

# **FY3/17 Results Materials**

(Fiscal Year ended March 31, 2017)

**May 15, 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 ended March 31, 2017.

The period from January 1, 2017 to March 31, 2017 is referred to as “4Q.”

# FY3/17 Consolidated Results

<April 1, 2016 to March 31, 2017>

Millions of yen

	FY3/16	FY3/17	YoY	
Net Sales	640,572	<b>653,976</b>	13,404	2.1%
Operating Income	24,394	<b>22,319</b>	(2,075)	(8.5)%
Ordinary Income	32,400	<b>30,380</b>	(2,020)	(6.2)%
Net income attributable to owners of the parent	22,835	<b>27,396</b>	4,560	20.0%

# Net Sales and Operating Income by Segment

<April 1, 2016 to March 31, 2017>

Millions of yen

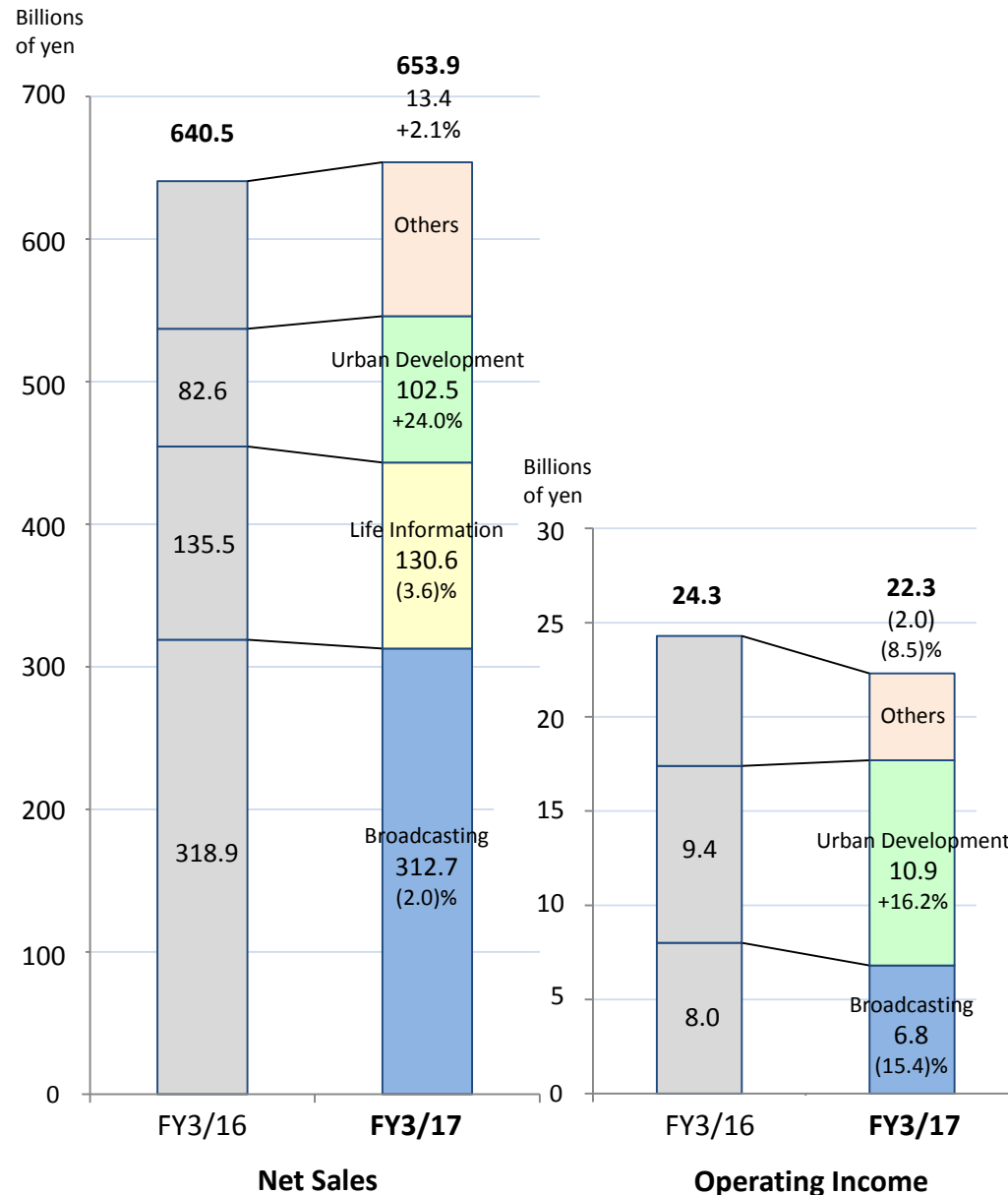
	Business Segment								Total	Adjustment	Consolidated statement of income
		Broadcasting	Production	Video and Music	Life Information	Advertising	Urban Development	Other			
Net Sales	FY3/17	312,721	49,292	48,071	130,694	45,476	102,501	29,221	717,979	(64,003)	653,976
	FY3/16	318,980	50,834	50,104	135,556	42,797	82,668	26,066	707,008	(66,436)	640,572
	YoY	(6,258)	(1,542)	(2,032)	(4,862)	2,678	19,833	3,155	10,971	2,433	13,404
	YoY%	(2.0)%	(3.0)%	(4.1)%	(3.6)%	6.3%	24.0%	12.1%	1.6%	---	2.1%
Operating Income	FY3/17	6,830	1,819	1,071	952	384	10,968	245	22,271	47	22,319
	FY3/16	8,073	2,093	2,365	1,223	361	9,441	541	24,100	294	24,394
	YoY	(1,243)	(274)	(1,294)	(270)	23	1,527	(296)	(1,828)	(246)	(2,075)
	YoY%	(15.4)%	(13.1)%	(54.7)%	(22.1)%	6.6%	16.2%	(54.7)%	(7.6)%	---	(8.5)%

