

1H FY3/19 Results Materials

(Six Months ended September 30, 2018)

November 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.

“FY3/19” means the fiscal year ending March 31, 2019.

The period from April 1, 2018 to September 30, 2018 is referred to as “1H.”

The period from July 1, 2018 to September 30, 2018 is referred to as “2Q.”

1H FY3/19 Consolidated Results

<April 1, 2018 to September 30, 2018>

Millions of yen

	1H FY3/18	1H FY3/19	YoY		FY3/19 Forecast (Announced on May 10)	1H FY3/19 Actual/ FY3/19 Forecast	
Net Sales	311,816	292,293	(19,523)	(6.3)%	623,000	(330,706)	46.9%
Operating Income	11,669	11,223	(446)	(3.8)%	25,500	(14,276)	44.0%
Ordinary Income	15,634	15,079	(554)	(3.5)%	33,100	(18,020)	45.6%
Net income attributable to owners of the parent	11,609	10,118	(1,490)	(12.8)%	25,000	(14,881)	40.5%

Net Sales and Operating Income by Segment

<April 1, 2018 to September 30, 2018>

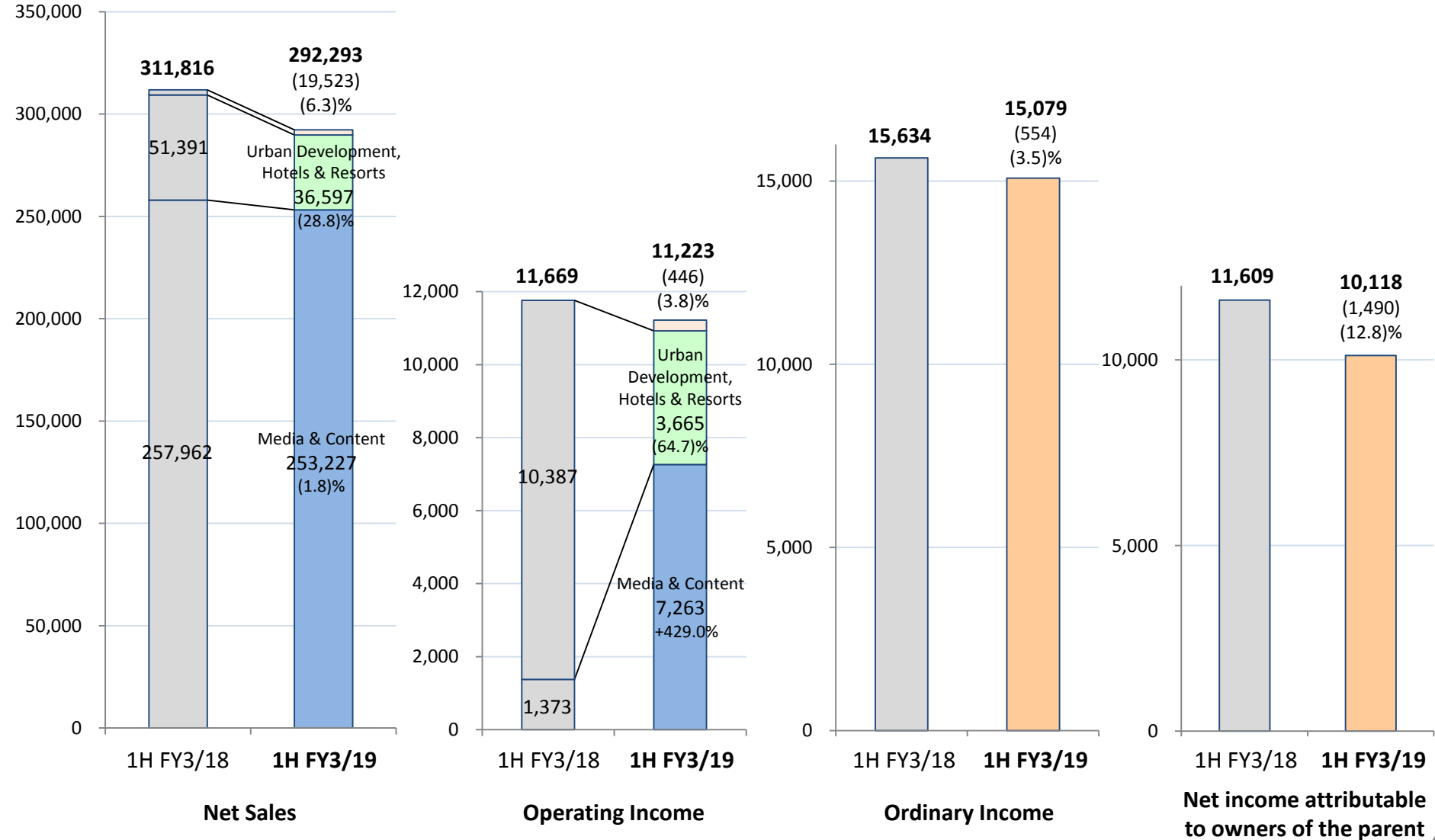
Millions of yen

	Business Segment				Total	Adjustment	Consolidated statement of income
		Media & Content	Urban Development, Hotels & Resorts	Other			
Net Sales	1H FY3/19	253,227	36,597	9,167	298,993	(6,699)	292,293
	1H FY3/18	257,962	51,391	9,355	318,708	(6,892)	311,816
	YoY	(4,734)	(14,793)	(187)	(19,715)	192	(19,523)
	YoY%	(1.8)%	(28.8)%	(2.0)%	(6.2)%	—	(6.3)%
Operating Income	1H FY3/19	7,263	3,665	204	11,134	88	11,223
	1H FY3/18	1,373	10,387	246	12,007	(338)	11,669
	YoY	5,890	(6,721)	(42)	(873)	427	(446)
	YoY%	429.0%	(64.7)%	(17.1)%	(7.3)%	—	(3.8)%

1H FY3/19 Consolidated Results (Year-on-Year)

Note: The “Media & Content” segment for the previous fiscal year includes the three companies of Sankei Living Shimbun, Living Pro-seed, and Pony Canyon Enterprise (excluded as a consolidated subsidiary at the end of the previous fiscal year).

Millions of yen



1H FY3/19 Financial Highlights

Consolidated operating income of ¥11.2 billion

Decline in revenue and earnings

Media & Content

Fuji TV

- Significant earnings gain on substantial boost from hit movies, and popularity of major Cirque du Soleil events.
