(528)	902	2,862	559	2,043	868	2,912
	YoY%	(0.4)%	(9.5)%	(2.9)%	(1.6)%	10.1%	20.1%	8.8%	1.2%	—	2.0%
Operating Income	FY3/17	5,204	54	(396)	416	22	1,478	104	6,884	(11)	6,872
	FY3/16	4,293	535	(643)	121	(40)	130	13	4,411	64	4,476
	YoY	910	(481)	247	294	62	1,348	90	2,472	(76)	2,396
	YoY%	21.2%	(89.9)%	—	241.6%	—	—	670.9%	56.0%	—	53.5%

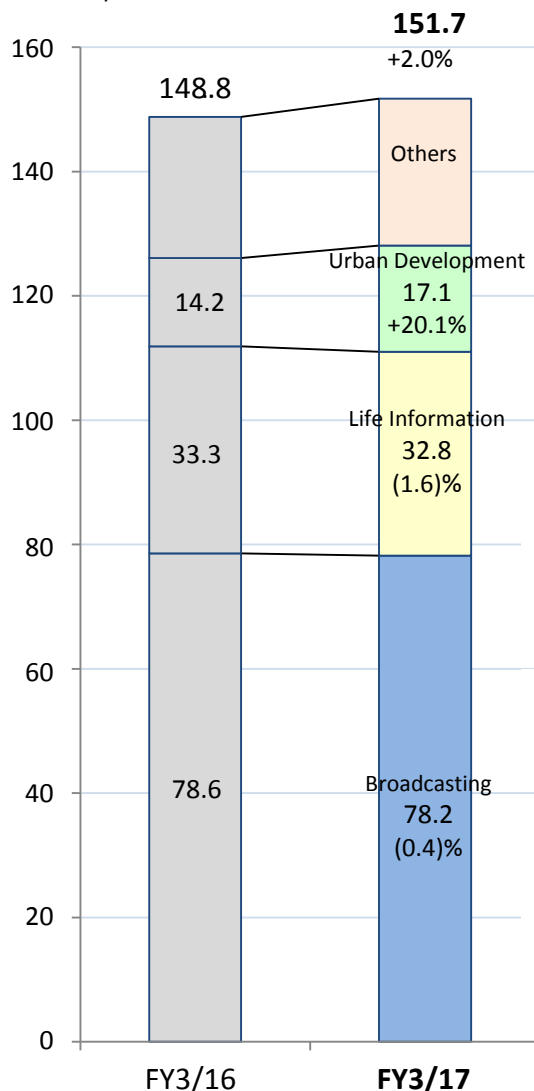
1Q FY3/17 Consolidated Results (Year-on-Year)

Operating Income of Major Companies

Billions of yen

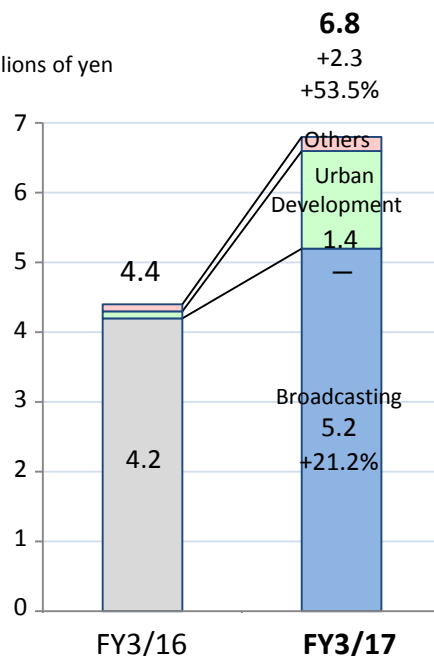
Major companies	FY3/16	FY3/17	YoY
Fuji Television Network	3.6	4.6	1.0
Sankei Building	0.3	1.2	0.8
Dinos Cecile	0.3	0.5	0.1
Pony Canyon	(0.7)	(0.5)	0.1
GRANVISTA Hotels & Resorts	0.4	0.2	(0.2)
BS Fuji	0.6	0.5	(0.0)