# FY3/17 Consolidated Results (Year-on-Year)

Operating Income of Major Subsidiaries

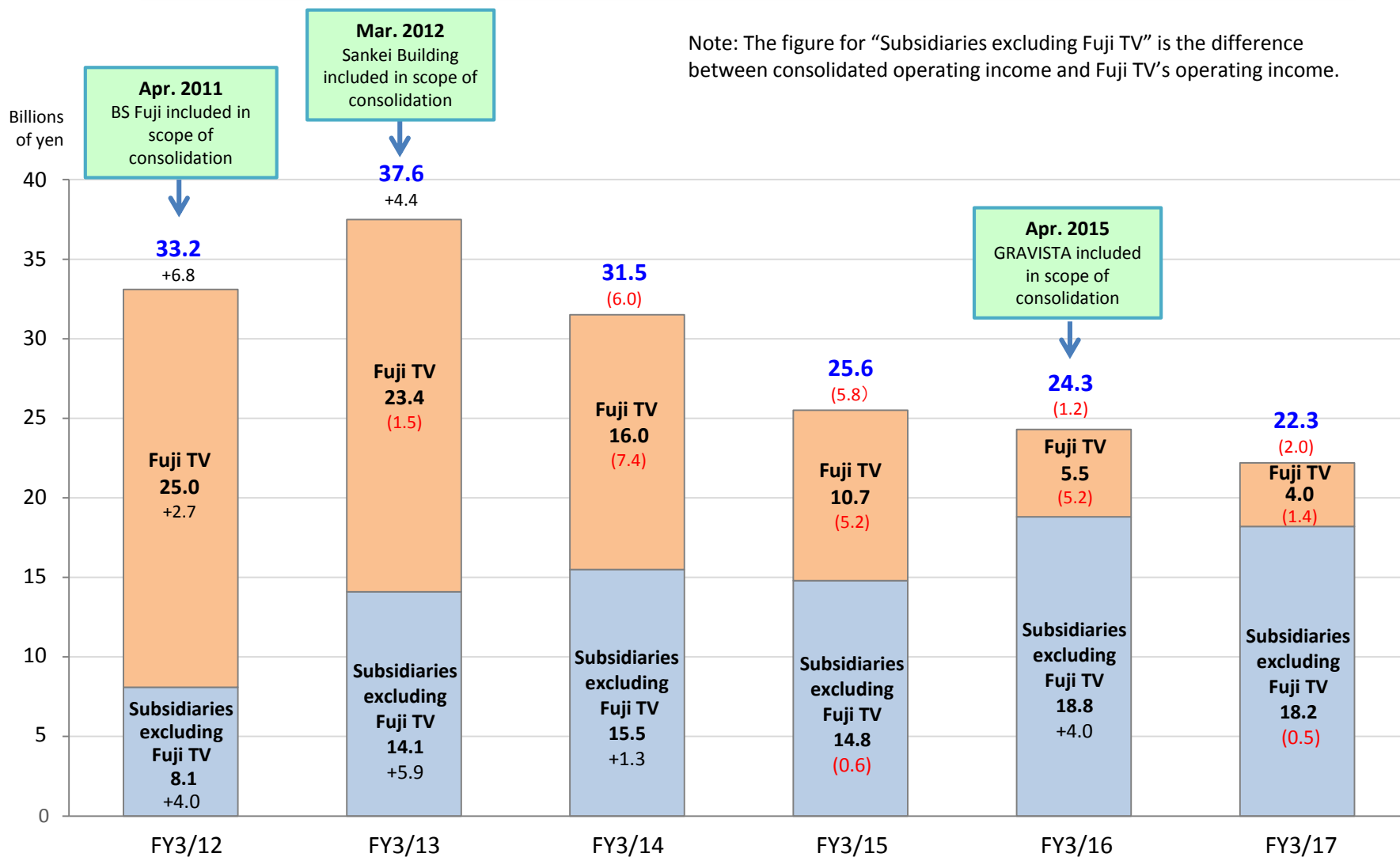
Billions of yen

Major companies	FY3/16	FY3/17	YoY
Fuji TV	5.5	<b>4.0</b>	(1.4)
BS Fuji	2.4	<b>2.5</b>	0
Pony Canyon	0.8	<b>0.2</b>	(0.6)
Dinos Cecile	1.2	<b>0.8</b>	(0.4)
Sankei Building	7.0	<b>8.6</b>	1.5
GRANVISTA Hotels & Resorts	2.7	<b>1.9</b>	(0.8)