- Slight decline in broadcasting revenue.

Pony Canyon

- Steady expansion in market share for non-package areas, though revenue decreased due to slowdown in package sales.
- Operating loss narrowed on decrease in inventory-related retirement and valuation losses.

Dinos and Cecile

- TV shopping performance positive, but the struggling catalogue business and increase in delivery costs led to a revenue decline and operating loss.
- Aim to secure full-year earnings through adjustment to the number of catalogues distributed, effective campaign measures, and other initiatives.

Urban Development, Hotels & Resorts

Sankei Building/GRANVISTA

- Sankei Building: Steady growth in occupancy of new leased office buildings and leased residences, but revenue and earnings declined on rebound from sale of major properties in the previous fiscal year.
- GRANVISTA: Revenue and earnings decline stemming from closure of certain hotels, and impact from earthquake.
Extraordinary loss recorded from natural disasters.

Summary of Media & Content Segment by Company

<April 1, 2018 to September 30, 2018>

Millions of yen

	Net Sales			Operating Income		
	1H FY3/18	1H FY3/19	YoY	1H FY3/18	1H FY3/19	YoY
Fuji Television	127,213	130,688	3,475 2.7%	(836)	4,581	5,417 ---
BS Fuji	8,483	8,437	(45) (0.5)%	1,431	1,307	(124) (8.7)%
Nippon Broadcasting System	7,048	6,976	(72) (1.0)%	133	131	(1) (1.4)%
Fuji Creative Corporation	7,703	6,524	(1,179) (15.3)%	399	386	(13) (3.3)%
Kyodo Television	6,849	7,960	1,111 16.2%	91	148	56 62.0%
Pony Canyon	16,021	15,953	(67) (0.4)%	(848)	(318)	530 ---
Dinos Cecile	54,687	51,470	(3,216) (5.9)%	170	(35)	(205) ---
Quaras	21,524	23,602	2,077 9.7%	200	378	177 88.6%
Others and adjustment	8,429	1,612	---	630	681	---
Total	257,962	253,227	(4,734) (1.8)%	1,373	7,263	5,890 429.0%

Note: The "Others and adjustment" for the previous fiscal year includes the three companies of Sankei Living Shimbun, Living Pro-seed, and Pony Canyon Enterprise (excluded as a consolidated subsidiary at the end of the previous fiscal year).

