May 15, 2019

Flash Report [Japanese GAAP] (Consolidated Basis)

Results for the fiscal year ended March 31, 2019

Company name: Fuji Media Holdings, Inc.

Stock listing: Tokyo Stock Exchange Code number: 4676 URL: https://www.fujimediahd.co.jp/en
Representative: Masaki Miyauchi, President and Representative Director
Person to contact: Junji Okunogi, Senior Executive Director of Treasury & Finance Department
Telephone: +81-3-3570-8000 (key)
Scheduled date of the General Meeting of Shareholders: June 26, 2019
Scheduled date of commencing dividend payments: June 27, 2019
Scheduled date of filing securities report: June 26, 2019
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Scheduled

(Figures less than ¥1 million have been omitted.)

1. Consolidated Financial Results

(1) Business Performance

Years ended March 31

Percentages indicate year-on-year increases/(decreases).

	Net sales		Operating income		Recurring profit		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2019	669,230	3.5	34,709	37.4	41,975	19.5	23,627	(5.3)
2018	646,536	(1.1)	25,258	13.2	35,120	15.6	24,956	(8.9)

(Note) Comprehensive income: Year ended March 31, 2019: ¥33,797 million, (28.7)%,
Year ended March 31, 2018: ¥47,388 million, (1.5)%

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Recurring profit-to-total-assets ratio	Operating income-to-net-sales ratio
	Yen	Yen	%	%	%
2019	102.03	—	3.3	3.3	5.2
2018	107.80	—	3.6	2.9	3.9

(Reference) Equity in earnings of affiliates: Year ended March 31, 2019: ¥3,025 million,
Year ended March 31, 2018: ¥5,619 million

(Note) The "Partial Amendments to 'Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019, and accordingly figures for the fiscal year ended March 31, 2018 are retroactively adjusted.

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2019	1,290,484	743,348	56.5	3,150.57
2018	1,246,225	721,733	56.7	3,051.02

(Reference) Total shareholders' equity: March 31, 2019: ¥729,354 million,
March 31, 2018: ¥706,544 million

(Note) The "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019, and accordingly figures for the fiscal year ended March 31, 2018 are retroactively adjusted.

(3) Cash Flows

Years ended March 31

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2019	103,640	(99,386)	(7,310)	89,900
2018	46,735	(35,997)	3,110	93,155

2. Dividends

Years ended March 31, 2018 and 2019 / Year ending March 31, 2020

	Dividends per share					Total amount of dividends (for the entire fiscal year)	Payout ratio	Dividends-to-net assets ratio
	1Q	2Q	3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
2018	—	20.00	—	20.00	40.00	9,367	37.1	1.3
2019	—	22.00	—	22.00	44.00	10,304	43.1	1.4
2020 (Forecast)	—	22.00	—	22.00	—		30.0	

(Note) Breakdown of dividends per share for the year ended March 31, 2019:

2Q: Ordinary dividend: ¥20.00, Commemorative dividend: ¥2.00

Year-end: Ordinary dividend: ¥20.00, Commemorative dividend: ¥2.00

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020

Percentages indicate year-on-year increases/(decreases).

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	639,500	(4.4)	28,500	(17.9)	34,000	(19.0)

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year	33,900	43.5	146.44

Notes:

1. Significant changes in subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the subject period: None

   Additions: None Deletions: None

2. Changes in accounting policies, changes in accounting estimates, and modifications and restatements:
   1) Changes in accounting policies based on revision of accounting standards: None
   2) Changes in accounting policies other than 1) above: None
   3) Changes in accounting estimates: None
   4) Modifications and restatements: None

3. Number of issued shares (Common stock)

	Years ended March 31	
	2019	2018
1) Number of issued shares (including treasury stock) at end of fiscal year (shares)	234,194,500	236,429,800
2) Number of treasury stock at end of fiscal year (shares)	2,695,505	4,853,511
3) Average number of issued shares during the fiscal year (shares)	231,574,541	231,497,098

(Reference) Flash Report (Non-Consolidated Basis)

Non-Consolidated Financial Results for the Fiscal Year ended March 31, 2019

(1) Business Performance

Years ended March 31 Percentages indicate year-on-year increases/(decreases).