Billions of yen



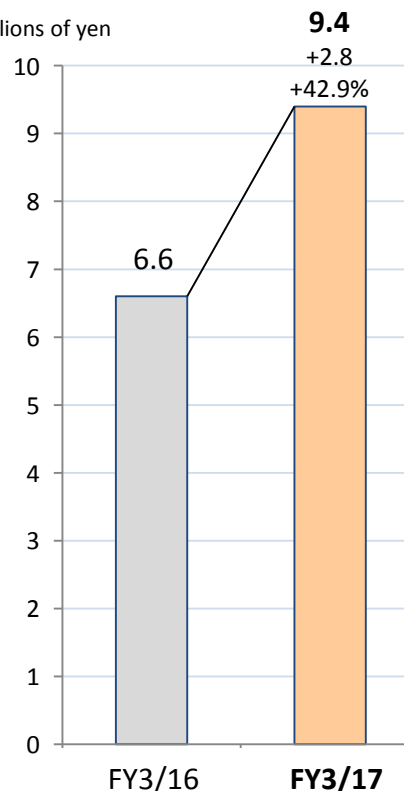
Net Sales

Billions of yen



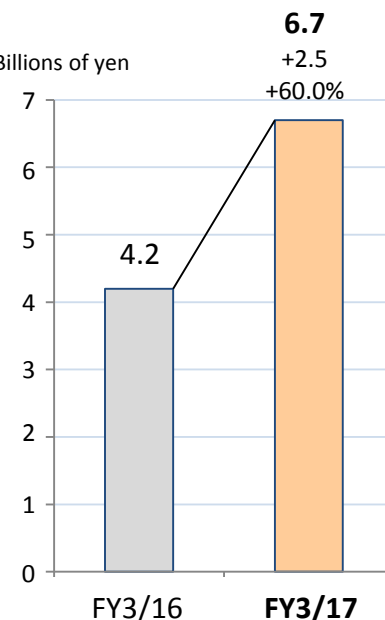
Operating Income

Billions of yen



Ordinary Income

Billions of yen

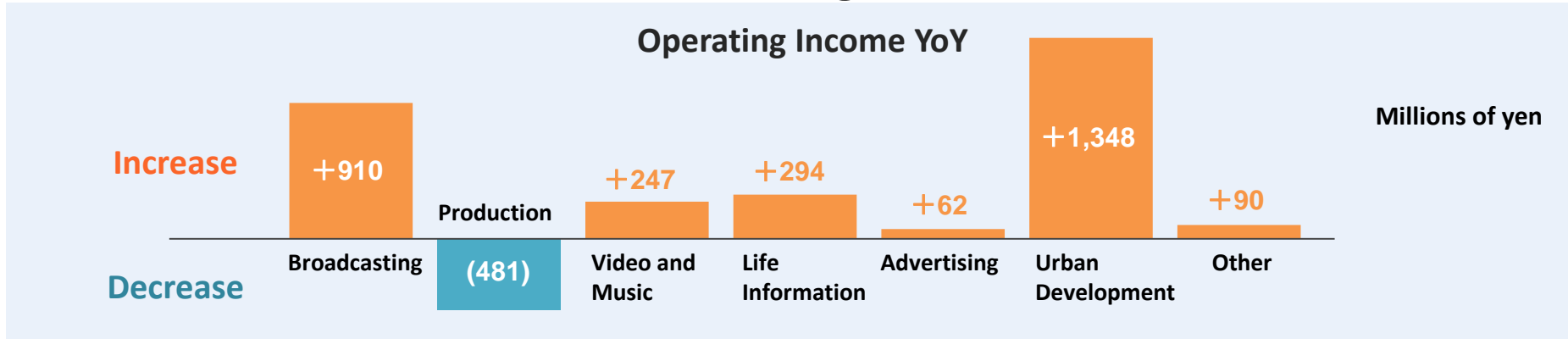


Net income attributable to owners of the parent

1Q FY3/17 Financial Highlights

Consolidated operating income of ¥6.8 billion

Increase in both revenue and earnings



Fuji TV

- Decline in broadcasting revenue
- Earnings rose with contribution from other businesses, including events and movies, and cost controls

Life Information (Dinos Cecile)

- Cecile business: Sales promotion measures successful; mainstay catalogue sales firm
- Dinos business: Continued positive trend in TV shopping
- Earnings gains for both Cecile and Dinos businesses

Video and Music (Pony Canyon)