Summary of Urban Development, Hotels & Resorts Segment by Company

<April 1, 2018 to September 30, 2018>

Millions of yen

	Net Sales			Operating Income		
	1H FY3/18	1H FY3/19	YoY	1H FY3/18	1H FY3/19	YoY
Sankei Building	30,201	17,106	(13,095) (43.4)%	6,365	2,272	(4,093) (64.3)%
GRANVISTA Hotels & Resorts	15,548	13,411	(2,136) (13.7)%	2,164	1,260	(904) (41.8)%
Others and adjustment	5,640	6,079	---	1,857	133	---
Total	51,391	36,597	(14,793) (28.8)%	10,387	3,665	(6,721) (64.7)%

Main Items in Non-Operating Income and Expenses

<April 1, 2018 to September 30, 2018>

Millions of yen

		1H FY3/18	1H FY3/19	YoY	
Non-operating income					
	Dividends income	1,761	1,721	(40)	(2.3)%
	Equity in earnings of affiliates	1,576	1,447	(128)	(8.1)%
	Other	1,541	1,581	39	2.6%
Total		4,879	4,750	(129)	(2.7)%
Non-operating expenses					
	Interests	628	575	(53)	(8.6)%
	Other	285	318	33	11.6%
Total		914	893	(20)	(2.3)%

Main Items in Extraordinary Gain and Loss

<April 1, 2018 to September 30, 2018>

Millions of yen

		1H FY3/18	1H FY3/19	YoY	
Extraordinary gain					
	Gain on sales of investment securities	778	650	(128)	(16.5)%
	Other	102	83	(19)	(18.6)%
Total		881	734	(147)	(16.7)%
Extraordinary loss					
	Loss on retirement of noncurrent assets	101	110	9	9.3%
	Loss on revision of retirement benefit plan	108	—	(108)	(100)%
	Special retirement benefits	—	175	175	—
	Loss on disaster	—	109	109	—
	Other	189	114	(75)	(39.5)%
Total		399	511	111	27.9%

Segment Information (Consolidated Subsidiaries)

Segment	Company Name	No. of Companies
Media & Content	Fuji Television Network, Fuji Satellite Broadcasting (BS Fuji), Nippon Broadcasting System, Sendai Television, Fuji Creative Corporation, Kyodo Television, Pony Canyon, Fujipacific Music, Dinos Cecile, Quaras, Fusosha Publishing, Fuji Games, NEXTEP TV WORKSHOP, Fuji Art, Fuji Media Technology, Kyodo Edit, Vasc, Van Eight Production, Basis, Fuji Music Partners, EXIT TUNES, Shinko Music Publishers, Dinos Cecile Communications, FUJI MUSIC GROUP, ARC MUSIC, ARC/CONRAD MUSIC	26
Urban Development, Hotels & Resorts	The Sankei Building, Granvista Holdings, GRANVISTA Hotels & Resorts, The Sankei Building Management, The Sankei Bldg Techno, Sankei Building Well Care, Sankei Kaikan, Koshien Development, SKB USA, SKB Seattle	10
Other	Fujimic, Nippon Broadcasting Project, FUJI CAREER DESIGN, FUJISANKEI COMMUNICATIONS INTERNATIONAL	4
Total		40

Fuji TV Results

1H FY3/19 Fuji TV Results

<April 1, 2018 to September 30, 2018>

Millions of yen

	1H FY3/18	1H FY3/19	YoY	
Net Sales	127,213	130,688	3,475	2.7%
Operating Income	(836)	4,581	5,417	—
Ordinary Income	(612)	4,722	5,335	—
Net Income	(522)	3,198	3,721	—