	Net sales		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2019	12,684	(4.9)	6,211	12.3	10,586	9.9	11,215	2.6
2018	13,333	(8.8)	5,532	(25.3)	9,636	(10.8)	10,927	4.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2019	47.89	—
2018	46.66	—

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2019	805,259	540,706	67.1	2,308.79
2018	774,301	529,308	68.4	2,260.12

(Reference) Total shareholders' equity: March 31, 2019: ¥540,706 million, March 31, 2018: ¥529,308 million

These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

Explanation of appropriate use of forecasts of financial results; other important items

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release and certain assumptions considered rational. Actual results may differ materially from the forecasts due to various factors in the future. Regarding the assumptions forming the forecast of financial results, please refer to "1. OVERVIEW OF BUSINESS RESULTS, ETC.: (4) Future Outlook" on pages 9 to 10.

CONTENTS OF ATTACHMENT

1. OVERVIEW OF BUSINESS RESULTS, ETC.

(1) Overview of Business Results for the Fiscal Year under Review

The Japanese government's Monthly Economic Report on the Japanese economy for the fiscal year ended March 31, 2019 states, "Concerning short-term prospects, weakness remains for the time being in some areas, but the economy is expected to continue recovering moderately, supported by the effects of various government policy measures, while the employment and income situation is improving. However, attention should be given to the effects of situations over trade issues on the world economy, the prospect of the Chinese economy, the uncertainty of situations and policies in overseas economies and the effects of fluctuations in the financial and capital markets." It states that firms' judgement on current business conditions are "almost flat."

Amid this economic environment, the consolidated net sales of Fuji Media Holdings Group (the "Group") increased overall during the fiscal year under review, up 3.5% from the previous fiscal year to ¥669,230 million, as increases in the Urban Development, Hotels & Resorts segment offset decreases in the Media & Content and Other segments.

In terms of earnings, operating income increased 37.4% year-on-year to ¥34,709 million, as increases in the Media & Content and Urban Development, Hotels & Resorts segments offset decreases in the Other segment. Recurring profit increased 19.5% from the previous fiscal year to ¥41,975 million, though net income attributable to owners of the parent decreased 5.3% year-on-year to ¥23,627 million due to impairment loss recorded as an extraordinary loss.

On May 10, 2018, the Board of Directors of the Company resolved to change the segment categories.

In the previous fiscal year, the Group's segments were "Broadcasting," "Production," "Video and Music," "Life Information," "Advertising," "Urban Development" and "Other." Starting from the fiscal year under review, they are "Media & Content," "Urban Development, Hotels & Resorts" and "Other."

Results by operating segment are as follows. Note that the information on amounts for the previous fiscal year is presented based on the operating segments after the change.

Years ended March 31

	Net sales			Operating income		
	2018	**2019**	Change	2018	**2019**	Change
	Millions of yen	**Millions of yen**	%	Millions of yen	**Millions of yen**	%
Media & Content	532,224	**526,568**	(1.1)	11,839	**16,987**	43.5
Urban Development, Hotels & Resorts	108,939	**137,381**	26.1	14,171	**18,029**	27.2
Other	20,105	**19,062**	(5.2)	662	**555**	(16.1)
Eliminations	(14,732)	**(13,781)**	—	(1,415)	**(863)**	—
Total	646,536	**669,230**	3.5	25,258	**34,709**	37.4

Media & Content

Fuji Television Network, Inc. ("Fuji TV"), the core subsidiary of the Group, recorded an increase in net sales for the first time in seven fiscal years, and an increase in operating income for the second straight fiscal year. The movie business, which had a string of major hits, and other businesses made a significant contribution to net sales and earnings, while company-wide restructuring made advances in the efficient management of costs.

