

## **1H FY3/21 Financial Results Briefing**

### **Summary of President's Remarks**

The broadcasting, tourism, and event-related businesses were all severely impacted by the coronavirus crisis. However, we recognize that this situation has further exposed the challenges facing Fuji Media Holdings Group, and we consider it an opportunity to pursue fundamental reform.

Fuji TV has recently begun to see a recovery in advertising revenue, but as a medium-term issue, we will work to revise the structure for fixed costs. We want to shift to a structure with varied earnings streams, centered on program content and intellectual property rights. To produce content that generates diversified value, we will consider program production expenditures as "investment costs that maximize the return on content, while generating advertising revenue." We will also consider changes in the internal organization, or collaboration with knowledgeable external partners.

The Urban Development, Hotels & Resorts Segment is examining the current changes in tourism and office demand, and will make adjustments in its investment targets and scope. Tourism demand is gradually recovering, but we anticipate that the situation will be unstable over the immediate future, and are exploring measures to maintain the current level of earnings. We believe that the tourism business has potential for growth over the longer term, and will pursue development within certain financial parameters.

Among major subsidiaries, Pony Canyon is performing strongly. As a result of reforms implemented over many years, the company has moved away from reliance on packaged products, and has successfully pursued strategies targeting ultramodern younger people, including scouting new artists, investing in anime productions, and developing the voice actor and merchandising businesses.

We recognize that increasing earnings is a fundamental business challenge. We are encouraging self-directed managerial efforts at all our business companies, and as a holding company, are working to strengthen governance. Other management themes include review of unprofitable businesses, and considering the personnel structure.

We are pursuing share buybacks for the effective utilization of group assets, and as the capital for this program plan to allocate the revenue from sales of strategic shareholdings. We will enhance management efficiency, and continue the development of new businesses that match the trends of the time, as well as investment research and examinations, uncovering projects ideally suited to Fuji Media.

Our core company Fuji TV has a large impact on the corporate group overall, so improving its business performance is an urgent issue. We will pursue reforms centered on Fuji TV, and conduct management efforts aimed at raising its earnings.