- No major releases in 1Q
- Operating loss due in part to recording of up-front costs
- Positive gains in areas other than package sales
- Structural reforms moving forward

Urban Development (Sankei Building/GRANVISTA)

- Sankei Building: Building business (office leasing) results firm
- Increase in revenue and earnings on contributions from asset development business
- GRANVISTA: Decline in sales and earnings as a result of renovation work at certain hotels (through July)

[Segment Details] Summary of Broadcasting Segment by Company

<April 1, 2016 to June 30, 2016>

Millions of yen

	Net Sales			Operating Income		
	1Q FY3/16	1Q FY3/17	YoY	1Q FY3/16	1Q FY3/17	YoY
Fuji Television	71,856	71,144	(711) (1.0)%	3,663	4,667	1,004 27.4%
Nippon Broadcasting System	3,462	3,496	33 1.0%	58	(8)	(66) —
BS Fuji	3,874	4,181	307 7.9%	613	549	(63) (10.3)%
Adjustment	(584)	(524)	—	(41)	(4)	—
Total	78,608	78,297	(311) (0.4)%	4,293	5,204	910 21.2%

[Segment Details] Summary of Production Segment by Company

<April 1, 2016 to June 30, 2016>

Millions of yen

	Net Sales			Operating Income		
	1Q FY3/16	1Q FY3/17	YoY	1Q FY3/16	1Q FY3/17	YoY
Kyodo Television	3,653	3,282	(370) (10.2)%	110	(77)	(187) —
Fuji Creative Corporation	3,030	3,008	(21) (0.7)%	150	196	46 30.7%
Others and adjustment	4,933	4,217	—	274	(65)	—
Total	11,616	10,508	(1,108) (9.5)%	535	54	(481) (89.9)%

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

<April 1, 2016 to June 30, 2016>

Millions of yen

	Net Sales			Operating Income		
	1Q FY3/16	1Q FY3/17	YoY	1Q FY3/16	1Q FY3/17	YoY
Pony Canyon	8,022	7,647	(374) (4.7)%	(714)	(561)	152 —
Others and adjustment	3,437	3,479	—	71	165	—
Total	11,459	11,126	(332) (2.9)%	(643)	(396)	247 —

[Segment Details] Summary of Life Information Segment by Company

<April 1, 2016 to June 30, 2016>

Millions of yen

	Net Sales			Operating Income		
	1Q FY3/16	1Q FY3/17	YoY	1Q FY3/16	1Q FY3/17	YoY
Dinos Cecile	29,808	29,363	(445) (1.5)%	365	541	176 48.2%
Sankei Living Shimbun	2,256	2,206	(49) (2.2)%	(275)	(140)	134 —
Others and adjustment	1,276	1,242	—	32	16	—
Total	33,341	32,812	(528) (1.6)%	121	416	294 241.6%

[Segment Details] Summary of Advertising Segment by Company

<April 1, 2016 to June 30, 2016>

Millions of yen

	Net Sales			Operating Income		
	1Q FY3/16	1Q FY3/17	YoY	1Q FY3/16	1Q FY3/17	YoY
Quaras	8,927	9,830	902 10.1%	(40)	22	62 —
Adjustment	—	—	—	(0)	(0)	—
Total	8,927	9,830	902 10.1%	(40)	22	62 —

[Segment Details] Summary of Urban Development Segment by Company

<April 1, 2016 to June 30, 2016>

Millions of yen

	Net Sales			Operating Income		
	1Q FY3/16	1Q FY3/17	YoY	1Q FY3/16	1Q FY3/17	YoY
Sankei Building	5,315	8,833	3,517 66.2%	344	1,230	885 256.8%
GRANVISTA Hotels & Resorts	6,516	6,116	(400) (6.1)%	480	255	(224) (46.8)%
Others and adjustment	2,423	2,168	—	(694)	(7)	—
Total	14,255	17,118	2,862 20.1%	130	1,478	1,348 —

Main Items in Non-Operating Income and Expenses

<April 1, 2016 to June 30, 2016>

Millions of yen

	1Q FY3/16	1Q FY3/17	YoY	
Non-operating income				
Dividends income	1,117	1,248	130	11.7%
Equity in earnings of affiliates	1,050	1,030	(19)	(1.9)%
Other	771	926	155	20.2%
Total	2,938	3,205	267	9.1%
Non-operating expenses				
Interests	465	377	(87)	(18.9)%
Other	337	250	(87)	(25.8)%
Total	803	628	(175)	(21.8)%