Among mainstay broadcasting businesses, network time advertising sales (time advertising for nationwide broadcast) posted ¥80,449 million, up 0.7% year-on-year, recording an increase for the first time in six fiscal years. Regular sales progressed stably during the programming changeover season, and one-off sales during the "2018 FIFA World Cup Russia" in June offset a reactionary drop in sales after the PyeongChang Olympic Games in the previous fiscal year.

Meanwhile, local time advertising sales (time advertising for the Kanto region) decreased 1.2% year-on-year to ¥13,290 million, due in part to changes to sales categories.

In terms of spot advertising sales, the advertising market slumped, especially in the first half of the fiscal year under review, and regional advertising demand declined for the second straight fiscal year. By industry category, "Travel/Leisure," "Fast Foods/Services," "Finance/Insurance," etc. rose above the previous-year levels, while "Cosmetics/Toiletries," "Beverage (Nonalcoholic)," "Apparel/Accessories," etc. fell below the previous-year levels. As a result, net sales decreased 5.0% year-on-year to ¥92,543 million.

With regard to other broadcasting business, in the move business, CODE BLUE The Movie was number one on the Japanese movie charts in 2018 and pulled in ¥9,300 million at the box office. The business had a number of other hits as well, including SHOPLIFTERS and MASQUERADE HOTEL. Additionally, the major Cirque Du Soleil production Kurios contributed to the event business and merchandising business throughout the year. As a result, revenue from other broadcasting business increased 30.6% year-on-year to ¥49,473 million.

As a result of the above, net sales for Fuji TV as a whole increased 2.8% year-on-year to ¥267,970 million. Operating income increased 127.8% year-on-year to ¥10,213 million.

Fuji Satellite Broadcasting, Inc. (BS Fuji) recorded an overall growth in net sales, with the growth in revenue from other businesses offsetting decreases in time and spot advertising revenues. Earnings decreased due to an increase in expenses arising from the start of BS 4K-resolution broadcasts.

Although Nippon Broadcasting System, Inc. had a loss in revenue due to sluggish performance of the broadcasting and radio shopping businesses, despite strong performance of the event business, it posted an increase in earnings through cost controls.

Pony Canyon Inc. posted increased revenue and earnings, due to strong earnings by streaming, events and other divisions.

Fujipacific Music Inc. recorded increased revenue and earnings, with increased revenue from master recording usage fees, video production and management offsetting a decrease in royalty revenue.

The Dinos business of Dinos Cecile Co., Ltd. recorded increased revenue, as sluggish performance of catalog shopping due to inclement weather was offset by continued strong performance of television shopping, especially beauty and health products. The Cecile business recorded decreased revenue due mainly to the effect of shipping fee changes. As a result, Dinos Cecile Co., Ltd. had overall decreases in revenue and earnings.

Quaras Inc. posted increased revenue and earnings, with strong performance of event and advertising production.

As a result of the above, for the Media & Content segment overall, net sales declined 1.1% from the previous fiscal year to ¥526,568 million, but segment operating income posted a sharp year-on-year increase of 43.5% to ¥16,987 million.

Urban Development, Hotels & Resorts

The Sankei Building Co., Ltd. recorded increases in both revenue and earnings, with increased revenue in the office building business due to continued robust office demand, and the sale of some of properties of the asset development business to SANKEI REAL ESTATE Inc., which was established in March 2019.

GRANVISTA Hotels & Resorts Co., Ltd. posted decreases in both revenue and earnings, due mainly to the closing of some hotels and the effects of natural disasters in Hokkaido.

As a result of the above, the Urban Development, Hotels & Resorts segment had net sales of ¥137,381 million, up 26.1% from the previous fiscal year, with segment operating income up 27.2% to ¥18,029 million.

Other

Net sales in the Other segment overall decreased 5.2% from the previous fiscal year to ¥19,062 million, and segment operating income decreased 16.1% from the previous fiscal year to ¥555 million.