# Overview of FY3/17 Consolidated Results

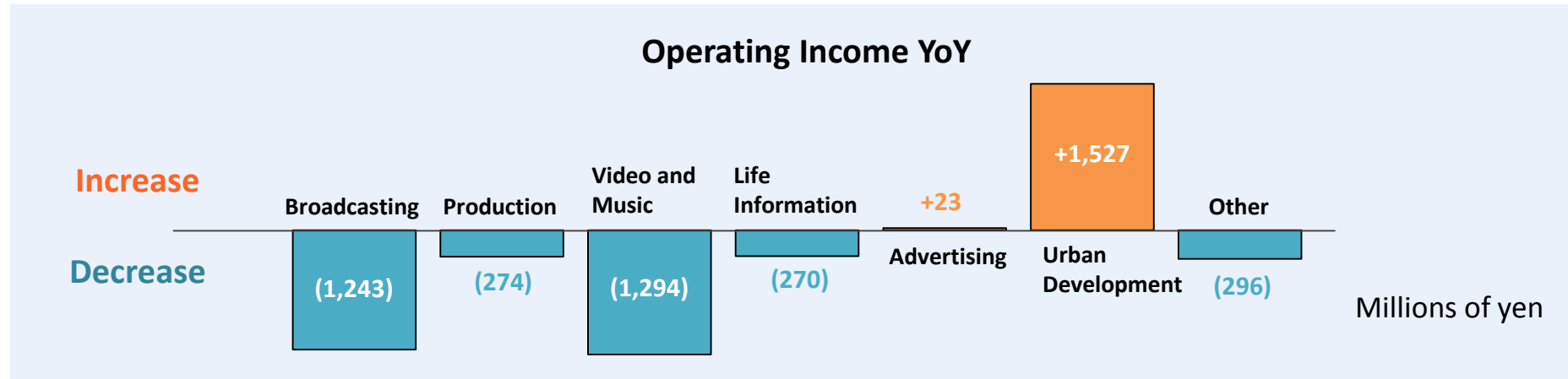
## Full-Year Consolidated Operating Income for the Last Six Years



# FY3/17 Financial Highlights

Consolidated operating income of ¥22.3 billion

Year-on-year revenue increase with operating income decline



## Fuji TV

- Decline in broadcast revenue
- Non-broadcasting: Event business contributed to earnings
- Continuation of effective cost controls

## Life Information (Dinos Cecile)

- Revenue and earnings decline on sluggish catalogue sales in 2H
- Improve condition by strengthening inventory controls, discontinue inefficient catalogues, and other measures

## Video and Music

- Pony Canyon: Package sales sluggish, increase in non-package sales
- Rebound from gain on sale of music copyrights in previous fiscal year

## Urban Development (Sankei Building/GRANVISTA)

- Considerable contribution from asset development business
- Steady performance in building and residential businesses, with revenue and earnings gains
- GRANVISTA: Revenue and earnings decline due to renovation work

## [Segment Details] Summary of Broadcasting Segment by Company

<April 1, 2016 to March 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	FY3/16	FY3/17	YoY	FY3/16	FY3/17	YoY
Fuji Television	289,708	<b>280,550</b>	(9,157) (3.2)%	5,506	<b>4,027</b>	(1,479) (26.9)%
BS Fuji	16,761	<b>17,722</b>	961 5.7%	2,487	<b>2,571</b>	84 3.4%
Nippon Broadcasting System	14,475	<b>14,566</b>	90 0.6%	46	<b>42</b>	(3) (7.8)%
Others and adjustment	(1,964)	<b>(117)</b>	---	33	<b>188</b>	---
Total	318,980	<b>312,721</b>	(6,258) (2.0)%	8,073	<b>6,830</b>	(1,243) (15.4)%



# [Segment Details] Summary of Production Segment by Company

<April 1, 2016 to March 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	FY3/16	FY3/17	YoY	FY3/16	FY3/17	YoY
Kyodo Television	15,785	<b>14,637</b>	(1,147) (7.3)%	206	<b>356</b>	150 73.2%
Fuji Creative Corporation	14,162	<b>14,208</b>	45 0.3%	974	<b>1,128</b>	154 15.8%
Others and adjustment	20,886	<b>20,446</b>	---	913	<b>333</b>	---
Total	50,834	<b>49,292</b>	(1,542) (3.0)%	2,093	<b>1,819</b>	(274) (13.1)%

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

<April 1, 2016 to March 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	FY3/16	FY3/17	YoY	FY3/16	FY3/17	YoY
Pony Canyon	35,611	<b>33,937</b>	(1,674) (4.7)%	830	<b>225</b>	(605) (72.9)%
Others and adjustment	14,492	<b>14,134</b>	---	1,535	<b>845</b>	---
Total	50,104	<b>48,071</b>	(2,032) (4.1)%	2,365	<b>1,071</b>	(1,294) (54.7)%

# [Segment Details] Summary of Life Information Segment by Company

<April 1, 2016 to March 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	FY3/16	FY3/17	YoY	FY3/16	FY3/17	YoY
Dinos Cecile	119,662	<b>115,422</b>	(4,239) (3.5)%	1,269	<b>816</b>	(453) (35.7)%
Sankei Living Shimbun	10,356	<b>9,768</b>	(587) (5.7)%	(248)	<b>6</b>	254 (---)
Others and adjustment	5,538	<b>5,503</b>	---	202	<b>130</b>	---
Total	135,556	<b>130,694</b>	(4,862) (3.6)%	1,223	<b>952</b>	(270) (22.1)%

