

3Q FY3/18 Results Materials

(Nine Months ended December 31, 2017)

February 2, 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 ending March 31, 2018.

The period from April 1, 2017 to December 31, 2017 is referred to as “3Q.”

3Q FY3/18 Consolidated Results

<April 1, 2017 to December 31, 2017>

Millions of yen

	3Q FY3/17	3Q FY3/18	YoY		FY3/18 Forecast (Announced on Oct. 31)	3Q FY3/18 Actual / FY3/18 Forecast	
Net Sales	488,672	479,802	(8,870)	(1.8)%	644,600	(164,797)	74.4%
Operating Income	20,201	20,222	20	0.1%	23,500	(3,277)	86.1%
Ordinary Income	26,649	26,800	151	0.6%	30,500	(3,699)	87.9%
Net income attributable to owners of the parent	22,550	19,081	(3,469)	(15.4)%	21,300	(2,218)	89.6%

3Q FY3/18 Segment Results

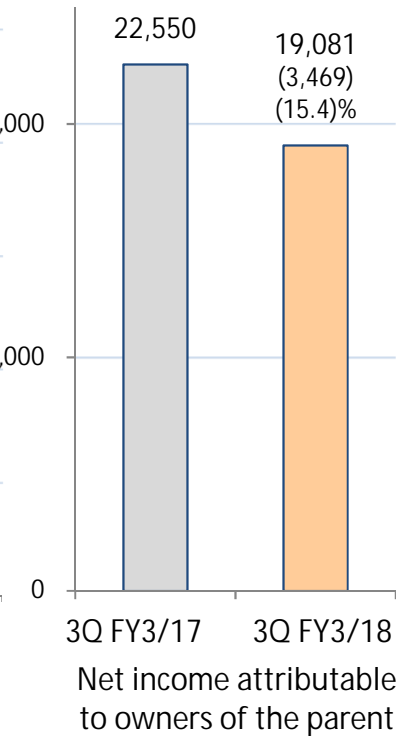
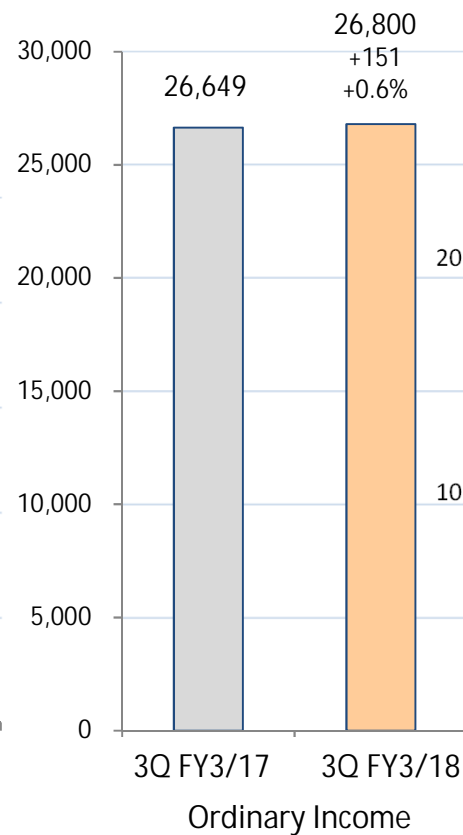
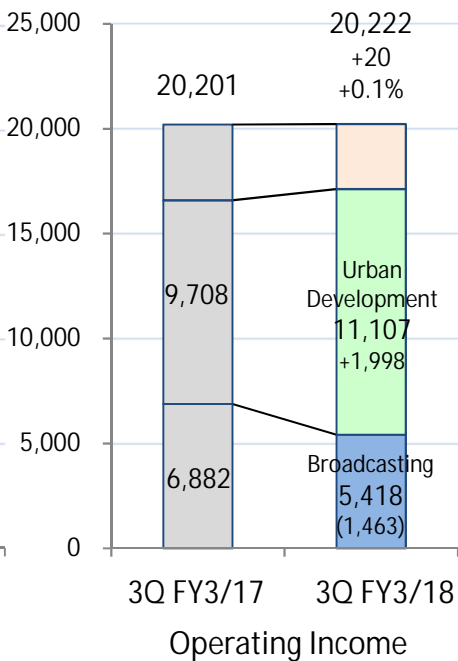
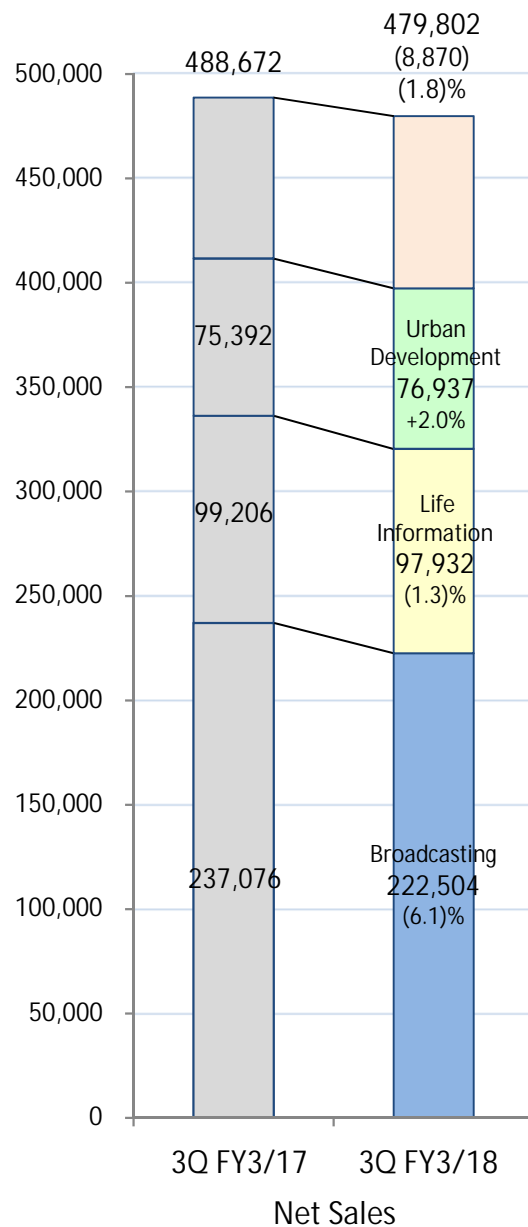
<April 1, 2017 to December 31, 2017>

