

# **“Grow and Evolve” Fuji Media Holdings**

## **Medium-Term Group Vision 2023**

**May 2023**

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## 1.

# Review of the last Medium-Term Operating Strategy (FY 2018-FY2020) and Results[Quantitative Target]

**Previous Target <FY 2020>  
Consolidated Operating Income ¥ 32.5 Billion**



(Billions of yen)

	FY2020 (FY3/21)		FY2021 (FY3/22) Result	FY2022 (FY3/23) Result
	Previous Target	Result		
<b>Consolidated Operating Income</b>	<b>32.5</b>	<b>16.3</b>	<b>33.3</b>	<b>31.4</b>
Media & Content	21.8	13.7	23.1	17.5
Urban Development, Hotels & Resort	11.5	3.7	11.2	15.1
Other	0.5	0.4	0.7	0.9

«Quantitative Target Withdrawn  
Due to Covid-19»



- We withdrew financial target in FY 2020, the last year of the previous financial strategy, due to uncertain outlook caused by the rapid spread of Covid-19 mainly in tourism business.
- In the last three years, we have promoted initiatives for post-pandemic growth. Our consolidated operating income in 2021, which was the year after the expiration of the previous medium-term plan, surpassed targets despite operating under the effects of Covid-19.

## 1.

# Review of the last Medium-Term Operating Strategy (FY 2018-FY2020) and Results[Qualitative Target]

	Theme	Review
Business Portfolio	Redefine and Strengthen Business Portfolios Reassess Group's Business Structure	<ul style="list-style-type: none"> <li>Urban Development, Hotels &amp; Resorts, improved its basic earnings power by increasing strategic investments. It has grown into a foundational segment of the Group with approximately ¥15 Billion in profit.</li> <li>Sold Cecile Business of Dinos (FY2020) following the sale of Sankei Living Shimbun (March 2018)</li> <li>Have made Grape, a web media company, a consolidated subsidiary, which has been positively impacting the consolidated results</li> </ul>
Media & Content	Strengthening the Business and Restructuring Fuji TV	<ul style="list-style-type: none"> <li>Expanding broadcasting revenue by increasing viewer rating and spot ad share remains a challenge</li> <li>AVOD such as TVer, has claimed the Triple Crown, with significant growth in revenue. Paid subscription for FOD has surpassed 1 Million(FY2022)</li> <li>Contents Business, headed by movie business, has grown significantly. Profit from the movie business marked its highest level in history of the company. (FY 2022)</li> <li>Concentrated offices into the Headquarter building, reducing fixed costs (FY 2022)</li> <li>Implemented "Next Career Support" voluntary retirement program. Rebalanced personnel composition (FY 2021)</li> </ul>
	Grow Media & Content Business's Earnings	<ul style="list-style-type: none"> <li>Earning sources of various companies have expanded. Operating income for Media &amp; Content businesses excluding Fuji TV surpassed ¥10 Billion for the first time. (¥11.8 Billion for FY2021)</li> <li>Streaming and digital business grew at various companies. Content production for streaming services increased at production companies, audio streaming business has grown for Nippon Broadcasting System, revenues from non-physical sales have expanded to over 70% of overall revenue at Pony Canyon.</li> </ul>
Urban Development, Hotels & Resorts	Growth Strategy for Urban Development, Hotels & Resorts	<ul style="list-style-type: none"> <li>Diversified asset types by developing high-demand assets such as logistics center, data center, and hotel condominiums.</li> <li>GRANVISTA Hotels &amp; Resorts, which had been recording losses due to the impact of the pandemic, turned profitable in FY 2022 for the first time in four years. Kamogawa Sea World contributed with record setting profit.</li> <li>Proceeding redevelopment of a large-scale aquarium in Kobe, which is expected to become one of the pillars of revenue source. Opening planned in June 2024.</li> <li>Executed capital increase of ¥20 Billion to Sankei Building in March 2023</li> </ul>
Capital Management Policy/ Governance	Capital Management Policy and Governance for Reform	<ul style="list-style-type: none"> <li>Implemented repurchase of own shares of ¥10 Billion(FY2020)</li> <li>Sold strategic shareholdings cumulative of ¥50 Billion (FY2018~2022)</li> <li>Transitioned to Company with Audit and Supervisory Committee, and to governance structure with over 1/3 of independent outside directors(FY2020)</li> <li>Planning to establish Management Advisory Committee (June 2023)</li> </ul>

# 2.

## Basis of Our Medium-Term Group Vision

We consider “Content” to encompass not only popular TV programs and entertainment but also everything that enriches and brightens people’s lives and hearts. This includes products, services, information, living spaces, and even extraordinary events and experiences that shape everyday life.