# [Segment Details] Summary of Advertising Segment by Company

<April 1, 2016 to March 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	FY3/16	FY3/17	YoY	FY3/16	FY3/17	YoY
Quaras	42,797	<b>45,476</b>	2,678 6.3%	361	<b>385</b>	23 6.6%
Adjustment	---	---	---	(0)	<b>(0)</b>	---
Total	42,797	<b>45,476</b>	2,678 6.3%	361	<b>384</b>	23 6.6%

# [Segment Details] Summary of Urban Development Segment by Company

<April 1, 2016 to March 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	FY3/16	FY3/17	YoY	FY3/16	FY3/17	YoY
Sankei Building	44,718	<b>64,103</b>	19,385 43.3%	7,055	<b>8,625</b>	1,569 22.2%
GRANVISTA Hotels & Resorts	28,563	<b>27,835</b>	(727) (2.5)%	2,770	<b>1,922</b>	(847) (30.6)%
Others and adjustment	9,386	<b>10,562</b>	---	(384)	<b>421</b>	---
Total	82,668	<b>102,501</b>	19,833 24.0%	9,441	<b>10,968</b>	1,527 16.2%

# Main Items in Non-Operating Income and Expenses

<April 1, 2016 to March 31, 2017>

Millions of yen

		FY3/16	FY3/17	YoY	
Non-operating income					
	Dividends income	2,255	<b>2,452</b>	197	8.7%
	Equity in earnings of affiliates	4,786	<b>4,317</b>	(468)	(9.8)%
	Other	3,899	<b>3,777</b>	(122)	(3.1)%
Total		10,941	<b>10,547</b>	(394)	(3.6)%
Non-operating expenses					
	Interests	1,679	<b>1,447</b>	(232)	(13.8)%
	Loss on investments in partnership	466	<b>279</b>	(187)	(40.1)%
	Other	789	<b>759</b>	(29)	(3.8)%
Total		2,935	<b>2,486</b>	(449)	(15.3)%

# Main Items in Extraordinary Gain and Loss

<April 1, 2016 to March 31, 2017>

Millions of yen

		FY3/16	FY3/17	YoY	
Extraordinary gain					
	Gain on sales of non-current assets	1	1,179	1,177	---
	Gain on negative goodwill	---	4,253	4,253	---
	Other	407	294	(112)	(27.6)%
Total		408	5,728	5,319	---
Extraordinary loss					
	Impairment loss	825	949	123	15.0%
	Loss on reconstruction	229	463	233	101.7%
	Loss on step acquisitions	---	1,296	1,296	---
	Other	1,596	567	(1,029)	(64.5)%
Total		2,652	3,276	624	23.6%

# Segment Information (Consolidated Subsidiaries)

Segment	Company Name	No. of Companies
Broadcasting	Fuji Television Network, Fuji Satellite Broadcasting (BS Fuji), Nippon Broadcasting System, <b>Sendai Television</b>	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, <b>Koshien Development</b> , Sankei Kaikan, GRANVISTA Hotels & Resorts, Sankei Building Well Care, The Sankei Bldg Techno, The Sankei Building Management, <b>SKB USA</b> , <b>SKB Seattle</b>	10
Other	Fusosha Publishing, Fujimic, Nippon Broadcasting Project, <b>Fuji Games</b> , FUJI CAREER DESIGN, FUJISANKEI COMMUNICATIONS INTERNATIONAL	6
Total		43

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



# **Fuji TV Results**

# FY3/17 Fuji TV Results

<April 1, 2016 to March 31, 2017>

Millions of yen

	FY3/16	FY3/17	YoY	
Net Sales	289,708	<b>280,550</b>	(9,157)	(3.2)%
Operating Income	5,506	<b>4,027</b>	(1,479)	(26.9)%
Ordinary Income	6,284	<b>4,540</b>	(1,743)	(27.7)%
Net Income	3,348	<b>2,823</b>	(525)	(15.7)%

# Broadcasting Business: Revenues and Cost

<April 1, 2016 to March 31, 2017>

Millions of yen

	FY3/17	YoY	
<b>Broadcasting Business Revenues</b>	<b>235,056</b>	(11,957)	(4.8)%
Broadcasting	<b>201,498</b>	(12,127)	(5.7)%
Network time	<b>87,635</b>	(7,191)	(7.6)%
Local time	<b>13,037</b>	(964)	(6.9)%
Spot	<b>100,826</b>	(3,971)	(3.8)%
Other Broadcasting	<b>33,557</b>	169	0.5%
Program sales	<b>17,593</b>	(316)	(1.8)%
CS broadcasting and Other	<b>15,964</b>	485	3.1%
<b>Cost of Broadcasting Business</b>	<b>161,882</b>	(6,866)	(4.1)%

