

3Q FY3/19 Results Materials

(Nine Months ended December 31, 2018)

February 5, 2019

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 December 31, 2018 is referred to as “3Q.”

3Q FY3/19 Consolidated Results

<April 1, 2018 to December 31, 2018>

Millions of yen

	3Q FY3/18	3Q FY3/19	YoY		FY3/19 Forecast (Announced on May 10)	3Q FY3/19 Actual / FY3/19 Forecast	
Net Sales	479,802	448,529	(31,273)	(6.5)%	623,000	(174,470)	72.0%
Operating Income	20,222	21,679	1,456	7.2%	25,500	(3,820)	85.0%
Ordinary Income	26,800	27,562	762	2.8%	33,100	(5,537)	83.3%
Net income attributable to owners of the parent	19,081	15,444	(3,636)	(19.1)%	25,000	(9,555)	61.8%

Net Sales and Operating Income by Segment

<April 1, 2018 to December 31, 2018>

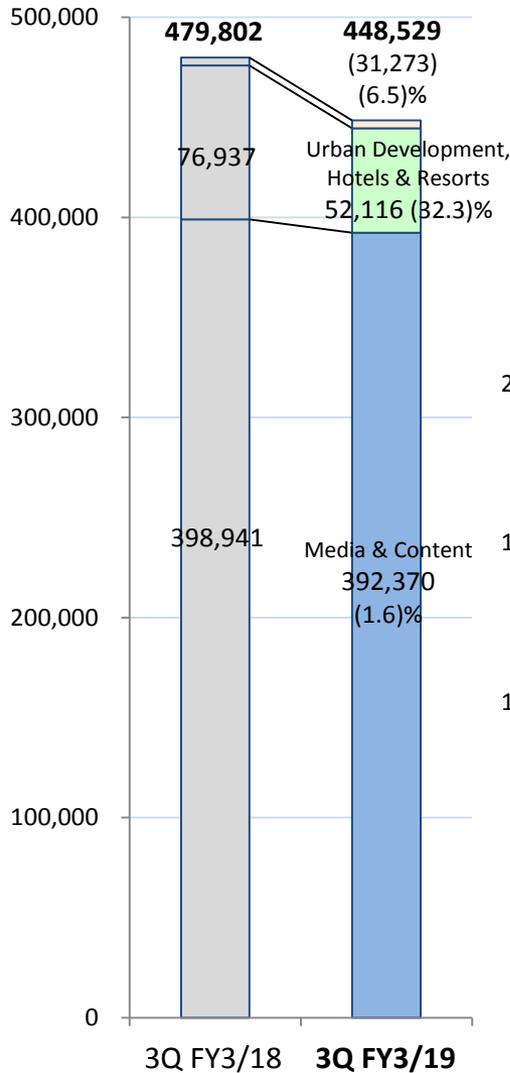
Millions of yen

	Business Segment				Total	Adjustment	Consolidated statement of income
		Media & Content	Urban Development, Hotels & Resorts	Other			
Net Sales	3Q FY3/19	392,370	52,116	14,200	458,687	(10,158)	448,529
	3Q FY3/18	398,941	76,937	14,596	490,475	(10,672)	479,802
	YoY	(6,570)	(24,821)	(395)	(31,787)	513	(31,273)
	YoY%	(1.6)%	(32.3)%	(2.7)%	(6.5)%	—	(6.5)%
Operating Income	3Q FY3/19	17,209	4,383	417	22,010	(330)	21,679
	3Q FY3/18	8,945	11,707	488	21,141	(918)	20,222
	YoY	8,263	(7,324)	(70)	868	587	1,456
	YoY%	92.4%	(62.6)%	(14.5)%	4.1%	—	7.2%

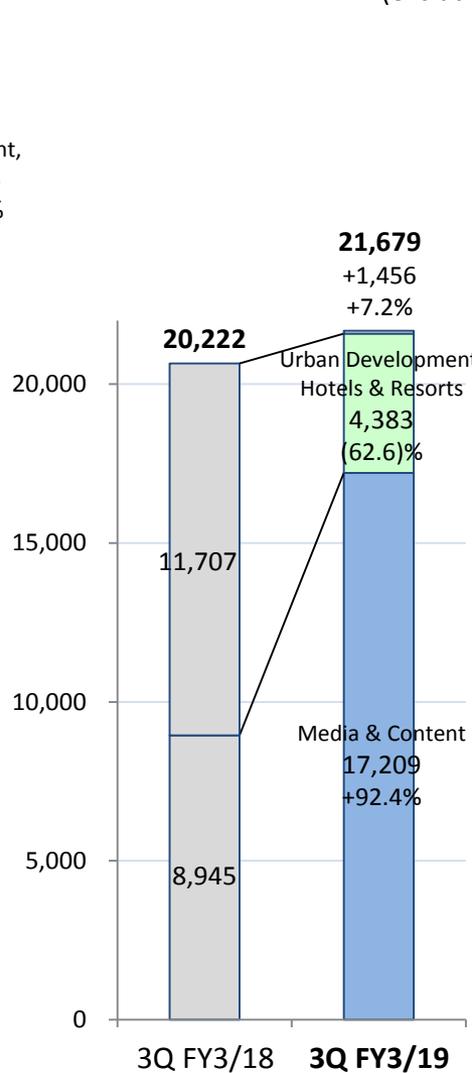
3Q FY3/19 Consolidated Results (Year-on-Year)