Main Items in Extraordinary Gain and Loss

<April 1, 2016 to June 30, 2016>

Millions of yen

	1Q FY3/16	1Q FY3/17	YoY	
Extraordinary gain				
Gain on sales of non-current assets	—	0	0	—
Gain on sales of investment securities	1	—	(1)	—
Gain on redemption of investment securities	0	—	(0)	—
Other	0	—	(0)	—
Total	2	0	(1)	(53.0)%
Extraordinary loss				
Loss on retirement of non-current assets	30	76	46	153.6%
Loss on liquidation of subsidiaries and affiliates	18	—	(18)	—
Loss on reconstruction	—	79	79	—
Other	19	31	11	59.5%
Total	67	187	119	176.4%

Fuji TV Results

1Q FY3/17 Fuji TV Results

<April 1, 2016 to June 30, 2016>

Millions of yen

	FY3/16	FY3/17	YoY		1H FY3/17 Forecast (Announced on May 12)	FY3/17 Forecast (Announced on May 12)
Net Sales	71,856	71,144	(711)	(1.0)%	146,800	294,200
Operating Income	3,663	4,667	1,004	27.4%	2,500	10,000
Ordinary Income	3,970	4,957	986	24.9%	2,600	10,100
Net Income	2,618	3,269	650	24.9%	1,500	6,400

Broadcasting Business: Revenues and Cost

Millions of yen

	1Q FY3/17	YoY	
Broadcasting Business Revenues	60,290	(2,712)	(4.3)%
Broadcasting	51,904	(3,059)	(5.6)%
Network time	21,813	(2,239)	(9.3)%
Local time	3,263	(87)	(2.6)%
Spot	26,826	(732)	(2.7)%
Other Broadcasting	8,386	347	4.3%
Program sales	4,390	(89)	(2.0)%
CS broadcasting and Other	3,996	437	12.3%
Cost of Broadcasting Business	39,435	(1,416)	(3.5)%

Spot Advertising YoY Trend by Industry

April – June 2016

*Administrative accounting base

Industry	Share Last Year	Share	YoY
Cosmetic/Toiletries	19.2%	19.4%	(1.8)%
Information/ Communications/ Broadcasting	9.1%	11.3%	20.6%
Beverage (Non- Alcoholic)	10.3%	9.8%	(7.9)%
Foods	9.6%	9.7%	(1.4)%
Pharmaceuticals/ Medical Products	4.7%	5.6%	16.0%
Finance/Insurance	5.2%	5.5%	3.3%
Publications/ Entertainment	5.3%	4.8%	(13.1)%
Distribution/Retail	3.8%	4.6%	17.4%
Fast Foods/Services	6.5%	4.2%	(36.1)%

Industry	Share Last Year	Share	YoY
Autos	5.0%	3.9%	(24.5)%
Travel/Leisure	4.1%	3.7%	(12.3)%
Apparel/Accessories	4.4%	3.5%	(22.3)%
Beverage (Alcoholic)	3.9%	3.4%	(13.5)%
Precision/Optical Equipment	4.0%	3.2%	(21.5)%
Consumer Electronics	1.3%	2.5%	83.6%
Telephone Services	1.7%	1.6%	(8.8)%
Real Estate/Housing	1.5%	1.0%	(36.3)%
Energy/Machinery	0.2%	0.4%	133.7%
Others	0.3%	2.0%	600.4%

Production Costs

Millions of yen

	FY3/16	FY3/17	YoY
1Q	22,206	21,599	(2.7)%
2Q	27,307		
1H	49,514		
3Q	22,881		
4Q	20,840		
2H	43,722		
Full Year	93,236		

* Direct costs of in-house production and program purchases

Other Businesses: Revenues and Cost

Millions of yen

	1Q FY3/17	YoY	
Other Businesses Revenues	10,853	2,000	22.6%
Event	3,677	1,210	49.0%
Movie	2,396	731	43.9%
Digital	2,029	173	9.4%
Merchandising	1,238	(9)	(0.7)%
Video	621	6	1.1%
Other	888	(112)	(11.3) %
Cost of Other Businesses	7,958	662	9.1%