Our goal is to “grow and evolve” by delivering these contents through media, distribution channels, and delivery methods that are tailored to each individual’s lifestyle.



**“Grow and Evolve”**  
Fuji Media Holdings, Inc.

# 3. Growth Strategies Reflecting the Changing Business Environment

The **Diversification of Lifestyles** Due to Societal Changes and Advancements in Technology has **Further Accelerated** through the Covid-19 pandemic.

In order to meet **personalized needs**, we aspire to not only further enhance our “Contents”, but also broaden the range of content and services offered through multiple media and distribution channels, expanding our business scope.

## Boost the Production of Profitable Hit Contents

Improve content producing environment and  
Develop IP contents

Drive large-scale developments in Urban  
Development, Hotels & Resorts segment



## Expand the Scopes of Contents

Business development and promotion by  
leveraging group synergy and next-  
generation technologies

Revitalize the Daiba area



## Broaden Media/ Distribution Channel/Delivery Means

Develop, acquire and utilize new streaming/  
web media

Strengthen Relationships with Customers/Fans



## Expand Business Area

Accelerate the Global Expansion of In-  
House Contents and Products

Strengthen our ability of capture inbound  
demand



# 3. Growth Strategies for Media & Content Segment

## Create and Expand Multiple Contact Points with Customers

### ■ Reinforce the Value of Broadcast Ads

- └ Strive to increase ad shares by enhancing programs' values
- └ Develop new ad products

### ■ Expand Our Streaming Businesses

- └ Promote combined sales and promotion of broadcast and streaming

**Line Up Diverse Contents**  
for Any Scene in a Day, 24/7

## Strengthen Production System that Generates Hit Contents

- Strengthen Content Production Structure through Creator Development and Community Building
- Reinforce Inter-Segment and Intra-Group Cooperation
- Acquire and Develop Human Assets, such as Global Marketers



- Explore New Web Media following “grape”
- Further Digitally Utilize News/Information Contents through services such as “FNN Prime Online”
- Expediate Overseas Expansion, such as Cultivating New distribution channels
- Enhance our Brand by Reinforcing Fan Marketing and Improving Usability
- Develop Business that Utilize Contents' User IDs

**Actualize a Business Cycle that**  
**Enhances Consumers'**  
**Experiential Value**

## Accelerate Investments to Strengthen Contents

- Greater Investments in Creation of New IP, Growth or Venture Businesses
  - └ Develop dramas, music titles, and comics IPs
  - └ Develop businesses utilizing next-gen technologies that compliments existing entertainment businesses
- Promote Continuous Structural Reform
  - └ Invest managerial resources with higher efficiency

# 3.

## Growth Strategies for Urban Development, Hotels & Resorts

Expand Investments  
in Urban  
Development/  
Tourism Business



- Executed Capital Increase of ¥20 Billion to Sankei Building in March 2023
- Increased Borrowing with Capital Increase, Utilized for Growth Investment to Become a Driving Force for the Group's Improved Financial Results
- Will Promptly Raise Sankei Building Group's Operating Income Level to ¥20 Billion
- Will Maintain a Certain Level of Financial Discipline and Continue to Ensure Financial Soundness



THE SANKEI BUILDING CO.,LTD.

GRANVISTA  
HOTELS & RESORTS

Capture  
Rebounding  
Domestic and  
In-Bound  
Tourism

- Grand Opening of KOBE SUMA SEA WORLD in June 2024
- Resume Hotel Development to Meet Recovering Demands
- Establish Redevelopment Plans for Two Major Hubs in Sapporo
- Consider and Prepare for Participation in MICE/IR

Expand Growth  
Investment  
with Capital  
Expansion

- Discover Large Scale Development Projects on Par with Hareza Ikebukuro, Hommachi SankeiBuilding, or KOBE SUMA SEA WORLD
- Further Enhance New Types of Asset following Logistics Facilities and Data Centers
- Develop Media Synergistic Entertainment Domain like the Next-Gen Live Theater「harevutai」
- Reinforce Real Estate/ Redevelopment Businesses



# 4.

## Growth Investment and Shareholder Returns



### Investment for Growth

- Promote growth investment by reassessing and strategically utilizing the balance sheet

Expand external borrowings to invest in growth, setting the lower limit at 50% in capital ratio.

Promote capital allocation to invest in growth and return to shareholders based on cash generation from earnings, external borrowings, and review of portfolio assets.