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).

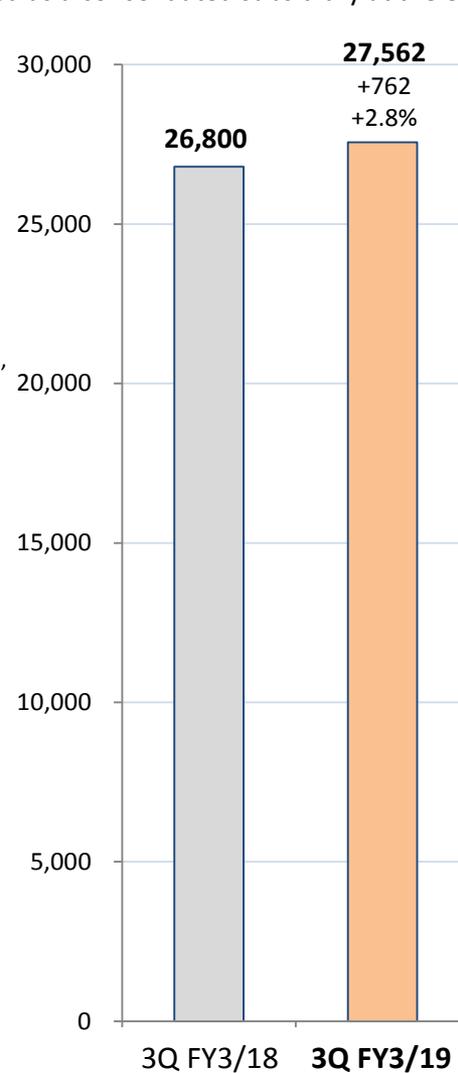
Millions of yen



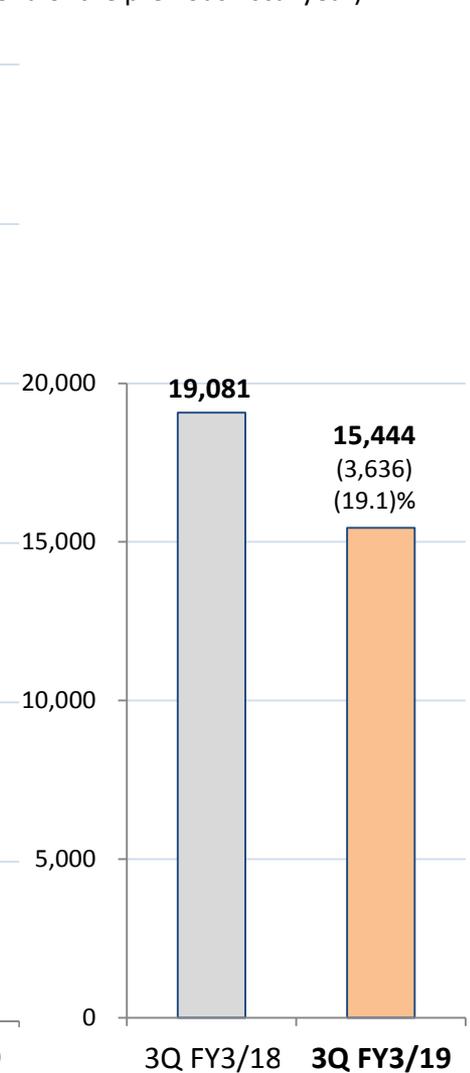
Net Sales



Operating Income



Ordinary Income



Net income attributable to owners of the parent

3Q FY3/19 Financial Highlights

Consolidated operating income of ¥21.6 billion

Revenue decline with operating income gain

Media & Content

Fuji TV

- Substantial increase in earnings led by broadcasting business gains, along with major hit movies *CODE BLUE: The Movie* and *SHOPLIFTERS*, and popular events such as Cirque du Soleil's *KURIOS*.

