

# Reform Action Plan September Update

September 30, 2025



Based on the “Reform Action Plan” announced in May 2025, the Fuji Media Holdings Group has been taking proactive steps to enhance awareness of human rights and compliance, and strengthen its governance structure. At the same time, it has been undertaking concrete considerations for further growth while implementing initiatives for business reform and capital optimization.

To further advance the “Reform Action Plan,” the Group has clarified its future directions and updated the Plan by expanding the scale and scope of its initiatives.

When announcing the second quarter financial results in November, the Group will publish a revised “Reform Action Plan,” a plan reflecting the results of further deliberations. We will press ahead with our reform initiatives, aiming to publish the next “Medium-Term Group Vision” in May 2026.

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# 1. Reform Action Plan Progress Report (Dialogue and Deliberations to Date)

After the establishment of a new management structure at the Ordinary General Meeting of Shareholders held on June 25, 2025, the Company promptly initiated deliberations toward updating the “Reform Action Plan” and has pursued these discussions thoroughly.

May 2025 Announcement of Plan	<ul style="list-style-type: none"><li>■ Announced the “Reform Action Plan” as a new management guideline preceding the next Medium-Term Group Vision and replacing the former Medium-Term Group Vision 2023</li><li>■ Aim to evolve into a new growth-oriented enterprise as one unified Group, balancing social responsibility and earnings growth</li></ul>
May-Jun. 2025 Dialogue	<ul style="list-style-type: none"><li>■ Explained the Reform Action Plan to shareholders and investors (<b>49 meetings with 59 companies</b>)</li></ul>
Jun. 25, 2025 Ordinary General Meeting of Shareholders	<ul style="list-style-type: none"><li>■ Board of Directors Restructured (<b>Independent outside directors:</b> minority → <b>majority</b>, <b>Female representation:</b> from 13.3% → <b>45.5%</b>)</li><li>■ Appointed external experts with deep expertise in key business areas such as human rights, sustainability, digital and AI, real estate, global operations, and personnel and human resource development</li></ul>
Jun.-Sep. 2025 Dialogue and deliberation	<ul style="list-style-type: none"><li>■ Launched and implemented efforts to detail and refine the “Reform Action Plan” under the new management structure (<b>with deliberations involving the Board and independent outside directors</b>)</li><li>■ Conducted proactive and extensive dialogues with shareholders and investors (<b>44 meetings with 49 companies</b>)</li></ul>



Announcement of Reform Action Plan September Update

# 1. Reform Action Plan Progress Report



## Human Capital-Driven Management

### Enhanced human rights and compliance awareness and strengthen structure

- **Revised the Fuji Media Holdings Group Human Rights Policy** to enhance human rights and compliance awareness and strengthen governance structure, after deliberations by Fuji TV's Sustainability Management Committee, Group companies, and the Group Human Rights Committee.
- **Began operation of FMH Group Whistleblowing Hotline** for officers and employees of group companies, as well as stakeholders such as business partners, to directly report to and consult with external lawyers about violations.
- Decided on the framework for performance-linked compensation, including non-financial criteria such as the promotion of human capital-driven management.



## Proactive Business Transformation

### Implemented organizational reforms of Fuji TV and partial reorganization of the Group

- Undertook fundamental reforms of Fuji TV's organization with the objectives of **maximizing investment efficiency of individual content, creating high-performing IP and maximizing LTV, strengthening content sales in Japan and overseas and expanding global market sales channels, and accelerating the use of generative AI, realization of DX, and operational process reforms.**
- FUJIMIC and FCX decided to merge with the objectives of **providing high-quality services, responding to diversifying customer needs, and creating new business opportunities.** The aim is to improve the Group's profitability.



## Capital Optimization for Value Creation

### Creating value through cash generation and growth investment

- **Implemented systematic divestment of strategic shareholdings;** Of the total target of more than 100 billion yen by FY2027, we **achieved a reduction of around 50 billion yen over the past six months** (19.5 billion yen in the 1st quarter and 29.9 billion yen in the 2nd quarter). The ratio of strategic shareholdings to net assets stands at around 22%, down from 26.6% in March 2025.
- **Began concrete deliberations on the timing and scale of share buybacks,** following the recovery of advertising revenue.



## Transition to Governance-Focused Management

### Built robust risk management structure by strengthening management function

- **Introduced mandatory retirement age and term limits for officers and abolished Executive Managing Advisor / Advisor system.** The ratio of female directors rose to 45.5%. The average age lowered significantly to 57 years, and the ratio of female officers and executives rose to 24.6%.
- **Established a Nomination and Compensation Committee** in June. We linked executive compensation to non-financial criteria such as promotion of human capital-driven management and raised the stock remuneration ratio.
- **Established Risk Policy Committee;** Four committee members, including external experts, oversee critical management risks such as human rights risks with aims of enhancing corporate value and regaining trust of society and stakeholders.

