

March 29, 2018

(Translation)

Company name: Fuji Media Holdings, Inc.
Representative: Shuji Kanoh, Chairman and Representative Director
(Code No. 4676, 1st section of Tokyo Stock Exchange)
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Notice of Changes in Consolidated Subsidiaries (Share Transfer)

Fuji Media Holdings, Inc. (the “Company”) hereby announces that it resolved at its Board of Directors meeting held on March 29, 2018 to transfer part of the shares of Sankei Living Shimbun Inc. (“Sankei Living Shimbun”), a consolidated subsidiary of the Company, to RIZAP GROUP, Inc. (“RIZAP GROUP”), and to transfer the shares of LIVING PRO-SEED, INC. (“LIVING PRO-SEED”) to Sankei Living Shimbun, as specified below.

In line with these share transfers, Sankei Living Shimbun will be excluded from the scope of consolidation of the Company and become an equity-method affiliate. In addition, LIVING PRO-SEED will be excluded from the scope of consolidation of the Company.

1. Reason for the share transfer

Sankei Living Shimbun engages in the editing and issuance of free magazines centering on its mainstays *Living Shimbun*, launched in 1971, and *City Living*, launched in 1981, while LIVING PRO-SEED engages in their delivery. Currently, the *Living Shimbun* network has expanded to issue 7.67 million copies in 56 areas nationwide, and the *City Living* network to issue 0.62 million copies to 50,000 offices in eight areas nationwide. As a comprehensive marketing company targeting women that connects women, communities and corporations, Sankei Living Shimbun has been closely involved with those women, communities and corporations, and has taken on the role of a total supporter of fulfilling lifestyles.

RIZAP GROUP operates the beauty/health-related, apparel, housing-related/lifestyle and entertainment businesses. Based on the belief that by collaborating with RIZAP GROUP, the business assets of both Sankei Living Shimbun and LIVING PRO-SEED will be optimally leveraged to further enhance their respective corporate value, the Company has decided to transfer part of the shares it holds of Sankei Living Shimbun to RIZAP GROUP, and all the shares it holds of LIVING PRO-SEED to Sankei Living Shimbun.

2. Overview of the transferred subsidiaries

(1) Sankei Living Shimbun

1) Company name	Sankei Living Shimbun Inc.
2) Location	3-23, Kioicho, Chiyoda-ku, Tokyo
3) Title and name of representative	Naoki Wada, President and Representative Director
4) Description of business	Issuance of <i>Living Shimbun</i> and <i>City Living</i> and incidental businesses
5) Paid-in capital	¥100,000,000
6) Date of establishment	June 6, 1977

7) Major shareholders and holding ratios	Fuji Media Holdings, Inc. 100%		
8) Relationship between the Company and the entity	Capital	The Company holds 100% of its shares.	
	Personal	One Executive Managing Director of the Company concurrently serves as its Director.	
	Transactional	The Company provides management guidance to the entity.	
9) Business performance and financial position for the past three years			
Year ended March 31	2015	2016	2017
Net assets	¥3,299 million	¥2,455 million	¥2,515 million
Total assets	¥5,035 million	¥4,183 million	¥3,942 million
Net assets per share	¥8,248.56	¥6,137.95	¥6,288.99
Net sales	¥10,986 million	¥10,356 million	¥9,768 million
Operating income	¥(102) million	¥(248) million	¥6 million
Recurring profit	¥(75) million	¥(224) million	¥74 million
Net income	¥7 million	¥(840) million	¥59 million
Basic earnings per share	¥19.09	¥(2,101.68)	¥148.79
Dividends per share	¥7.50	¥0	¥60

(2) LIVING PRO-SEED

LIVING PRO-SEED

1) Company name	LIVING PRO-SEED, INC.		
2) Location	3-23, Kioicho, Chiyoda-ku, Tokyo		
3) Title and name of representative	Naoki Wada, President and Representative Director		
4) Description of business	Marketing in general related to promotion and communication activities		
5) Paid-in capital	¥100,000,000		
6) Date of establishment	June 10, 1977		
7) Major shareholders and holding ratios	Sankei Living Shimbun Inc.		90%
	Fuji Media Holdings, Inc.		10%
8) Relationship between the Company and the entity	Capital	The Company holds 100% of its shares, including indirect holdings via Sankei Living Shimbun.	
	Personal	Not applicable.	
	Transactional	The Company provides management guidance to the entity.	
9) Business performance and financial position for the past three years			
Year ended March 31	2015	2016	2017
Net assets	¥1,338 million	¥1,410 million	¥1,428 million
Total assets	¥2,178 million	¥2,331 million	¥2,257 million
Net assets per share	¥13,380.17	¥14,101.48	¥14,282.70
Net sales	¥7,248 million	¥7,106 million	¥6,976 million
Operating income	¥92 million	¥158 million	¥89 million
Recurring profit	¥97 million	¥163 million	¥101 million
Net income	¥52 million	¥93 million	¥58 million
Basic earnings per share	¥528.66	¥931.30	¥581.22
Dividends per share	¥210	¥400	¥230