Broadcasting Business: Revenues and Cost

<April 1, 2018 to September 30, 2018>

Millions of yen

	1H FY3/19	YoY	
Broadcasting Business Revenues	107,605	(345)	(0.3)%
Broadcasting	91,454	(429)	(0.5)%
Network time	40,878	2,031	5.2%
Local time	6,606	(42)	(0.6)%
Spot	43,969	(2,418)	(5.2)%
Other Broadcasting	16,150	84	0.5%
Program sales	8,260	(495)	(5.7)%
CS broadcasting and Other	7,890	579	7.9%
Cost of Broadcasting Business	74,407	(2,813)	(3.6)%

Spot Advertising YoY Trend by Industry

July – September 2018 *Administrative accounting base

Industry	Share Last Year	Share	YoY
Information/ Telecommunication/ Broadcasting	14.5%	14.4%	(3.1)%
Cosmetic/Toiletries	15.2%	12.4%	(20.2)%
Foods	7.7%	8.3%	4.6%
Autos	7.4%	7.5%	(2.2)%
Fast Foods/Services	5.6%	7.1%	22.9%
Publications/ Entertainment	6.6%	6.8%	(0.1)%
Finance/Insurance	4.9%	6.4%	28.4%
Pharmaceuticals/ Medical Products	6.7%	6.4%	(6.9)%
Beverage (Non- Alcoholic)	8.5%	6.0%	(31.2)%

Industry	Share Last Year	Share	YoY
Apparel/Accessories	4.6%	4.2%	(11.6)%
Travel/Leisure	2.4%	4.0%	65.4%
Distribution/Retail	3.1%	3.4%	6.1%
Real Estate/Housing	2.7%	2.8%	3.5%
Office/Precision/ Optical Equipment	3.4%	2.4%	(30.4)%
Beverage (Alcoholic)	3.0%	2.3%	(23.4)%
Telephone Services	1.8%	2.1%	14.5%
Consumer Electronics	0.9%	1.0%	2.1%
Energy/Machinery	0.4%	0.8%	84.3%
Others	0.7%	1.7%	145.7%

Production Costs

Millions of yen

	FY3/18	FY3/19	YoY
1Q	20,495	19,283	(5.9)%
2Q	20,305	19,259	(5.2)%
1H	40,801	38,543	(5.5)%
3Q	19,960		
4Q	19,922		
2H	39,882		
Full Year	80,684		

* Direct costs of in-house production and program purchases

Other Businesses: Revenues and Cost

<April 1, 2018 to September 30, 2018>

Millions of yen

	1H FY3/19	YoY	
Other Businesses Revenues	23,082	3,821	19.8%
Event	8,458	3,114	58.3%
Movie	5,124	647	14.5%
Digital	4,029	(83)	(2.0)%
Merchandising	2,938	756	34.7%
Video	816	(186)	(18.6)%
Other	1,715	(428)	(20.0)%
Cost of Other Businesses	17,879	2,099	13.3%

SG&A and Non-Operating Income/Expenses

<April 1, 2018 to September 30, 2018>

Millions of yen

	1H FY3/19	YoY	
SG&A	33,818	(1,228)	(3.5)%
Selling expenses	23,870	(723)	(2.9)%
General and administrative expenses	9,948	(504)	(4.8)%
Operating Expenses	126,106	(1,942)	(1.5)%
Operating Income	4,581	5,417	—
Non-operating income	309	(36)	(10.5)%
Non-operating expenses	168	45	37.2%
Ordinary Income	4,722	5,335	—

FY3/19 Earnings Forecasts

(Revision: None)

FY3/19 Consolidated Earnings Forecast (Revision: None)

<April 1, 2018 to March 31, 2019>

Millions of yen

	FY3/18	FY3/19	YoY	
Net Sales	646,536	623,000	(23,536)	(3.6)%
Operating Income	25,258	25,500	241	1.0%
Ordinary Income	35,120	33,100	(2,020)	(5.8)%
Net Income Attributable to Owners of the Parent	24,956	25,000	43	0.2%