Pony Canyon

- Further expansion in share of sales from non-package areas, with strong performance in event ticket and goods sales, as well as music and video streaming.
- Operating loss narrowed on decrease in inventory-related retirement and valuation losses.

Dinos Cecile

- TV shopping performance positive, but the struggling catalogue business and increase in delivery costs led to declines in revenue and earnings.
- Impairment recorded as Cecile business failed to achieve its plan.

Urban Development, Hotels & Resorts

Sankei Building/GRANVISTA

- Sankei Building: Occupancy of new leased office buildings was firm throughout the period, but revenue and earnings declined on rebound from large sale of major properties in the previous fiscal year.
- GRANVISTA: Revenue and earnings decline stemming from closure of certain hotels, and the impact from natural disasters such as typhoons and earthquakes.
Occupancy in hotels in Sapporo recovered from December.

Summary of Media & Content Segment by Company

<April 1, 2018 to December 31, 2018>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/18	3Q FY3/19	YoY	3Q FY3/18	3Q FY3/19	YoY
Fuji Television	193,824	200,951	7,127 3.7%	3,246	11,668	8,422 (259.4%)
BS Fuji	13,754	13,459	(294) (2.1)%	1,974	1,712	(262) (13.3)%
Nippon Broadcasting System	10,786	10,494	(292) (2.7)%	34	25	(8) (24.6)%
Fuji Creative Corporation	10,814	10,412	(401) (3.7)%	649	648	(0) (0.1)%
Kyodo Television	10,636	12,158	1,521 14.3%	302	229	(72) (24.1)%
Pony Canyon	24,955	24,360	(594) (2.4)%	(419)	(216)	202 ---
Dinos Cecile	87,507	82,719	(4,788) (5.5)%	1,872	1,426	(446) (23.8)%
Quaras	32,409	35,145	2,736 8.4%	404	561	157 38.9%
Others and adjustment	14,253	2,668	---	880	1,153	---
Total	398,941	392,370	(6,570) (1.6)%	8,945	17,209	8,263 92.4%

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 December 31, 2018>

Millions of yen

	Net Sales			Operating Income		
	3Q FY3/18	3Q FY3/19	YoY	3Q FY3/18	3Q FY3/19	YoY
Sankei Building	45,476	22,991	(22,484) (49.4)%	7,166	2,690	(4,475) (62.5)%
GRANVISTA Hotels & Resorts	22,635	19,567	(3,068) (13.6)%	2,521	1,465	(1,055) (41.9)%
Others and adjustment	8,826	9,557	---	2,020	227	---
Total	76,937	52,116	(24,821) (32.3)%	11,707	4,383	(7,324) (62.6)%

Main Items in Non-Operating Income and Expenses

<April 1, 2018 to December 31, 2018>

Millions of yen

	3Q FY3/18	3Q FY3/19	YoY	
Non-operating income				
Dividends income	2,537	2,622	84	3.3%
Equity in earnings of affiliates	3,208	2,437	(771)	(24.0)%
Other	2,185	2,179	(6)	(0.3)%
Total	7,931	7,238	(692)	(8.7)%
Non-operating expenses				
Interests	918	875	(43)	(4.7)%
Other	435	479	44	10.3%
Total	1,353	1,355	1	(0.1)%

Main Items in Extraordinary Gain and Loss

<April 1, 2018 to December 31, 2018>

Millions of yen

		3Q FY3/18	3Q FY3/19	YoY	
Extraordinary gain					
	Gain on sales of investment securities	986	819	(167)	(17.0)%
	Other	334	195	(138)	(41.5)%
Total		1,320	1,014	(306)	(23.2)%
Extraordinary loss					
	Impairment loss	51	3,640	3,589	—
	Loss on reconstruction	263	—	(263)	(100)%
	Other	537	596	58	10.9%
Total		852	4,236	3,384	396.9%

Fuji TV Results

3Q FY3/19 Fuji TV Results

<April 1, 2018 to December 31, 2018>

Millions of yen

	3Q FY3/18	3Q FY3/19	YoY	
Net Sales	193,824	200,951	7,127	3.7%
Operating Income	3,246	11,668	8,422	259.4%
Ordinary Income	3,526	11,879	8,353	236.9%
Net Income	2,270	8,067	5,797	255.3%