# Spot Advertising YoY Trend by Industry

Jan. – Mar. 2017

\*Administrative accounting base

Industry	Share Last Year	Share	YoY
Cosmetic/Toiletries	11.5%	11.5%	(6.7)%
Information/ Telecommunication/ Broadcasting	14.0%	10.4%	(30.6)%
Foods	7.2%	8.8%	13.5%
Fast Foods/Services	9.8%	8.4%	(20.0)%
Autos	6.5%	7.4%	5.6%
Finance/Insurance	7.5%	7.3%	(10.1)%
Publications/ Entertainment	6.2%	5.9%	(10.6)%
Beverage (Non-Alcoholic)	4.9%	5.8%	10.2%
Pharmaceuticals/ Medical Products	5.8%	5.2%	(17.0)%

Industry	Share Last Year	Share	YoY
Real Estate/Housing	3.5%	4.8%	28.8%
Apparel/Accessories	3.7%	4.3%	6.2%
Telephone Services	3.5%	3.8%	0.2%
Distribution/Retail	3.8%	3.8%	(6.8)%
Office/Precision/ Optical Equipment	2.8%	3.5%	17.6%
Travel/Leisure	3.2%	3.4%	(0.8)%
Beverage (Alcoholic)	2.7%	2.1%	(24.9)%
Consumer Electronics	1.0%	1.3%	14.1%
Energy/Machinery	0.7%	1.0%	29.2%
Others	1.8%	1.5%	(22.4)%

# Production Costs

Millions of yen

	FY3/16	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)%
4Q	20,840	21,295	2.2%
2H	43,722	43,004	(1.6)%
Full Year	93,236	88,223	(5.4)%

\* Direct costs of in-house production and program purchases

# Other Businesses: Revenues and Cost

<April 1, 2016 to March 31, 2017>

Millions of yen

	FY3/17	YoY	
<b>Other Businesses Revenues</b>	<b>45,493</b>	2,800	6.6%
Event	<b>17,784</b>	6,644	59.6%
Movie	<b>8,369</b>	(1,293)	(13.4)%
Digital	<b>7,198</b>	(1,103)	(13.3)%
Merchandising	<b>5,058</b>	(518)	(9.3)%
Video	<b>2,274</b>	(615)	(21.3)%
Other	<b>4,808</b>	(314)	(6.1)%
<b>Cost of Other Businesses</b>	<b>37,682</b>	2,399	6.8%

# SG&A and Non-Operating Income/Expenses

<April 1, 2016 to March 31, 2017>

Millions of yen

	FY3/17	YoY	
<b>SG&amp;A</b>	<b>76,958</b>	(3,211)	(4.0)%
Selling expenses	<b>54,308</b>	(2,954)	(5.2)%
General and administrative expenses	<b>22,650</b>	(257)	(1.1)%
<b>Operating Expenses</b>	<b>276,523</b>	(7,678)	(2.7)%
<b>Operating Income</b>	<b>4,027</b>	(1,479)	(26.9)%
Non-operating income	<b>891</b>	(170)	(16.0)%
Non-operating expenses	<b>377</b>	94	33.3%
<b>Ordinary Income</b>	<b>4,540</b>	(1,743)	(27.7)%

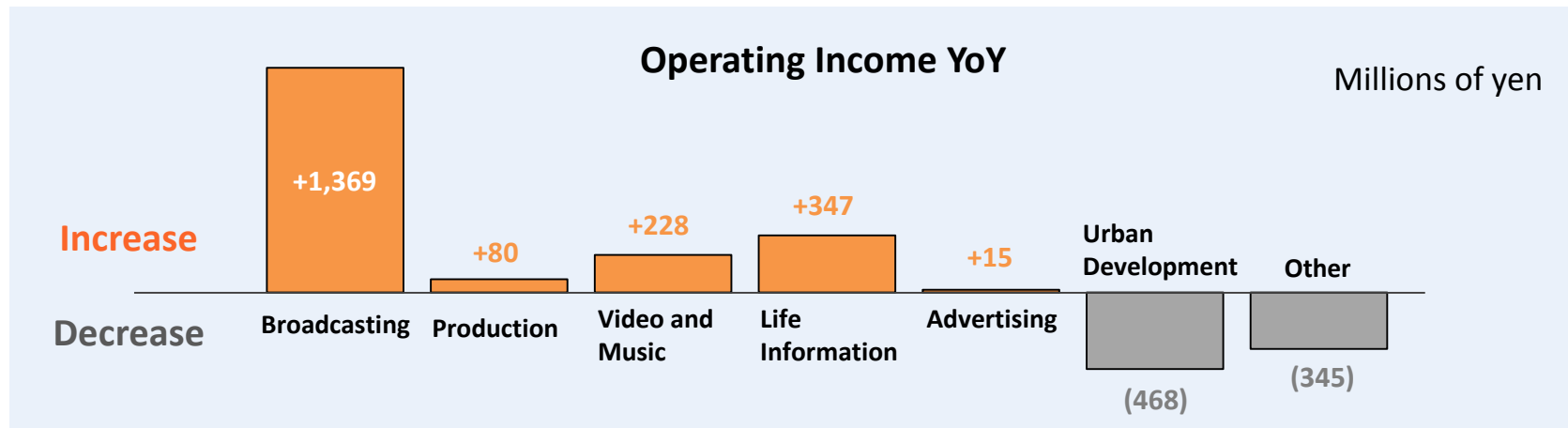
# **FY3/18 Earnings Forecasts**

**Year ending March 31, 2018**



# Highlights of FY3/18 Earnings Forecasts

Forecast consolidated operating income of ¥23.5 billion,  
with gains in both revenue and operating income



## Fuji TV

- Broadcast revenue: Decline in time ad revenue expected
- Continue effective cost management, improve earnings

## Life Information (Dinos Cecile)

- Revenue and earnings gain expected from sales expansion measures, including proactive sales promotions
- Utilize online resources, and accelerate acquisition of new customers.