## 2. September Update: Executive Summary

### Future Direction of the Group

- Through the creation of **highly engaging and original content and experience spaces**, the Group will contribute to **the creation of a society where everyone can experience joy and a sense of connection**.
- To achieve this, **we will clearly indicate our implementation processes from the perspectives of consumers and users and clarify our focus areas and approaches**, including IP creation and acquisition, M&A, functional integration and business restructuring, asset sales, new business development, and growth investments.

### Future Direction of the Group's Business Portfolio

- Our business domains **will be organized into two segments: “stable and profitable segments” that generate consistent earnings and “new and growth driver segments” that, while more volatile, are expected to deliver high profitability and significant growth**.
- **We will aim to achieve high profitability and growth while ensuring risk control across the entire Group**.

### Approach to Achieving ROE of 8%

- We will **reorganize and streamline low-profit businesses and divisions** and consider the **restructuring and sale of owned assets based on profitability and capital efficiency**.
- Using funds generated through these measures, we will undertake bolder **proactive investments in high-growth business areas and reductions of equity capital**. We aim to achieve an ROE of 8% in the future by attaining approximately 75 billion yen in operating profit and around 650 billion yen in shareholders' equity.

### Capital Allocation Update

- **Strategic Shareholdings:** Execute sales of strategic shareholdings totaling over 100 billion yen at the earliest timing possible by FY2027 and will continue reducing these holdings thereafter
- **Business and Assets:** Restructure and divest selective assets to transform revenue model and raise profitability
- **Growth Investments:** Consider growth investments totaling 250 billion yen over five years and establishing a cumulative investment quota of 400 billion yen over the long term
- **Share Buybacks:** Raise our share buyback target from over 100 billion yen to 250 billion yen by FY2029

### 3. Future Direction of the Group

Future Direction

Through the creation of highly engaging and original content and experience spaces, the Group will contribute to the creation of a society where everyone can experience joy and a sense of connection.

Implementation Process



Together with our partners in Japan and overseas, we will create ideas and concepts that will bring excitement, joy, and a sense of connection to daily life.

We will transform ideas and concepts created from consumers' and users' perspectives into content, services, and diverse assets.

We will deliver content, services, and assets to consumers and users in Japan and overseas, contributing to the formation of a social foundation that enriches people's lives.

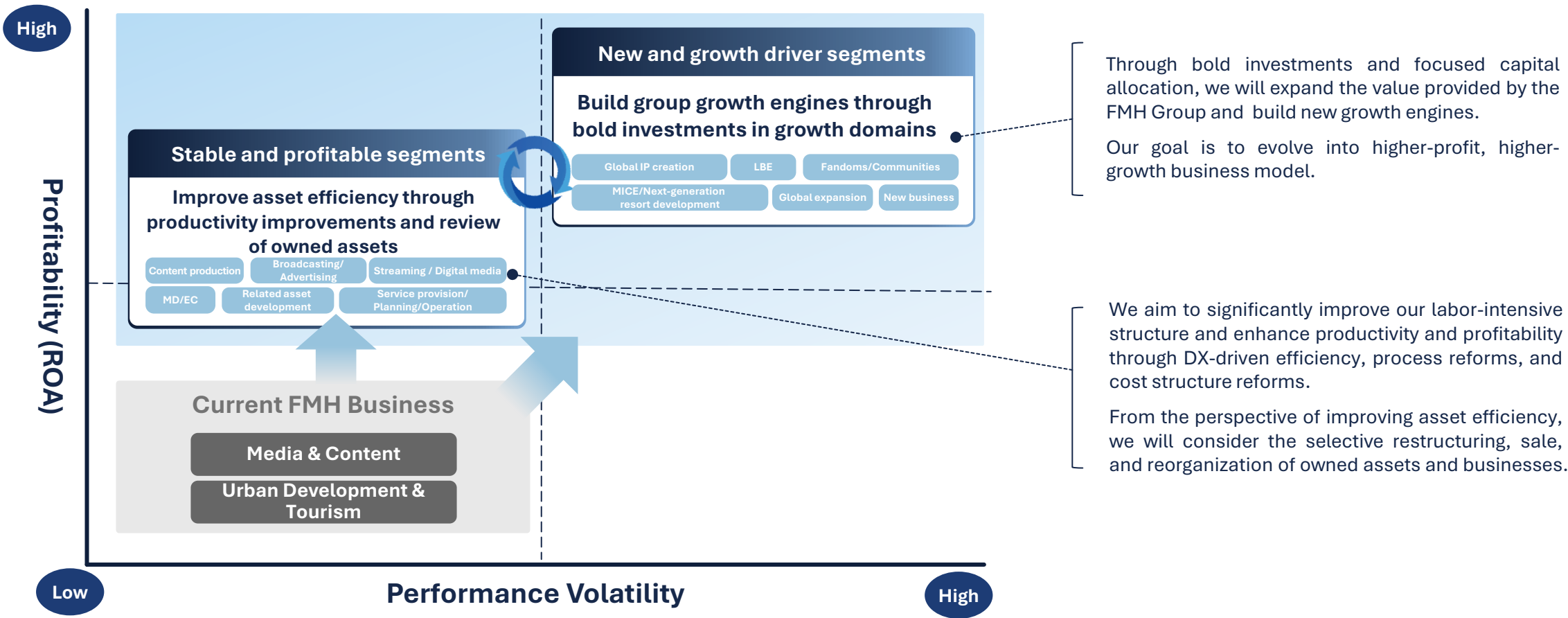
We will provide spaces and opportunities for people to experience and share excitement and joy. We will contribute to the creation of a society where everybody can feel happy and cherish irreplaceable moments.