Broadcasting Business: Revenues and Cost

<April 1, 2018 to December 31, 2018>

Millions of yen

	3Q FY3/19	YoY	
Broadcasting Business Revenues	164,575	(1,695)	(1.0)%
Broadcasting	140,416	(1,829)	(1.3)%
Network time	61,231	1,995	3.4%
Local time	10,095	(121)	(1.2)%
Spot	69,090	(3,703)	(5.1)%
Other Broadcasting	24,158	134	0.6%
Program sales	12,505	(668)	(5.1)%
CS broadcasting and Other	11,653	802	7.4%
Cost of Broadcasting Business	109,933	(5,173)	(4.5)%

Spot Advertising YoY Trend by Industry

Oct. – Dec. 2018

*Administrative accounting base

Industry	Share Last Year	Share	YoY
Cosmetic/Toiletries	17.6%	14.7%	(21.1)%
Information/ Telecommunication/ Broadcasting	11.9%	13.9%	10.0%
Foods	9.6%	8.9%	(13.0)%
Pharmaceuticals/ Medical Products	8.3%	8.0%	(9.0)%
Fast Foods/Services	4.5%	6.6%	38.3%
Finance/Insurance	5.1%	6.5%	20.2%
Autos	6.6%	5.6%	(20.7)%
Distribution/Retail	3.7%	5.5%	38.3%
Beverage (Non- Alcoholic)	7.3%	5.0%	(35.8)%

Industry	Share Last Year	Share	YoY
Office/Precision/ Optical Equipment	3.9%	4.8%	15.5%
Publications/ Entertainment	4.5%	4.3%	(8.9)%
Apparel/Accessories	4.7%	3.5%	(29.9)%
Consumer Electronics	2.9%	3.3%	7.5%
Travel/Leisure	2.5%	3.0%	15.3%
Telephone Services	2.0%	2.4%	15.6%
Real Estate/Housing	1.7%	1.7%	(4.8)%
Beverage (Alcoholic)	1.0%	0.9%	(19.4)%
Energy/Machinery	0.7%	0.3%	(61.4)%
Others	1.4%	1.0%	(36.3)%

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	18,572	(7.0)%
Cumulative total	60,761	57,115	(6.0)%
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 December 31, 2018>

Millions of yen

	3Q FY3/19	YoY	
Other Businesses Revenues	36,376	8,822	32.0%
Event	13,107	6,052	85.8%
Movie	7,813	1,722	28.3%
Digital	6,473	(125)	(1.9)%
Merchandising	4,981	1,909	62.1%
Video	1,089	(394)	(26.6)%
Other	2,910	(340)	(10.5)%
Cost of Other Businesses	27,800	5,895	26.9%

SG&A and Non-Operating Income/Expenses

<April 1, 2018 to December 31, 2018>

Millions of yen

	3Q FY3/19	YoY	
SG&A	51,548	(2,015)	(3.8)%
Selling expenses	36,816	(932)	(2.5)%
General and administrative expenses	14,732	(1,083)	(6.9)%
Operating Expenses	189,282	(1,294)	(0.7)%
Operating Income	11,668	8,422	259.4%
Non-operating income	428	(31)	(6.8)%
Non-operating expenses	217	38	21.2%
Ordinary Income	11,879	8,353	236.9%

FY3/19 Earnings Forecasts

Highlights of Revision to FY3/19 Earnings Forecast

Upward revision in full-year operating income forecast of ¥32.5 billion

Upward revision in Media & Content and Urban Development, Hotel & Resorts segments

Media & Content

Fuji TV

- Full-year forecasts for broadcasting revenue revised upward in response to firm network time advertising.
- Strong results in the movie business expected to continue to 4Q, and contribute to higher earnings.
- Continued reductions in general administrative expenses.

Pony Canyon

- Revenue expected from package sales, including Blu-ray and DVD releases of the hit movie *CODE BLUE: The Movie*.
- Aiming for profitability for the full-year period, and earnings gain.

Urban Development, Hotels & Resorts

Sankei Building/GRANVISTA

- Sankei Building: Gain on sale of assets expected to exceed initial plan, aiming for earnings gain.
- GRANVISTA: Planned expansion of the revenue base with the opening of new Intergate Hotels locations in Hiroshima and Kanazawa.