Millions of yen

	Business Segment								Total	Adjustment	Consolidated statement of income
		Broadcasting	Production	Video and Music	Life Information	Advertising	Urban Development	Other			
Net Sales	3Q FY3/18	222,504	36,058	36,313	97,932	32,409	76,937	22,922	525,079	(45,276)	479,802
	3Q FY3/17	237,076	36,534	34,081	99,206	32,760	75,392	21,491	536,541	(47,869)	488,672
	YoY	(14,571)	(475)	2,232	(1,273)	(350)	1,544	1,431	(11,462)	2,592	(8,870)
	YoY%	(6.1)%	(1.3)%	6.6%	(1.3)%	(1.1)%	2.0%	6.7%	(2.1)%	-	(1.8)%
Operating Income	3Q FY3/18	5,418	1,486	319	1,421	403	11,707	302	21,059	(837)	20,222
	3Q FY3/17	6,882	1,608	(114)	1,399	215	9,708	480	20,181	20	20,201
	YoY	(1,463)	(122)	433	21	188	1,998	(177)	878	(857)	20
	YoY%	(21.3)%	(7.6)%	-	1.6%	87.5%	20.6%	(37.0)%	4.4%	-	0.1%

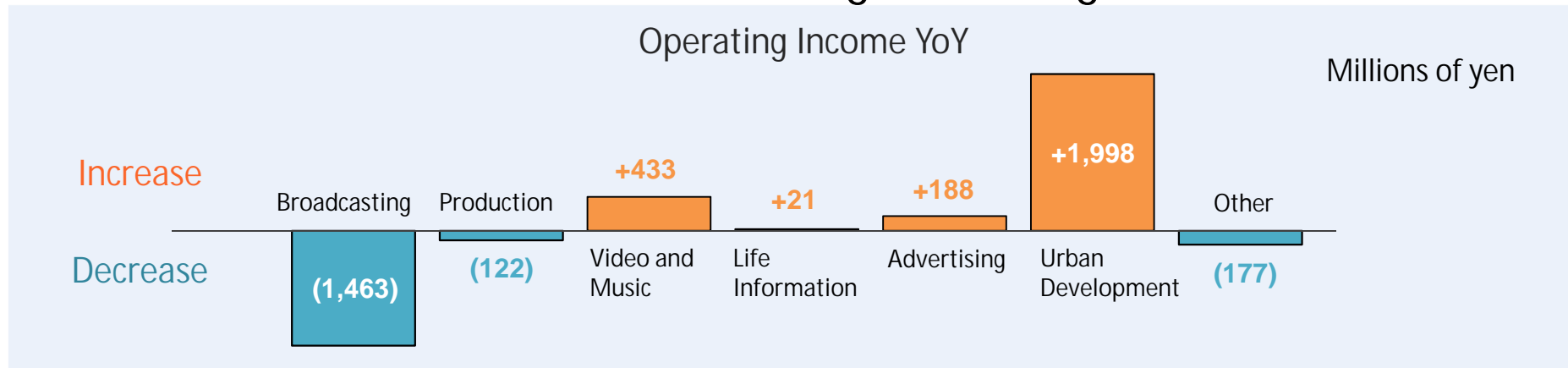
3Q FY3/18 Consolidated Results (Year-on-Year)

Millions of yen



3Q FY3/18 Financial Highlights

Consolidated Operating Income of ¥20.2 Billion
— Revenue decline but slight earnings increase



Broadcasting (Fuji TV)

- Decline in revenue and earnings due to broadcasting revenue decrease, and in the event business, a rebound decline from major productions in the previous fiscal year.
- Secure steady earnings through effective cost management.

Life Information (Dinos Cecile)

- Cecile business: Earnings increase secured through greater efficiency in issuing catalogs, and strengthening of sales promotion measures.
- Dinos business: Steady growth in both catalog and TV shopping.

Video and Music (Pony Canyon)

- Anime video package sales, and distribution revenue for movies and other properties offset an increase in loss on retirement of inventory. Operating loss narrowed.
- Promising lineup expected to raise earnings.

Urban Development (Sankei Building/GRANVISTA)

- Sankei Building: Performance boosted by sales of held properties during 1H. Building business (office leasing) continues to grow steadily.
- Granvista: Negative effect from hotel renovations in the previous fiscal year eliminated. Positive performance at marine leisure facilities.

[Segment Details] Summary of Broadcasting Segment by Company

<April 1, 2017 to December 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/17	3Q FY3/18	YoY	3Q FY3/17	3Q FY3/18	YoY
Fuji Television	214,072	193,824	(20,248) (9.5)%	5,082	3,246	(1,835) (36.1)%
BS Fuji	13,400	13,754	353 2.6%	1,954	1,974	20 1.0%
Nippon Broadcasting System	10,958	10,786	(171) (1.6)%	(101)	34	135 -
Others and adjustment	(1,355)	4,139	-	(52)	163	-
Total	237,076	222,504	(14,571) (6.1)%	6,882	5,418	(1,463) (21.3)%

[Segment Details] Summary of Production Segment by Company

<April 1, 2017 to December 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/17	3Q FY3/18	YoY	3Q FY3/17	3Q FY3/18	YoY
Fuji Creative Corporation	9,914	10,814	899 9.1%	724	649	(75) (10.4)%
Kyodo Television	10,676	10,636	(40) (0.4)%	341	302	(39) (11.6)%
Others and adjustment	15,942	14,608	-	541	534	-
Total	36,534	36,058	(475) (1.3)%	1,608	1,486	(122) (7.6)%

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

<April 1, 2017 to December 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/17	3Q FY3/18	YoY	3Q FY3/17	3Q FY3/18	YoY
Pony Canyon	23,297	24,955	1,657 7.1%	(788)	(419)	369 -
Others and adjustment	10,783	11,358	-	674	738	-
Total	34,081	36,313	2,232 6.6%	(114)	319	433 -

[Segment Details] Summary of Life Information Segment by Company

<April 1, 2017 to December 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/17	3Q FY3/18	YoY	3Q FY3/17	3Q FY3/18	YoY
Dinos Cecile	88,151	87,507	(643) (0.7)%	1,462	1,872	410 28.0%
Others and adjustment	11,055	10,424	-	(62)	(451)	-
Total	99,206	97,932	(1,273) (1.3)%	1,399	1,421	21 1.6%