Main Measures and Concepts

Strengthen IP creation and acquisition, M&A	DX streamlining, function integration, business restructuring, asset sales, M&A			New business development/growth investment, M&A
Global IP creation / Co-creation with consumers and partner companies	Audio and visual content production (Live-action, animation, films, news, sports, music, etc.)	Broadcasting/ Advertising	Streaming/ Digital media	Fandoms / Communities
		MD/EC	Global expansion	
Lifestyle design Town management design	Urban development / development of tourism-related assets			LBE* / Live entertainment *LBE: Location Based Entertainment
	Urban development / Provision, planning, and operation of services related to tourism (Leisure, resorts, lifestyle, operations)			MICE / Next-generation resort development

# 4. Future Direction of the Group’s Business Portfolio

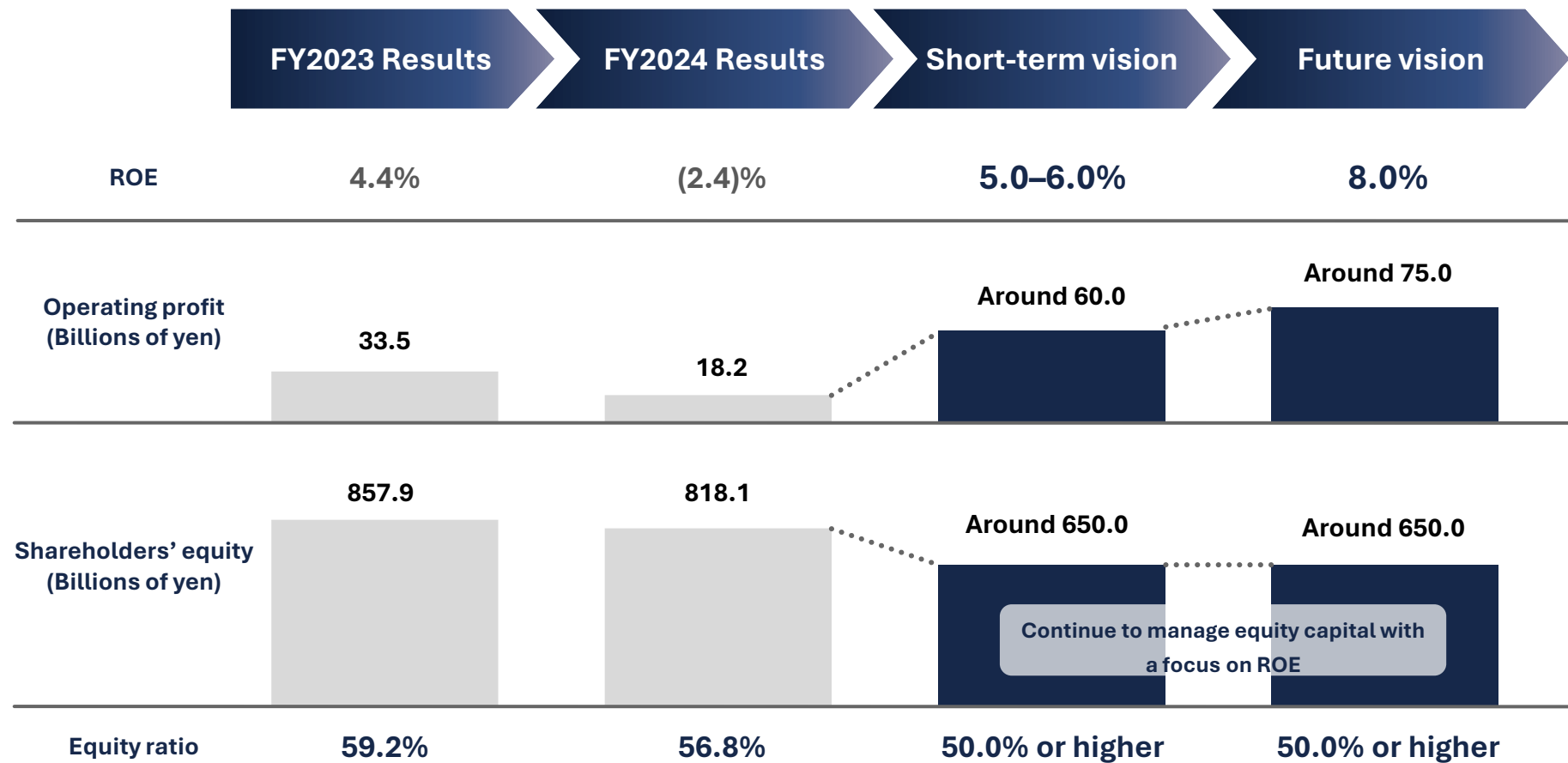
Our business domains will be organized into two segments : “stable and profitable segments” that generate consistent earnings and “new and growth driver segments” that, while more volatile, can be expected to deliver high profitability and significant growth. We will aim to achieve high profitability and growth while ensuring risk control across the entire group.