3. Overview of the counterparty of the share transfers

(1) Counterparty of the transfer of Sankei Living Shimbun shares

counterparty of the transfer of Banker Living Chairman's shares

1) Company name	RIZAP GROUP, Inc.		
2) Location	2-21-1, Kita-Shinjuku, Shinjuku-ku, Tokyo		
3) Title and name of representative	Takeshi Seto, Chairman & CEO		
4) Description of business	Planning and executing the Group's medium- and long-term management strategies, supporting business strategy implementation by group companies and managing their business activities		
5) Paid-in capital	¥1,400,750 thousand (as of September 30, 2017)		
6) Date of establishment	April 10, 2003		
7) Major shareholders and holding ratios (as of September 30, 2017)	CBM Co., Ltd.		34.8%
	Takeshi Seto		29.4%
	Sanae Seto		4.6%
	Nobuko Suzuki		0.7%
	NOMURA SINGAPORE LIMITED CUSTOMER SEGREGATED A/CFJ-1309		0.6%
	Motoji Matsumura		0.5%
	Kyoko Matsumura		0.4%
	The Master Trust Bank of Japan, Ltd. (Trust Account)		0.3%
	Directors' Shareholding Association		0.3%
	Makoto Seto		0.2%
8) Relationship between the Company and the entity	Capital	Not applicable.	
	Personal	Not applicable.	
	Transactional	Not applicable.	
	Related party of the Company	Not applicable.	
9) Consolidated business performance and financial position for the past three years			
Year ended March 31	2015	2016	2017
Net assets	¥7,486 million	¥12,537 million	¥23,040 million
Total assets	¥39,294 million	¥54,293 million	¥96,956 million
Net assets per share	¥53.44	¥91.10	¥133.30
Net sales	¥39,101 million	¥55,448 million	¥96,189 million
Operating income	¥2,108 million	¥5,066 million	¥4,477 million
Recurring profit	¥1,946 million	¥4,639 million	¥3,742 million
Net income attributable to owners of the parent	¥1,636 million	¥2,466 million	¥6,168 million
Basic earnings per share	¥13.26	¥19.44	¥48.40
Dividends per share	¥2.50	¥7.60	¥12.10

(2) Counterparty of the transfer of LIVING PRO-SEED shares

As stated in "2. Overview of the transferred subsidiaries, (1) Sankei Living Shimbun."

4. Number of shares to be transferred and the status of shares before and after the transfer

(1) Sankei Living Shimbun

1) Number of shares held before the transfer	400,000 (Number and ratio of voting rights: 400,000, 100.0%)
2) Number of shares to be transferred	320,000 (Number of voting rights: 320,000)
3) Number of shares to be held after the transfer	80,000 (Number and ratio of voting rights: 80,000, 20.0%)

*The transfer amount will remain undisclosed based on the confidentiality obligations under the share transfer agreement with the counterparty. The transfer amount has been determined based on negotiations with the counterparty through a fair procedure, and is considered to be a fair value.

(2) LIVING PRO-SEED

1) Number of shares held before the transfer	10,000 (Number and ratio of voting rights: 10,000, 10.0%)
2) Number of shares to be transferred	10,000 (Number of voting rights: 10,000)
3) Number of shares to be held after the transfer	0 (Number and ratio of voting rights: 0, 0.0%)

*The transfer amount will remain undisclosed based on the confidentiality obligations under the share transfer agreement with the counterparty. The transfer amount has been determined based on negotiations with the counterparty through a fair procedure, and is considered to be a fair value.

5. Schedule

1) Date of Board of Directors resolution	March 29, 2018
2) Date of agreement	March 29, 2018
3) Date of share transfer	March 30, 2018 (scheduled)

6. Future outlook

The effect of this share transfer on the Company's forecasts of financial results for the fiscal year ending March 31, 2018 is currently being investigated. Should any likelihood of material effect arise, the Company will promptly disclose the details after confirmation.

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