[Segment Details] Summary of Advertising Segment by Company

<April 1, 2017 to December 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/17	3Q FY3/18	YoY	3Q FY3/17	3Q FY3/18	YoY
Quaras	32,760	32,409	(350) (1.1)%	215	404	188 87.4%
Adjustment	-	-	-	(0)	(0)	-
Total	32,760	32,409	(350) (1.1)%	215	403	188 87.5%

[Segment Details] Summary of Urban Development Segment by Company

<April 1, 2017 to December 31, 2017>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/17	3Q FY3/18	YoY	3Q FY3/17	3Q FY3/18	YoY
Sankei Building	46,199	45,476	(723) (1.6)%	7,322	7,166	(156) (2.1)%
GRANVISTA Hotels & Resorts	21,756	22,635	879 4.0%	2,260	2,521	260 11.5%
Others and adjustment	7,436	8,826	-	125	2,020	-
Total	75,392	76,937	1,544 2.0%	9,708	11,707	1,998 20.6%

Main Items in Non-Operating Income and Expenses

<April 1, 2017 to December 31, 2017>

Millions of yen

		3Q FY3/17	3Q FY3/18	YoY	
Non-operating income					
	Dividends income	2,107	2,537	429	20.4%
	Equity in earnings of affiliates	3,323	3,208	(115)	(3.5)%
	Other	2,897	2,185	(712)	(24.6)%
Total		8,328	7,931	(397)	(4.8)%
Non-operating expenses					
	Interests	1,127	918	(208)	(18.5)%
	Other	754	435	(319)	(42.3)%
Total		1,881	1,353	(527)	(28.1)%

Main Items in Extraordinary Gain and Loss

<April 1, 2017 to December 31, 2017>

Millions of yen

		3Q FY3/17	3Q FY3/18	YoY	
Extraordinary gain					
	Gain on sales of investment securities	72	986	914	-
	Gain on negative goodwill	4,250	-	(4,250)	(100.0)%
	Other	138	334	195	141.1%
Total		4,461	1,320	(3,140)	(70.4)%
Extraordinary loss					
	Loss on reconstruction	463	263	(199)	(43.1)%
	Loss on step acquisitions	1,296	-	(1,296)	(100.0)%
	Other	1,121	589	(532)	(47.5)%
Total		2,882	852	(2,029)	(70.4)%

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, 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, 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, Fuji&gumi Games	7
Total		44

*Companies listed in red were included in the scoped of consolidation in FY3/18.

Fuji TV Results

3Q FY3/18 Fuji TV Results

<April 1, 2017 to December 31, 2017>

Millions of yen

	3Q FY3/17	3Q FY3/18	YoY	
Net Sales	214,072	193,824	(20,248)	(9.5)%
Operating Income	5,082	3,246	(1,835)	(36.1)%
Ordinary Income	5,454	3,526	(1,927)	(35.3)%
Net Income	3,535	2,270	(1,264)	(35.8)%

Broadcasting Business: Revenues and Cost

<April 1, 2017 to December 31, 2017>

Millions of yen

	3Q FY3/18	YoY	
Broadcasting Business Revenues	166,270	(12,354)	(6.9)%
Broadcasting	142,245	(10,921)	(7.1)%
Network time	59,235	(7,748)	(11.6)%
Local time	10,216	254	2.6%
Spot	72,793	(3,428)	(4.5)%
Other Broadcasting	24,024	(1,432)	(5.6)%
Program sales	13,174	4	0.0%
CS broadcasting and Other	10,850	(1,437)	(11.7)%
Cost of Broadcasting Business	115,107	(7,534)	(6.1)%