The twelve Fuji TV network affiliates, along with WOWOW Inc. and ITOCHU Fuji Partners, Inc. contributed to the equity in earnings of affiliates.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review (March 31, 2019) amounted to ¥1,290,484 million, an increase of ¥44,258 million (3.6%) from the end of the previous fiscal year (March 31, 2018).

Total current assets amounted to ¥407,606 million, an increase of ¥10,844 million (2.7%) from the end of the previous fiscal year. This was due mainly to an increase of ¥23,697 million in marketable securities; against a decrease of ¥9,361 million in cash and deposits.

Total noncurrent assets amounted to ¥882,319 million, an increase of ¥33,184 million (3.9%) from the end of the previous fiscal year. This was due mainly to increases of ¥25,873 million in land and ¥25,074 million in investment securities; against decreases of ¥14,664 million in leasehold right as a result of factors, including the purchase of ownership of the land for the Fuji TV Headquarters building, and ¥11,420 million in buildings and structures.

Total liabilities amounted to ¥547,136 million, an increase of ¥22,644 million (4.3%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥190,782 million, an increase of ¥4,514 million (2.4%) from the end of the previous fiscal year. This was due mainly to increases of ¥13,908 million in electronically recorded obligations-operating and ¥4,543 million in accrued income taxes; against decreases of ¥9,714 million in notes and accounts payable-trade and ¥6,799 million in short-term loans payable.

Total noncurrent liabilities amounted to ¥356,353 million, an increase of ¥18,129 million (5.4%) from the end of the previous fiscal year. This was due mainly to increases of ¥13,551 million in long-term loans payable and ¥3,147 million in deferred tax liabilities.

Net assets amounted to ¥743,348 million, an increase of ¥21,614 million (3.0%) from the end of the previous fiscal year. This was due mainly to the recording of ¥23,627 million in net income attributable to owners of the parent; against the payment of ¥9,836 million in dividends of surplus and a decrease of ¥1,195 million in non-controlling interests. Treasury stock was canceled during the fiscal year under review, and accordingly treasury stock and retained earnings both decreased by ¥5,662 million, respectively.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash flows during the fiscal year under review were as follows.

Cash provided by operating activities amounted to ¥103,640 million, an increase of ¥56,905 million (121.8%) from cash provided during the previous fiscal year. This was due mainly to a ¥34,854 million increase in inventories and a ¥5,136 million increase in notes and accounts receivable-trade.

Cash used in investing activities amounted to ¥99,386 million, an increase of ¥63,388 million (176.1%) from cash used in the previous fiscal year. This was due mainly to a ¥29,449 million increase in payments on purchase of property, plant and equipment and a ¥27,601 million increase in payments on purchase of marketable securities.

Cash used in financing activities amounted to ¥7,310 million, compared to ¥3,110 million provided in the previous fiscal year, a difference of ¥10,421 million yen. This was due mainly to a ¥21,927 increase in repayments of long-term loans payable and an ¥8,500 million decrease in proceeds from long-term loans payable; against a ¥14,552 million net increase in short-term loans payable and a ¥10,000 million decrease in redemption of bonds.

As a result, the balance of cash and cash equivalents at the end of the fiscal year under review amounted to ¥89,900 million, a decrease of ¥3,255 million (3.5%) from the end of the previous fiscal year.

(Reference) Trends in cash flow indices are shown below:

Years ended March 31

	2015	2016	2017	2018	**2019**
Equity ratio (%)	59.4	55.4	56.3	56.7	**56.5**
Equity ratio, based on market value (%)	37.0	25.1	29.9	33.7	**27.4**
Ratio of interest-bearing debt to cash flow (times)	3.4	7.4	4.2	4.6	**2.1**
Interest coverage ratio (times)	26.0	15.6	31.0	38.4	**90.2**

Notes: Equity ratio: shareholders' equity/ total assets

Market-based rate of equity ratio: total market capitalization/ total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt/ cash flows

Interest coverage ratio: cash flows/ interest expense

*1. All indices are calculated on a consolidated basis.