## Video and Music (Pony Canyon)

- Lineup of promising titles, including *Attack on Titan* Season 2
- Strengthen rights acquisition through participation in anime production and other measures, aiming to gain broad-based earnings

## Urban Development (Sankei Building/GRANVISTA)

- Asset Development Business: Continued contribution to earnings expected
- Successive development of new office buildings, expansion of earnings base
- GRANVISTA: continued high rate of hotel occupancy expected

# FY3/18 Earnings Forecasts

Millions of yen

Consolidated	1H		2H		Full Year		
	FY3/17	FY3/18	FY3/17	FY3/18	FY3/17	FY3/18	YoY
Net Sales	327,601	317,900	326,374	343,600	653,976	661,500	1.2%
Operating Income	13,301	9,100	9,017	14,400	22,319	23,500	5.3%
Ordinary Income	17,735	12,800	12,644	17,700	30,380	30,500	0.4%
Net Income Attributable to Owners of the Parent	12,732	8,800	14,663	12,500	27,396	21,300	(22.3)%

Millions of yen

Fuji TV	1H		2H		Full Year		
	FY3/17	FY3/18	FY3/17	FY3/18	FY3/17	FY3/18	YoY
Net Sales	144,165	134,000	136,385	136,400	280,550	270,400	(3.6)%
Operating Income	2,305	1,000	1,721	4,200	4,027	5,200	29.1%

	YoY	1H	2H	Full Year
Network time		(11.9)%	(2.9)%	(7.6)%
Local time		(0.3)%	(0.2)%	(0.3)%
Spot		0.1%	2.2%	1.2%
Total broadcasting revenues		(5.4)%	(0.1)%	(2.7)%

# FY3/18 Segment Forecasts

<April 1, 2017 to March 31, 2018>

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	<b>FY3/18 Forecast</b>	300,900	50,400	50,000	135,700	43,500	106,900	31,800	719,200	(57,700)	661,500
	FY3/17	312,721	49,292	48,071	130,694	45,476	102,501	29,221	717,979	(64,003)	653,976
	YoY%	(3.8)%	2.2%	4.0%	3.8%	(4.3)%	4.3%	8.8%	0.2%	---	1.2%
Operat- ing Income	<b>FY3/18 Forecast</b>	8,200	1,900	1,300	1,300	400	10,500	(100)	23,500	0	23,500
	FY3/17	6,830	1,819	1,071	952	384	10,968	245	22,271	47	22,319
	YoY%	20.0%	4.4%	21.4%	36.5%	3.9%	(4.3)%	---	5.5%	---	5.3%

# 1H FY3/18 Segment Forecasts

<April 1, 2017 to September 30, 2017>

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	1H FY3/18 Forecast	148,100	25,000	25,600	63,500	21,500	47,000	15,000	345,700	(27,800)	317,900
	1H FY3/17	158,641	24,186	23,134	61,738	22,199	55,893	14,181	359,975	(32,374)	327,601
	YoY%	(6.6)%	3.4%	10.7%	2.9%	(3.1)%	(15.9)%	5.8%	(4.0)%	---	(3.0)%
Operat- ing Income	1H FY3/18 Forecast	2,600	900	500	0	200	4,800	100	9,100	0	9,100
	1H FY3/17	3,512	1,008	180	(24)	132	8,039	351	13,200	100	13,301
	YoY%	(26.0)%	(10.8)%	176.9%	---	50.7%	(40.3)%	(71.5)%	(31.1)%	---	(31.6)%