Full-year Projections for Terrestrial TV Advertising Revenue

<April 1, 2018 to March 31, 2019>

Network Time	Local Time	Spot	Total broadcasting revenues	
(1.7)%	(6.4)%	(4.1)%	(3.2)%	(YoY)

FY3/19 Segment Forecasts (Revision: None)

<April 1, 2018 to March 31, 2019>

Millions of yen

	Business Segment				Total	Adjustment	Consolidated statement of income
		Media & Content	Urban Development, Hotels & Resorts	Other			
Net Sales	FY3/19 Forecast	514,000	101,600	19,500	635,100	(12,100)	623,000
	FY3/18	532,224	108,939	20,105	661,269	(14,732)	646,536
	YoY%	(3.4)%	(6.7)%	(3.0)%	(4.0)%	—	(3.6)%
Operating Income	FY3/19 Forecast	14,100	11,500	400	26,000	(500)	25,500
	FY3/18	11,839	14,171	662	26,673	(1,415)	25,258
	YoY%	19.1%	(18.9)%	(39.6)%	(2.5)%	—	1.0%

CAPEX Plan and Depreciation and Amortization

Millions of yen

		FY3/19		FY3/20 (Plan)
		1H (Actual)	Full-Year (Plan)	
CAPEX	Consolidated	47,193	58,100	37,900
	Fuji TV	4,692	7,500	7,500
	Urban Development, Hotels & Resorts	27,035	32,100	23,300
	Fuji Media HD	14,208	14,900*	800
Depreciation and amortization	Consolidated	8,774	18,900	20,500
	Fuji TV	3,557	8,000	8,700
	Urban Development, Hotels & Resorts	2,552	5,500	6,200
	Fuji Media HD	933	2,000	2,000

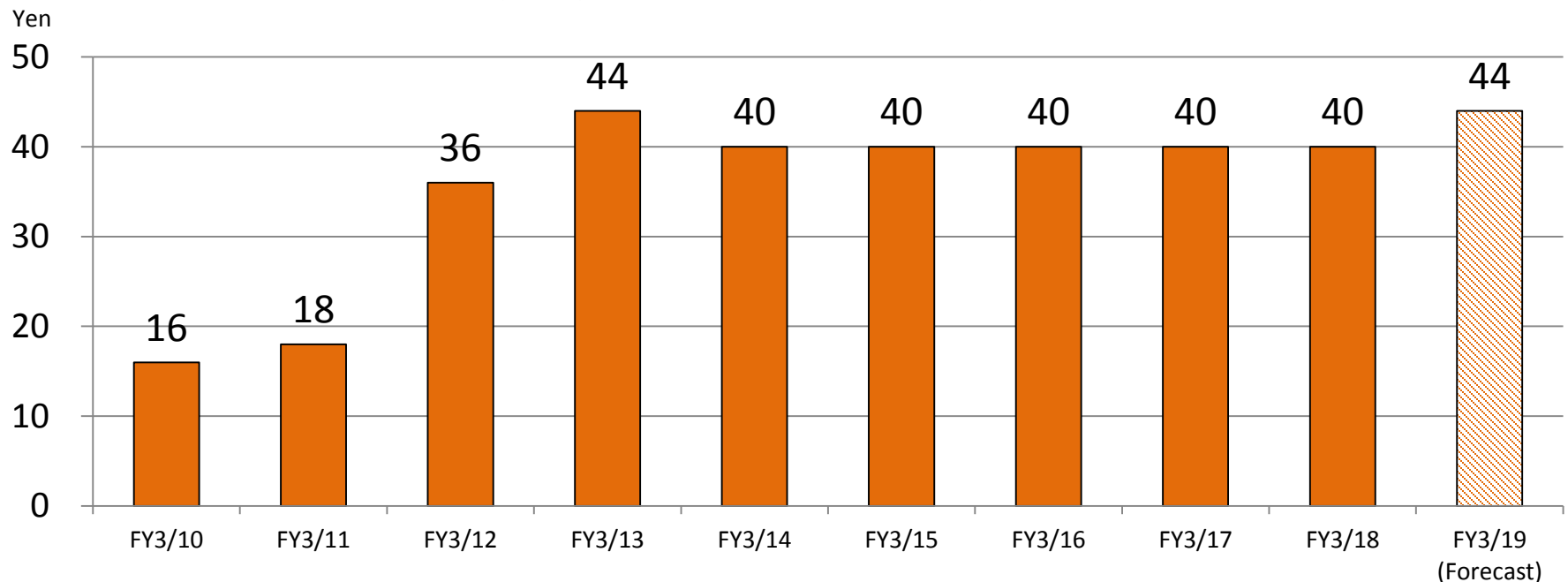
* Includes purchase of land (limited land rights) for the head office building.