\*The size of figures in this graph do not represent actual business scale or revenue proportions.

## 5. Approach to Achieving ROE of 8%

We will **reduce equity capital**, focusing on capital efficiency and financial soundness, while **raising profit levels** through **creation of IP and contents**, **effective utilization of intangible owned assets**, **structural reforms**, and **proactive investments in new and growth domains**



# 6. Capital Allocation Measures Update

Regular text: Details disclosed at time of May 2025 announcement / **Bold text: Details updated in this document**



## Cash Generation

Utilization of owned assets	Strategic Shareholdings	<p>“Execute sales exceeding 100 billion yen within 3 years”</p> <ul style="list-style-type: none"> <li>■ <b>Already have executed sales of approx. 50 billion yen by H1/FY2025</b></li> <li>■ <b>Execute sales of strategic shareholdings totaling over 100 billion yen at the earliest timing possible by FY2027 and will continue reducing these shareholdings thereafter</b></li> </ul>
	Businesses/assets	<ul style="list-style-type: none"> <li>■ <b>Restructure and divest selected assets to transform the revenue model and raise profitability</b></li> </ul>
	Cash, deposits and marketable securities	<p>“Carefully review each asset level”</p>
Utilization of interest-bearing debt		<p>“Operate and utilize assets while considering mid- to long-term financial stability, optimal capital structure, and capital cost”</p> <ul style="list-style-type: none"> <li>■ <b>Increase borrowings with a target maximum debt-to-equity ratio of 50%</b></li> </ul>
Operating cash flow		<p>Secure stable operating cash flow through the recovery of Fuji TV’s advertising revenue and improved profitability of existing businesses</p>



## Cash Utilization

Shareholder returns	Growth investments  (Human capital investments, DX investments, business investments)	<p>“Emphasize expansion of growth areas, strengthening of existing businesses, and development of new businesses with a focus on capital cost”</p> <p>“Promote the retention and development of diverse human resources, and drive digital transformation”</p> <p>“Plan to invest 250 billion yen over five years”</p> <ul style="list-style-type: none"> <li>■ <b>Consider further growth investments totaling 400 billion yen over the long term</b></li> </ul>
	Share buybacks	<p>“Assuming a business recovery, plan to implement a large-scale share buyback of over 100 billion yen by FY2029”</p> <ul style="list-style-type: none"> <li>■ <b>Increase FY2029 share buyback target to 250 billion yen</b></li> <li>■ <b>Continue to manage equity capital at an appropriate level through ongoing share buybacks and other measures</b></li> </ul>
	Dividends	<p>“Excluding special factors, aim to maintain stable dividends with a consolidated payout ratio target of 50%”</p>



FUJI MEDIA HOLDINGS, INC.