*2. The total market value of stocks is calculated by multiplying market value at the balance sheet date by the number of shares issued (with shares of treasury stock deducted) at the balance sheet date.

*3. "Cash flows" refers to cash flows provided by (used in) operating activities as shown in the consolidated statements of cash flows.

*4. "Interest-bearing debt" refers to all debts listed in the consolidated balance sheets on which the Company pays interest. "Interest payments" denotes interest payments as reflected in the consolidated statements of cash flows.

*5. The Company adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ended March 31, 2019. Accordingly, the standards have been retroactively applied to the indicators for the fiscal year ended March 31, 2018.

(4) Future Outlook

The Japanese economy is expected to make a moderate recovery partly as a result of various government policy measures.

Amid such circumstances, while the Media & Content segment is expected to remain strong, decreases in both revenue and earnings in the Urban Development, Hotels & Resorts segment are anticipated due to factors, including a reactionary decline reflecting the sale by The Sankei Building Co., Ltd. of some of its properties to SANKEI REAL ESTATE Inc. in the fiscal year under review. As a result, net sales, operating income and recurring profit on a consolidated basis are forecasted to fall below the results for the fiscal year under review, while net income attributable to owners of the parent is expected to exceed the results for the fiscal year under review due to the reporting of a gain on transfer of benefit obligation relating to employees' pension fund as an extraordinary gain.

Consequently, reflecting the above, the Company is forecasting consolidated net sales of ¥639.5 billion, with operating income of ¥28.5 billion, recurring profit of ¥34.0 billion and net income attributable to owners of the parent of ¥33.9 billion for the fiscal year ending March 31, 2020.

2. BASIC STANCE ON SELECTION OF ACCOUNTING STANDARDS

The Group's policy is to prepare its consolidated financial statements based on Japanese standards for the time being, considering the comparability of consolidated financial statements among periods and among companies.

Regarding the application of the IFRS (International Financial Reporting Standards), its policy is to respond appropriately, considering the various conditions inside and outside Japan.

3. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2018	**March 31, 2019**
ASSETS		
Current assets:		
Cash and deposits	85,017	**75,655**
Notes and accounts receivable-trade	114,201	**112,994**
Marketable securities	83,602	**107,300**
Inventories	78,580	**74,192**
Other	36,043	**38,179**
Allowance for doubtful accounts	(683)	**(715)**
Total current assets	396,762	**407,606**
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	145,426	**134,005**
Machinery, equipment and vehicles, net	9,291	**9,163**
Land	240,295	**266,168**
Construction in progress	11,591	**18,804**
Other, net	9,685	**10,055**
Total property, plant and equipment	416,290	**438,197**
Intangible assets		
Goodwill	1,145	**923**
Leasehold right	18,317	**3,652**
Software	7,278	**7,330**
Other	7,357	**6,129**
Total intangible assets	34,098	**18,035**
Investments and other assets		
Investment securities	352,962	**378,036**
Net defined benefit asset	696	**296**
Deferred tax assets	19,633	**20,036**
Other	26,929	**29,523**
Allowance for doubtful accounts	(1,475)	**(1,807)**
Total investments and other assets	398,746	**426,085**
Total noncurrent assets	849,134	**882,319**
Deferred assets	328	**558**
Total assets	1,246,225	**1,290,484**