SG&A and Non-Operating Income and Expenses

Millions of yen

	1Q FY3/17	YoY	
SG&A	19,082	(962)	(4.8)%
Selling expenses	13,496	(636)	(4.5)%
General and administrative expenses	5,586	(325)	(5.5)%
Operating Expenses	66,476	(1,716)	(2.5)%
Operating Income	4,667	1,004	27.4%
Non-operating income	364	(34)	(8.7)%
Non-operating expenses	74	(17)	(18.9)%
Ordinary Income	4,957	986	24.9%

Fuji TV: Programming

- Continued efforts to strengthen the time table
 - Aim for strong support among main target of kids, teens, and adults 20s to 40s
- Creating and developing strong, regular prime time shows a priority issue
- Also focus on developing new program ideas for the future

Initiatives in Growth Areas

Game Business Fuji Games, Inc.

(“Other” segment)

■ New company launched in April 2016

[Game business targets]

Around FY3/20 – FY3/21

Net sales of ¥10 billion

Operating income of ¥2 billion or more

Launch of new app game development project
Concept under consideration with focus
on market trends

Utilize strengths and expertise in planning
and promotion to create a hit game

Examples of multifaceted development to create a long-running hit

Phantom of the Kill

(Fuji&gumi Games)

Various fan services and
engagement strategies

- Overseas edition distributed
- Concept video created
- Fan events held



Merchandise sales, novelization

Program Streaming Business

(Fuji TV: Digital Business)

■ Establish business profitability, further revenue gains forecast this fiscal year, expectation for greater contribution to earnings

■ Launch of new streaming service

Subscription VOD (SVOD) service
“FOD Premium” ¥888/month



Total of 8,000 titles with unlimited viewing, including all Fuji TV programs available for streaming, such as latest dramas and variety programs, along with foreign and Japanese movies and anime titles

Three types of service offered: Ad-supported free, pay-as-you-go, and subscription

Aim to create a unique platform to meet a broad range of needs

Initiatives in Growth Areas

■ Fuji TV VR Business Division newly established (June 2016)

- Seek to provide a full service centered on B2B, from development and production of VR content, to event planning and management.
- Utilize video production know-how accumulated in the in-house computer graphics production and program production teams.
- Partnership with GREE, Inc., which has excellent web technology and app development capabilities, for business development utilizing our mutual strengths.



Simultaneous viewing of VR content through 100 head-mounted displays (June)

■ Equity participation in Niantic, Inc. (February 2016)

Investment to the future growth fields—business derived from overseas content business

- Expectations for original content creation, and business development over the longer term
- Fusion of Niantic’s augmented reality and location-based technologies, and ability to create games with unique world views, with Fuji TV’s content creation capabilities

FY3/17 Earnings Forecasts

(Revision: None)

FY3/17 Earnings Forecasts (Revision: None)

Millions of yen

Consolidated	1H		2H		Full-Year		
	FY3/16	FY3/17 Forecast	FY3/16	FY3/17 Forecast	FY3/16	FY3/17 Forecast	YoY
Net Sales	311,736	333,700	328,835	336,800	640,572	670,500	4.7%
Operating Income	4,905	11,200	19,488	16,000	24,394	27,200	11.5%
Ordinary Income	8,170	14,200	24,230	18,800	32,400	33,000	1.9%
Net Income Attributable to Owners of the Parent	5,079	9,000	17,756	14,000	22,835	23,000	0.7%

Fuji TV	1H		2H		Full-Year		
	FY3/16	FY3/17 Forecast	FY3/16	FY3/17 Forecast	FY3/16	FY3/17 Forecast	YoY
Net Sales	146,629	146,800	143,078	147,400	289,708	294,200	1.6%
Operating Income	(1,016)	2,500	6,522	7,500	5,506	10,000	81.6%
Ordinary Income	(203)	2,600	6,487	7,500	6,284	10,100	60.7%
Net Income	(247)	1,500	3,596	4,900	3,348	6,400	91.1%

YoY	1H Forecast	2H Forecast	Full-Year Forecast
Network Time	(6.0)%	0.3%	(3.0)%
Local Time	(9.2)%	(7.9)%	(8.6)%
Spot	0.2%	4.2%	2.3%
Total Broadcasting Revenues	(3.3)%	1.8%	(0.8)%