# CAPEX Plan and Depreciation and Amortization

Millions of yen

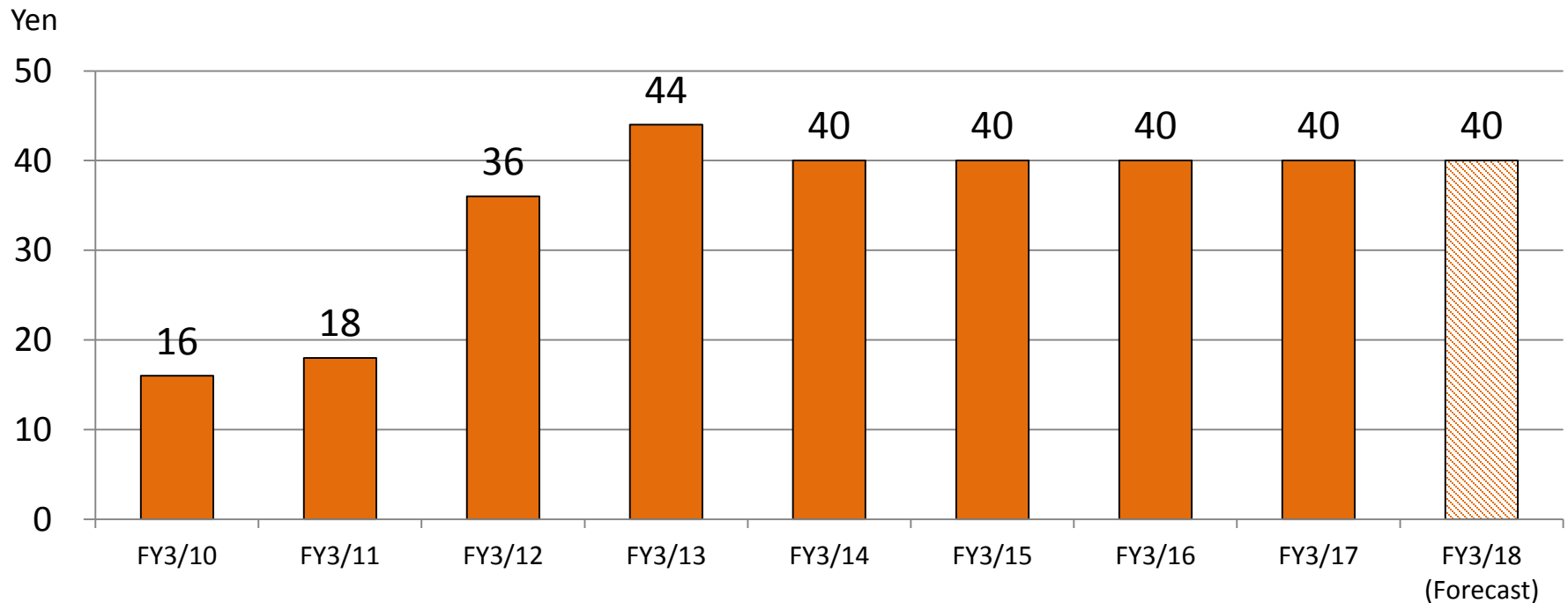
		FY3/17 (Actual)	FY3/18 (Plan)	FY3/19 (Plan)
CAPEX	Consolidated	39,957	48,100	44,200
	Fuji TV	4,590	9,800	11,000
	Urban Development	30,331	34,200	28,300
	Fuji Media HD	444	800	800
Depreciation and amortization	Consolidated	18,307	18,400	21,300
	Fuji TV	7,833	7,800	9,200
	Urban Development	4,605	4,400	6,000
	Fuji Media HD	2,273	2,400	2,000

# Shareholder Returns

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

**FY3/17 Year-end Dividends ¥20 Annual Dividends ¥40**

**FY3/18 Annual Dividends ¥40 (Forecast)**



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.

# **Business Measures by Company**

# Fuji TV: Programming

- **April programming revisions: New variety programs launched with focus on strengthening Golden and Prime Time lineup**

Aim for support from a broad range of viewers, centered on kids, teens, and adults 20s to 40s

- ◆ New programs launched in April

Tuesdays 20:00



*Potential Ability Test*

Wednesdays 22:00



*With Well-Intentions*

Saturdays 19:00



*Brain Twister*

- ◆ April-June dramas

Mondays 21:00



*The Noble Detective*

Thursdays 22:00



*It's All About the Looks*

Sundays 21:00



*Beautiful Bones:  
Sakurako's Investigation*

- **Ratings for all-day time slots remain firm**

Popularity of afternoon variety program *Viking* established, higher ratings through afternoon period



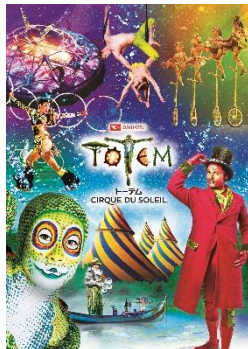
# Fuji TV: Non-Broadcasting Business

## Event Business

### ■ Cirque du Soleil's *TOTEM*

Major hit with total attendance of 1,333,200 (as of May 10)

Final performance in Sendai (through May 21, 2017)



### ■ Exciting new events planned for FY3/18

#### FUERZA BRUTA - WA !

Ultimate experience-style entertainment the "surpasses common sense and gravity"

August 1 to September 30  
Stellar Ball (Shinagawa, Tokyo)



#### Fear in Painting

Exhibition of Western painting and prints with a novel theme of "fear"

October 7 to December 17  
The Ueno Royal Museum



## Movie Business

### ■ Main lineup for FY3/18

April 29

#### *Teiichi no Kuni* (working title)

Comedy about opposing factions in a prestigious private boys' school as they compete to be head of the student council

Cast: Masaki Suda and others

June 10

#### *HIRUGAO* (working title)

Movie version of the 2014 serial drama broadcast that sparked a social phenomenon

Cast: Aya Ueto, Takumi Saito, Ayumi Ito, Hiroyuki Hirayama and others

July 22

#### *The Anthem of the Heart - Beautiful word Beautiful world-* (working title)

Live-action version of the hit 2015 anime film

Cast: Kento Nakajima, Kyoko Yoshine, Anna Ishii and others

Sept. 9

#### *The Third Murder* (working title)

Latest work from director Hirokazu Koreeda, known for *Like Father, Like Son* and many other major hits

Cast: Masaharu Fukuyama, Koji Yakusho, Suzu Hirose and others

Oct. 21

#### *MIX* (working title)

Romantic comedy about table tennis, the latest work from screenwriter Ryota Kosawa, known for the major hit drama *Legal High!!*