Spot Advertising YoY Trend by Industry

Oct. – Dec. 2017

*Administrative accounting base

Industry	Share Last Year	Share	YoY
Cosmetic/Toiletries	17.2%	17.6%	(1.4)%
Information/ Telecommunication/ Broadcasting	10.3%	12.1%	13.1%
Foods	10.4%	9.6%	(11.0)%
Pharmaceuticals/ Medical Products	7.8%	8.3%	2.0%
Beverage (Non-Alcoholic)	7.8%	7.3%	(9.4)%
Autos	5.1%	6.6%	24.6%
Finance/Insurance	5.0%	5.1%	(1.9)%
Apparel/Accessories	5.0%	4.7%	(8.3)%
Fast Foods/Services	4.8%	4.5%	(9.7)%

Industry	Share Last Year	Share	YoY
Publications/ Entertainment	5.5%	4.5%	(21.4)%
Office/Precision/Optical Equipment	4.4%	3.9%	(13.4)%
Distribution/Retail	4.9%	3.7%	(26.3)%
Consumer Electronics	4.6%	2.9%	(39.8)%
Travel/Leisure	1.7%	2.5%	43.3%
Telephone Services	2.4%	1.8%	(27.3)%
Real Estate/Housing	1.4%	1.7%	15.9%
Beverage (Alcoholic)	1.0%	1.0%	2.4%
Energy/Machinery	---	0.7%	---
Others	0.6%	1.4%	114.8%

Production Costs

Millions of yen

	3Q FY3/17	3Q 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)%
Cumulative total	66,928	60,761	(9.2)%
4Q	21,295		
2H	43,004		
Full Year	88,223		

* Direct costs of in-house production and program purchases

Other Businesses: Revenues and Cost

<April 1, 2017 to December 31, 2017>

Millions of yen

	3Q FY3/18	YoY	
Other Businesses Revenues	27,553	(7,894)	(22.3)%
Event	7,055	(7,804)	(52.5)%
Movie	6,091	(310)	(4.8)%
Digital	6,599	1,313	24.8%
Merchandising	3,071	(757)	(19.8)%
Video	1,483	(198)	(11.8)%
Other	3,251	(137)	(4.1)%
Cost of Other Businesses	21,905	(6,910)	(24.0)%

SG&A and Non-Operating Income/Expenses

<April 1, 2017 to December 31, 2017>

Millions of yen

	3Q FY3/18	YoY	
SG&A	53,564	(3,967)	(6.9)%
Selling expenses	37,748	(2,977)	(7.3)%
General and administrative expenses	15,816	(989)	(5.9)%
Operating Expenses	190,577	(18,413)	(8.8)%
Operating Income	3,246	(1,835)	(36.1)%
Non-operating income	459	(221)	(32.6)%
Non-operating expenses	179	(129)	(41.9)%
Ordinary Income	3,526	(1,927)	(35.3)%

FY3/18 Earnings Forecasts

(Revision: None)

FY3/18 Earnings Forecasts (Revision: None)

<April 1, 2017 to March 31, 2018 >

Millions of yen

Consolidated	Revised Forecast	Previous Forecast	Change
Net Sales	644,600	644,600	—
Operating Income	23,500	23,500	—
Ordinary Income	30,500	30,500	—
Net Income Attributable to Owners of the Parent	21,300	21,300	—

FY3/18 Segment Forecasts (Revision: None)

<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	Revised forecast	294,000	47,200	47,200	129,900	43,500	111,400	29,400	702,600	(58,000)	644,600
	Previous forecast	294,000	47,200	47,200	129,900	43,500	111,400	29,400	702,600	(58,000)	644,600
	Change	—	—	—	—	—	—	—	—	—	—
Operat- ing Income	Revised forecast	6,400	1,400	700	1,200	400	14,200	(100)	24,200	(700)	23,500
	Previous forecast	6,400	1,400	700	1,200	400	14,200	(100)	24,200	(700)	23,500
	Change	—	—	—	—	—	—	—	—	—	—

CAPEX Plan and Depreciation and Amortization

Millions of yen

		FY3/18		FY3/19 (Plan)
		3Q (Actual)	Full-Year (Plan)	
CAPEX	Consolidated	31,677	48,100	44,200
	Fuji TV	4,467	9,800	11,000
	Urban Development	24,917	34,200	28,300
	Fuji Media HD	335	800	800
Depreciation and amortization	Consolidated	13,488	18,400	21,300
	Fuji TV	5,715	7,800	9,200
	Urban Development	3,394	4,400	6,000
	Fuji Media HD	1,713	2,400	2,000