Shareholder Returns

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

FY3/19 Annual Dividends ¥44 (Forecast, No Revision)

The FY3/19 interim and year-end dividend payments comprise a 20 yen per share dividend on ordinary shares, and a commemorative dividend of 2 yen per share to mark the 10th anniversary of the transition to a certified broadcast holding company, and the 60th anniversary of Fuji Television Inc.



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.

Reference

Fuji TV (Event and Movie)

Event Business

- *VERMEER* exhibition one of the greatest art events ever in Japan

October 5, 2018 to February 3, 2019
The Ueno Royal Museum



The Milkmaid

Nine paintings by Johannes Vermeer coming to Tokyo, including three works shown in Japan for the first time



The Procuress

Limited-time display from Jan. 9 to Feb. 3, 2019

- Cirque du Soleil's *Kurios* Japan performance

1H tour performances in Tokyo and Osaka popular

Show to travel to Nagoya, Fukuoka, and Sendai
(to May 29, 2019)



Movie Business

- 1H releases *CODE BLUE: The Movie* and *SHOPLIFTERS* major hits

CODE BLUE: The Movie
Box office revenue exceeded ¥9.2 billion



SHOPLIFTERS
Box office revenue exceeded ¥4.5 billion

- Several promising releases in the 2H lineup

Nov. 16	<i>The House Where The Mermaid Sleeps</i>
Dec. 14	<i>Dragon Ball Super: Broly</i>
Jan. 18	<i>MASQUERADE HOTEL</i>
Feb. 22	<i>Fly me to the Saitama</i>

Fuji Games

- Second installment of mobile app game *Libra of precatus*
More than 1.4 million pre-registrations

Full-fledged multi-scenario RPG with more than 100 characters, with prepared scenarios equivalent to more than seven light novels.

Wide range of promotional measures being conducted, taking advantage of the strengths of a game company from a TV studio.



- New mobile app game *FAIRY TAIL DiceMagic* based on the popular anime *FAIRY TAIL* planned for release this winter

Action RPG based on the Japanese board game “sugoroku.”

A new genre game that recreates the expansive and charming world of *FAIRY TAIL* as a map from a “sugoroku” game.



Sankei Building/GRANVISTA

Building Business

- Develop the highly functional S-GATE Series, concentrating on major districts in the Tokyo metropolitan area.
- Strengthen development in areas of Western Japan, such as Osaka and Hiroshima.
- Further expand the portfolio with stable leasing income, and broaden the earnings base.



S-GATE NIHONBASHI-HONCHO completed in October 2018

Residential Business

- Pursue well-balanced development of condominiums and leased residences.
Secure stable business less susceptible to market conditions.



Hotel Intergate Hiroshima
Opening January 15, 2019



Hotel Intergate Kanazawa
Opening March 16, 2019

Hotel Resort Business

- Third and fourth hotels opening soon in INTERGATE HOTELS series, a new hotel brand jointly developed by Sankei Building and GRANVISTA.
- Launch of program to renovate traditional *kyo-machiya* townhouses as lodging facilities. (Two locations opened in Kyoto)



Kyoto Nijo Sawaragi no Yado
Townhouse limited to one group per night

- P. 24: Johannes Vermeer The Milkmaid Oil on Canvas ca. 1658-1660 Amsterdam Rijksmuseum. Purchased with the support of the Vereniging Rembrandt, 1908 **RJKS MUSEUM**
- P. 24 : Johannes Vermeer The Procuress 1656 Gemäldegalerie Alte Meister, Dresden bpk / Staatliche Kunstsammlungen Dresden / Herbert Boswank / distributed by AMF
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