Cast: Yui Aragaki, Eita and others



*Teiichi no Kuni*  
(working title)



*HIRUGAO* (working title)



*The Anthem of the Heart - Beautiful word Beautiful world-*  
(working title)

### ■ Sales of streaming rights to external platforms contributing to earnings

# Initiatives in Growth Areas

## Program Streaming Business

- Unique comprehensive streaming platform drawing on strength of in-house content  
Business profitability established  
Aim for gains in revenue and earnings in FY3/18 as well



Fuji TV On-Demand

No. of paying subscribers  
**800,000**

No. of monthly users  
(including free content)  
**4 million**

## Policy for FY3/18

- ❑ Position FOD Premium (subscription service / ¥888/mo.) as the mainstay service, and expand users thorough the free streaming service (missed episodes)
- ❑ Strengthen lineup of original programming, creating 500 hours of programming annually (around three times that of the previous fiscal year)
- ❑ Clarify target audiences  
Original dramas → Teens and females 20s to 30s  
Original variety programs → Males 20s to 30s  
Jointly produced programs → Wide audience range

### Strengthen service channels

- Expand streaming ad revenue
- Transition customers to FOD Premium
- Use pay-as-you-go service to increase sales per customer



**VARIETY SHOWS**  
*The Love Bus REBOOT*  
Joint production with Netflix



**DRAMA**  
*Love or Not*  
Joint production with dTV

- Collect and accumulate viewing data independently with free, ad-supported streaming  
Establish broad sales offerings to meet needs – Aim to expand streaming add revenue
- Continue to offer FOD original programs and other content on major platforms, and diversify earnings

# Initiatives in Growth Areas

## Game Business

### Fuji Games Established April 2016

#### Game Business Targets

Around 2020: Net sales of ¥10 billion,  
with operating income of ¥2 billion  
Establish as a pillar of group earnings

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

- First title as Fuji Games to be released in summer 2017

#### *ORDINAL STRATA*



Collaboration with Marvelous Inc.

Dramatic fantasy RPG



Theme song and other music produced by X JAPAN's ToshI

Up-front development expenses in FY3/17 and FY3/18

Begin development, aiming for release of 2-3 titles from FY3/19

- Fuji&gumi Games included in scope of consolidation from FY3/18, contributing to earnings  
Three titles remain popular

# Initiatives in Major Subsidiaries

## Broadcasting BS Fuji

### ➤ April program lineup revisions

Enhance media value and expand broadcast revenue with original programming, and an easy-to-understand timetable that encourages regular viewing

#### 1) Strengthen weekday Prime Time lineup

**Quiz! Brain Bell SHOW** Mondays to Fridays 22:00 to 22:55



Expanded broadcast of popular quiz program from Mon-Thurs to Mon-Fri  
Emerging as anchor program alongside *Prime News*

#### 2) Lineup with enhance focus on target audience for each day and timeslot

Weekday daytime + 19:00 slot → Strengthen dramas

Sunday 8:00-11:00 → Cultivate kids and teens segment

Weekday 23:00 slot → Cultivate next-generation BS viewers

Weekday 24:00 slot → Cultivate anime fans and young viewers, develop overseas expansion projects

### ➤ Continue to effectively manage production costs

## Video and Music Pony Canyon

- Accelerate shift to a business structure that does not rely only on packages
- Play an active role in production of popular anime works

Aim to increase earnings, including with TV broadcasts, cinema movies, events, online streaming, merchandising, and overseas business



#### **Attack on Titan**

Second season broadcast starts in April  
Diversified earnings expected, including streaming, sales of goods, and music

#### **Welcome to the Ballroom**

Anime broadcast starts in July  
Events, merchandise, Blu-ray/DVD, etc.



### ➤ Contribution from movie distribution business

#### **La La Land**

Received Academy Awards in six categories  
Major hit with more than ¥4 billion in box office revenue

Expected contribution to earnings from distribution, streaming, and package sales





# Initiatives in Major Subsidiaries

## Life Information Dinos Cecile

- Aim for revenue and earnings gains by developing and offering products that meet customer needs
- Further improve earnings structure through such measures as inventory controls, and revising unprofitable catalogues

### Strategies to increase sales

- ❑ Strengthen approach to customers
  - Strengthen sales promotions utilizing SNS
  - Website renewal
  - Effective utilization of TV commercials
  - Expand the e-commerce field
- ❑ Optimize catalogues
  - Create new brand catalogues, and issue general catalogues
  - Flexible revisions to the issuance timing and print run of catalogues
- ❑ Advance new businesses



Feature actress  
Kyoko Hasegawa  
Proactive sales promotions  
through SNS

## Urban Development Sankei Building/GRANVISTA

- Successive development of offices, residential buildings, hotels

### Building Business

- Develop the highly functional S-GATE Series, concentrating on prime urban areas



S-GATE OTEMACHI-KITA  
X-PRESS YURAKUCHO BLDG.  
managed by S-GATE  
Opened in spring this year

- Enhance profitability by redeveloping existing buildings, converting to hotels, and sales

### Residential Business

- Well-balanced development of condominiums, and leased apartments less susceptible to fluctuations in market conditions

### Hotel Resort Business

- Develop hotels in urban areas with high tourism and MICE demand
- Launch new concept hotel series

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