- Reassess strategic shareholdings and employ them for growth investment

Aim to reduce strategic shareholdings to less than 20% of invested capital (sum of net assets and interest-bearing liabilities) (20.2% at the end of FY2022)



### Promote Shareholder Returns Improve Returns on Capital

- Aim to improve capital efficiency by maintaining stable dividends and flexible share repurchase

Resolved to repurchase up to ¥10 Billion own shares in May 2023

- Improve returns on capital by increasing profit through growth investment and structural reform along with above effort

- Aim for higher PBR by improving return on capital, prospecting for growth and promoting shareholder returns



### Improve Governance Structure Strengthen Human Assets

- Will set up Management Advisory Committee headed by independent outside director and majority of the board filled by independent outside directors (June 2023)

- Female manager Ratio Target: Over 30% by FY2030

\* 19% at present  
(for group companies with over 301 employees)

- Acquire and develop diverse human assets that can contribute to the realization of the growth strategy and new value creation

# 5.

## Sustainability/ Responding to Climate Change



### GHG (Greenhouse Gas) Emissions Group\*1 Reduction Target

**Reduce Emissions by 50%\*2 by FY2030**  
**Achieve Carbon Neutral by FY2050**

\*1) Fuji TV・Sankei Building・DINOS CORPORATION

\*2) as compared to 2013

Fuji TV

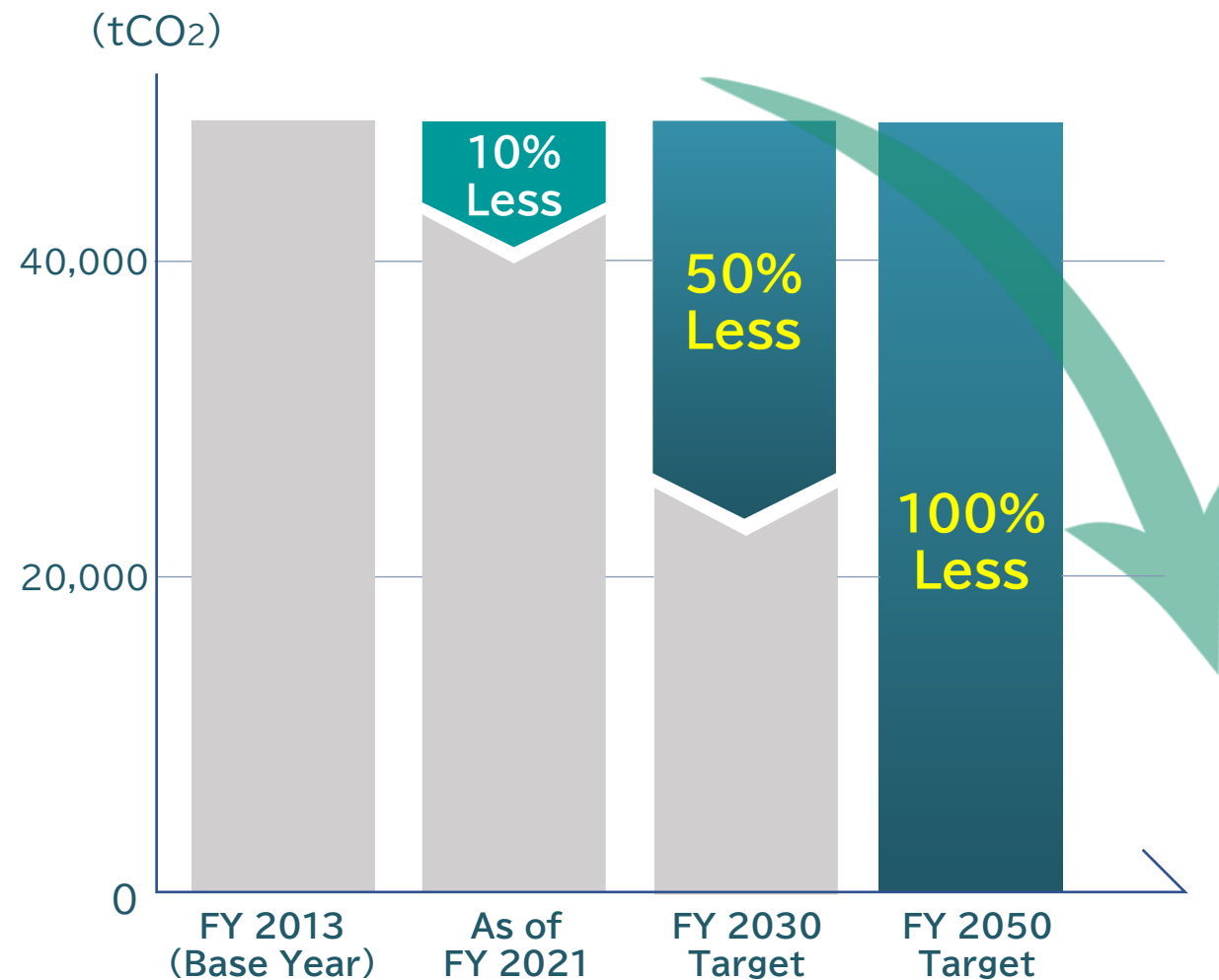
Will offset carbon emissions produced by use of electricity (Scope 2 of the GHG Protocol) in Daiba HQ and Wangan Studio by 100% in FY 2023