FY3/17 Segment Forecasts (Revision: None)

<April 1, 2016 to March 31, 2017>

Millions of yen

	Reported Segment								Total	Adjustment	Consolidated statement of income
	Broad-casting	Production	Video and Music	Life Information	Advertising	Urban Development	Other				
Net Sales	FY3/17 Forecast	323,100	50,600	54,100	137,500	43,000	101,900	26,100	736,300	(65,800)	670,500
	FY3/16	318,980	50,834	50,104	135,556	42,797	82,668	26,066	707,008	(66,436)	640,572
	YoY %	1.3%	(0.5)%	8.0%	1.4%	0.5%	23.3%	0.1%	4.1%	—	4.7%
Operating Income	FY3/17 Forecast	12,600	1,900	1,700	1,600	400	8,500	700	27,400	(200)	27,200
	FY3/16	8,073	2,093	2,365	1,223	361	9,441	541	24,100	294	24,394
	YoY %	56.1%	(9.3)%	(28.1)%	30.8%	10.7%	(10.0)%	29.2%	13.7%	—	11.5%

1H FY3/17 Segment Forecasts (Revision: None)

<April 1, 2016 to September 30, 2016>

Millions of yen

	Reported Segment								Total	Adjustment	Consolidated statement of income
		Broad-casting	Produc-tion	Video and Music	Life Informa-tion	Advertis-ing	Urban Develop-ment	Other			
Net Sales	1H FY3/17 Forecast	161,100	25,000	26,700	64,100	21,100	55,600	12,700	366,300	(32,600)	333,700
	1H FY3/16	160,492	26,494	23,862	63,208	19,899	39,094	12,892	345,945	(34,208)	311,736
	YoY %	0.4%	(5.6)%	11.9%	1.4%	6.0%	42.2%	(1.5)%	5.9%	—	7.0%
Operating Income	1H FY3/17 Forecast	3,800	800	100	(200)	200	6,100	400	11,200	0	11,200
	1H FY3/16	442	1,442	(139)	(478)	108	3,157	272	4,805	100	4,905
	YoY %	759.6%	(44.6)%	—	—	83.6%	93.2%	46.7%	133.1%	—	128.3%

CAPEX Plan and Depreciation and Amortization

Millions of yen

		FY3/17		FY3/18 (Plan)
		1Q (Actual)	Full-Year (Plan)	
CAPEX	Consolidated	13,156	45,200	51,300
	Fuji TV	1,446	6,700	11,500
	Urban Development	9,911	33,000	36,700
	Fuji Media HD	6	500	500
Depreciation and amortization	Consolidated	4,473	19,600	21,000
	Fuji TV	1,876	8,800	9,200
	Urban Development	1,203	4,800	5,900
	Fuji Media HD	570	2,400	2,400

Segment Information (Consolidated Subsidiaries)

Segment	Company Name	No. of Companies
Broadcasting	Fuji Television Network, Nippon Broadcasting System, Fuji Satellite Broadcasting (BS Fuji)	3
Production	Kyodo Television, Fuji Art, Fuji Media Technology, Kyodo Edit, Basis, Van Eight Production, Fuji Creative Corporation, Vasc, NEXTEP TV WORKSHOP	9
Video and Music	Fujipacific Music, Fuji Music Partners, Shinko Music Publishers, Pony Canyon, Ponycanyon Enterprise, EXIT TUNES, FUJI MUSIC GROUP, ARC MUSIC, ARC/CONRAD MUSIC	9
Life Information	Dinos Cecile, Sankei Living Shimbun, Living Pro-seed, Dinos Cecile Communications	4
Advertising	Quaras	1
Urban Development	The Sankei Building, Sankei Kaikan, The Sankei Bldg Techno, The Sankei Building Management, Sankei Building Well Care, Granvista Holdings, GRANVISTA Hotels & Resorts, SKB USA LLC , SKB Seattle LLC	9
Other	Fujimic, FUJI CAREER DESIGN, Fusosha Publishing, Nippon Broadcasting Project, FUJISANKEI COMMUNICATIONS INTERNATIONAL, Fuji Games	6
Total		41

*Companies listed in red were included in the scoped of consolidation during 1Q FY3/17.

