

## Message to Shareholders and Investors

I would like to express my heartfelt sympathy to the families of those who have lost loved ones to COVID-19, and prayers for a speedy recovery of everyone who has been infected.

Preventing the spread of COVID-19 is a priority issue for the entire world. As a corporate group centered on broadcasting, a business with a strong public nature, Fuji Media Holdings believes that its primary mission is to serve as a public lifeline and news medium to prevent the spread of the infection. At the same time, we must prioritize the safety of our customers, business partners, performers, employees and staff, while also protecting the employment and livelihoods of the employees and staff at all our business companies, and ensuring we maintain our contracts and relationships of mutual trust with our trading partners. Even in such an unforeseen situation, we must strive to conduct management in a manner that secures the continued existence and stability of our business, and maintains the confidence of investors. To accomplish this, I believe it's important to maintain a robust, balanced financial structure.

### FY3/20 Results

Operating income declined from the previous fiscal year. This was due mainly to a decline in Fuji TV's broadcasting revenue, along with a rebound decline in the event business, and a rebound decline in the Urban Development, Hotels & Resorts segment from a gain on sale of assets in the previous fiscal year. Another major factor was the downturn in the tourism business in 4Q due to the impact from COVID-19. Pony Canyon, however, posted a sharp increase in earnings on successful efforts with business restructuring, a medium-term project aimed at diversifying income sources and other reforms. Fuji Media Holdings Group also recorded a considerable gain in the music copyright business, an area it has been concentrating on for many years, on transfer of rights to foreign songs.

Consolidated operating income was around ¥2.0 billion below forecasts, mainly as a result of the impact from COVID-19 on advertising income, and earnings from events, hotels and resorts.

Consolidated net income exceeded forecasts, mainly as a result of extraordinary income including gains on transfer of benefit obligations for pension funds, and sales of shares held for cross-shareholding policy purposes. ROE rose sharply from the previous fiscal year, reaching 5.6%.

### FY3/21 Forecast

The business environment is expected to be difficult due to the impact from COVID-19, and at present it's impossible to make an accurate forecast as to when the outbreak will be contained, and the degree of impact. Accordingly, we will announce results forecasts once the virus shows signs of being contained, and we are able to discern to a reasonable degree the impact on performance.

The two main areas where we expect COVID-19 will have the greatest impact are a decline in broadcasting revenue, and in the Urban Development, Hotels & Resorts segment. In the tourism business in particular, as of today (May 13) most of the facilities operated by GRANVISTA Hotels & Resorts remain closed. Sankei Building's asset development and sales plan may also be affected.

### Future Policies by Business Segment

Fuji TV is accelerating research and development on a future business model to capture growth in the video streaming market, including new viewing services that seamlessly link broadcasting and streaming, as well as advertising sales combining broadcasting and streaming. The strength of Fuji Media Holdings Group is its capability to produce and distribute a wide range of content, including television programs, cinema movies, streaming content, and events, as well as its facility as a content holder to maximize the earnings gained from that content. We are implementing structural reforms across the Media & Content segment to adapt to the changes in media and viewing devices.

The Urban Development, Hotels & Resorts segment is expected to be heavily impacted temporarily by the COVID-19 outbreak, but considering Japan's abundant tourist resources, we anticipate a gradual recovery in inbound tourism demand. Over the longer term, this is an area where we can expect strong growth, and have not altered our plan to make investments based on set conditions, and expand the scope of business.

#### Developments in Governance

Fuji Media Holdings, pending approval at the annual shareholders' meeting in June, will transition to a company with audit and supervisory committee structure. A third of the Company's directors will be independent outside directors, enhancing objectivity and transparency. The new structure is also aimed at ensuring more appropriate governance by strengthening the capability of the Board of Directors to make policy decisions intended to achieve a sustainable rise in corporate value with a long-term perspective.

#### Future Direction

To adapt to the epidemic, we are employing an unprecedented shift system in order to continue on-site broadcasting of news and other live programs. Many of our business companies and divisions have shifted to telework in principle, and we have adopted major changes in working styles.

The sustainable growth of Fuji Media Holdings requires that we provide a work environment in which employees and staff are able to work effectively, retain human resources on a steady basis, and ensure the smooth working of corporate activity. We want to leverage this experience to reform our organization and working styles, and further improve earnings.

The memory of this severe epidemic will likely bring about many types of changes in conventional wisdom, values, and lifestyles. Companies will need to adapt to those changes. I want to reexamine, without being constrained by preconceived notions, the businesses and services of Fuji Media Holdings Group and how we exercise our content and entertainment capabilities, in order to ensure that going forward we are a company considered essential to society.

Finally, I would like to express my sincere hope for the outbreak to be contained soon, and the resumption of normal relations with shareholders and investors as quickly as possible.

May 13, 2020

Osamu Kanemitsu  
President and Representative Director  
Fuji Media Holdings, Inc.