Sankei Building

In addition to ongoing energy saving measures such as promoting developments of Green Certified Buildings, installing LEDs in existing buildings, and modernizing heating systems, have begun energy creation by installing solar panels in new properties such as logistics centers.

DINOS CORPORATION

Shift from paper catalogs to EC, promote decarbonization in supply chains as well



# 6. Performance Targets

Promote Growth Investment/  
Advance Structural Reform

Improve Return on Capital

Maintain Stable Dividends

Flexible Share Repurchase

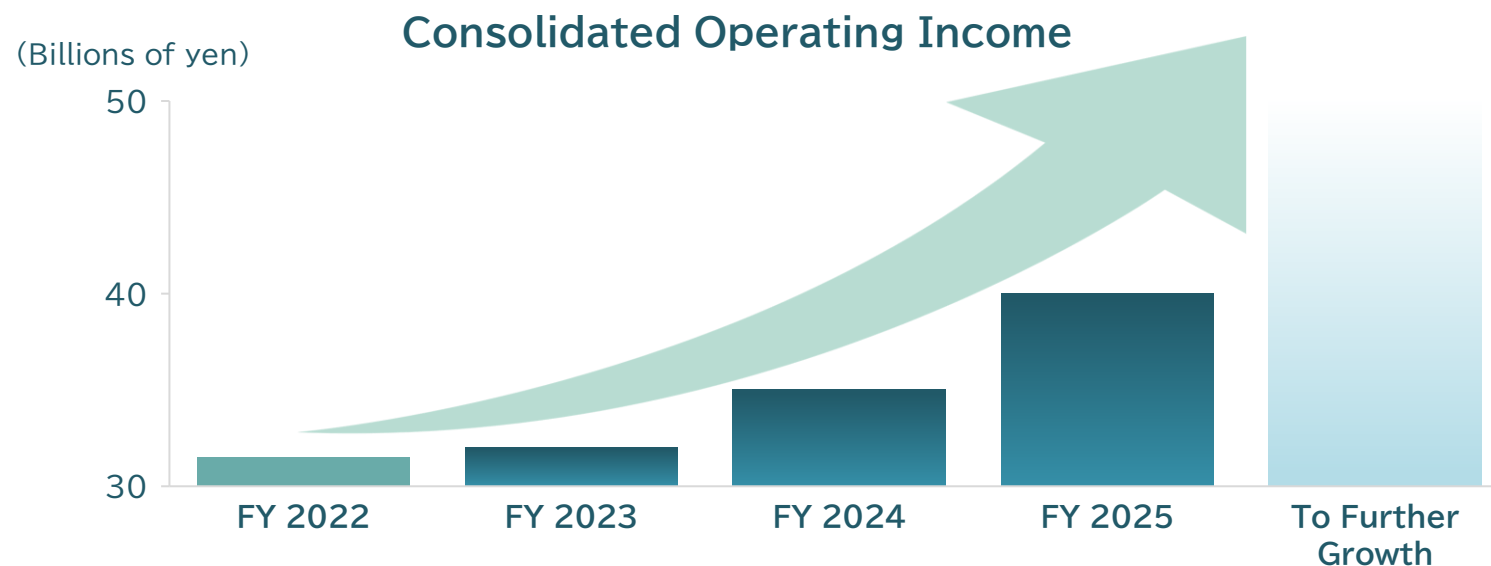
Reexamine Portfolio Assets

## Consolidated and Segment Operating Income Targets

(Billions of yen)

	FY 2022 (FY3/23) Results		FY 2025 (FY3/26) Target
Consolidated Operating Income	31.4		40.0
Media & Content Segment	17.5	▶▶	24.0
Urban Development, Hotels & Resorts Segment	15.1		18.0
Other	0.9		1.0

※Excluding Adjustments



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.

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