Revision to FY3/19 Consolidated Earnings Forecast

<April 1, 2018 to March 31, 2019>

Millions of yen

	Revised Forecast	Previous Forecast	Change
Net Sales	654,000	623,000	31,000
Operating Income	32,500	25,500	7,000
Ordinary Income	39,100	33,100	6,000
Net Income Attributable to Owners of the Parent	25,000	25,000	—

Revision to Full-year Projections for Terrestrial TV Advertising Revenue

	Full-Year Forecast	Previous Forecast
Network Time	1.0%	(1.7)%
Local Time	(1.6)%	(6.4)%
Spot	(4.9)%	(4.1)%
Total broadcasting revenues	(2.2)%	(3.2)%

(YoY)

Revision to FY3/19 Segment Forecasts

<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	Revised forecast	520,000	126,700	19,100	665,800	(11,800)	654,000
	Previous forecast	514,000	101,600	19,500	635,100	(12,100)	623,000
	Change	6,000	25,100	(400)	30,700	300	31,000
Operating Income	Revised forecast	18,300	14,500	400	33,200	(700)	32,500
	Previous forecast	14,100	11,500	400	26,000	(500)	25,500
	Change	4,200	3,000	—	7,200	(200)	7,000

CAPEX Plan and Depreciation and Amortization

Millions of yen

		FY3/19		FY3/20 (Plan)
		3Q (Actual)	Full-Year (Plan)	
CAPEX	Consolidated	60,839	72,400	40,900
	Fuji TV	5,483	7,500	7,500
	Urban Development, Hotels & Resorts	36,821	46,600	25,300
	Fuji Media HD	14,329	14,900*	800
Depreciation and amortization	Consolidated	13,283	18,900	21,300
	Fuji TV	5,340	8,000	8,700
	Urban Development, Hotels & Resorts	3,874	5,500	6,200
	Fuji Media HD	1,401	2,000	2,000

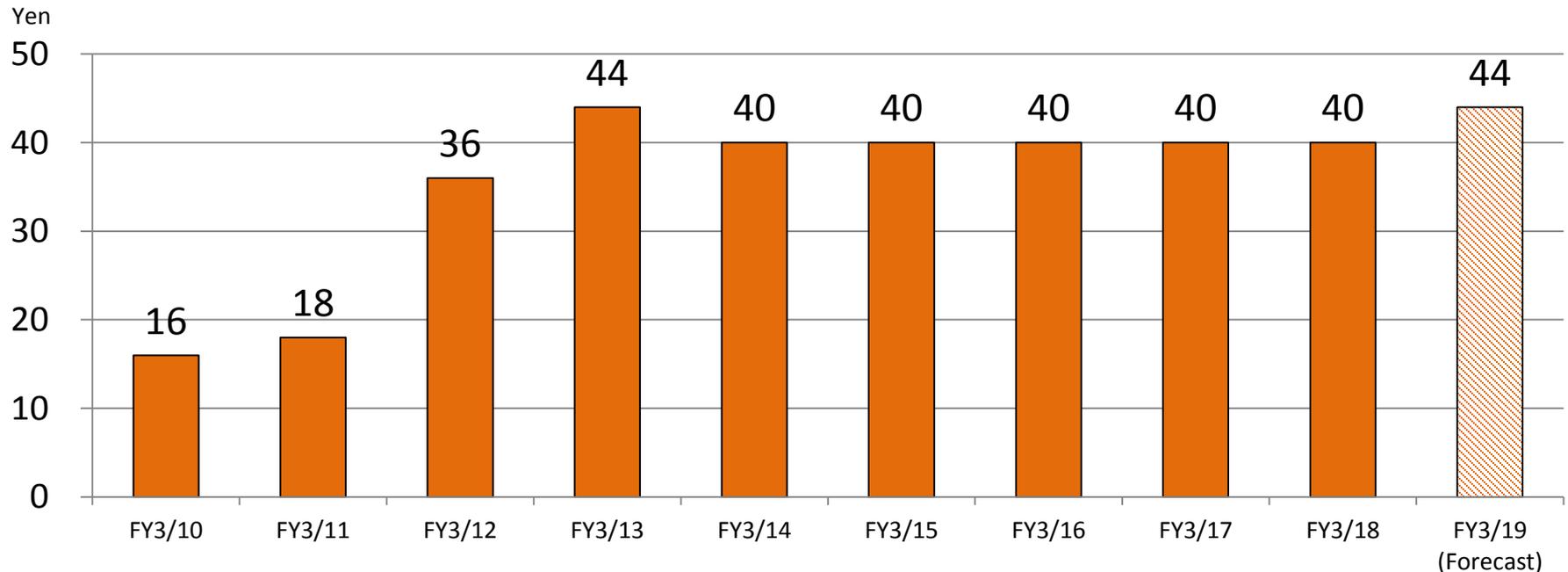
* Includes purchase of land (limited land rights) for the head office building.

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.

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 Hotels & Resorts, The Sankei Building Management, The Sankei Bldg Techno, Sankei Building Well Care, Sankei Kaikan, Koshien Development, SKB USA, SKB Seattle	9
Other	Fujimic, Nippon Broadcasting Project, FUJI CAREER DESIGN, FUJISANKEI COMMUNICATIONS INTERNATIONAL	4
Total		39