	Millions of yen	
	March 31, 2018	**March 31, 2019**
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	57,510	**47,796**
Electronically recorded obligations-operating	1,310	**15,218**
Short-term loans payable	48,724	**41,924**
Accrued income taxes	5,177	**9,720**
Provision for sales returns	659	**990**
Provision for directors’ bonuses	335	**392**
Provision for point card certificates	567	**448**
Provision for loss on reconstruction	476	**—**
Provision for environmental measures	17	**—**
Provision for loss on closing of office	116	**—**
Other	71,372	**74,291**
Total current liabilities	186,267	**190,782**
Noncurrent liabilities:		
Bonds payable	20,000	**20,000**
Long-term loans payable	143,512	**157,063**
Deferred tax liabilities	73,729	**76,877**
Deferred tax liabilities for land revaluation	12,554	**12,123**
Provision for directors’ retirement benefits	2,131	**2,272**
Provision for environmental measures	46	**46**
Provision for loss on guarantees	—	**37**
Net defined benefit liability	65,020	**65,747**
Negative goodwill	4,055	**3,481**
Other	17,173	**18,703**
Total noncurrent liabilities	338,224	**356,353**
Total liabilities	524,491	**547,136**
NET ASSETS		
Shareholders’ equity:		
Capital stock	146,200	**146,200**
Capital surplus	173,676	**173,680**
Retained earnings	306,997	**315,956**
Treasury stock	(9,354)	**(3,808)**
Total shareholders’ equity	617,519	**632,029**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	98,313	**107,804**
Deferred gains or losses on hedges	(400)	**(205)**
Revaluation reserve for land	1,448	**616**
Foreign currency translation adjustment	(574)	**(995)**
Remeasurements of defined benefit plans	(9,760)	**(9,893)**
Total accumulated other comprehensive income	89,024	**97,325**
Non-controlling interests	15,189	**13,993**
Total net assets	721,733	**743,348**
Total liabilities and net assets	1,246,225	**1,290,484**

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Years ended March 31

	Millions of yen	
	2018	**2019**
Net sales	646,536	**669,230**
Cost of sales	448,170	**471,411**
Gross profit	198,366	**197,819**
Selling, general and administrative expenses	173,108	**163,109**
Operating income	25,258	**34,709**
Non-operating income:		
Interest income	241	**207**
Dividends income	2,987	**2,943**
Equity in earnings of affiliates	5,619	**3,025**
Amortization of negative goodwill	578	**573**
Gain on investments in partnership	682	**1,007**
Other	1,569	**1,380**
Total	11,680	**9,137**
Non-operating expenses:		
Interests	1,204	**1,169**
Loss on investments in partnership	154	**122**
Other	460	**579**
Total	1,818	**1,872**
Recurring profit	35,120	**41,975**
Extraordinary gain:		
Gain on sales of investment securities	2,820	**1,638**
Compensation for forced relocation	—	**497**
Other	393	**297**
Total	3,214	**2,433**
Extraordinary loss:		
Impairment loss	237	**6,326**
Loss on withdrawal from business	—	**816**
Loss on business restructuring	1,661	**—**
Other	4,375	**909**
Total	6,274	**8,052**
Income before income taxes	32,059	**36,355**
Income taxes-current	7,063	**12,079**
Income taxes-deferred	(724)	**(1,380)**
Total	6,339	**10,698**
Net income	25,720	**25,656**
Net income attributable to non-controlling interests	764	**2,029**
Net income attributable to owners of the parent	24,956	**23,627**

Consolidated Statements of Comprehensive Income

Years ended March 31

	Millions of yen	
	2018	**2019**
Net income	25,720	**25,656**
Other comprehensive income:		
Valuation difference on available-for-sale securities	20,095	**9,455**
Deferred gains or losses on hedges	(68)	**45**
Revaluation reserve for land	—	**(975)**
Foreign currency translation adjustment	(638)	**(343)**
Remeasurements of defined benefit plans	2,124	**(128)**
Share of other comprehensive income of affiliates accounted for using equity method	154	**87**
Total other comprehensive income	21,668	**8,140**
Comprehensive income	47,388	**33,797**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	46,550	**31,928**
Comprehensive income attributable to non-controlling interests	838	**1,869**

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2018 Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of fiscal year	146,200	173,673	290,788	(10,248)	600,413
Changes of items during the fiscal year:					
Dividends from surplus			(9,350)		(9,350)
Net income attributable to owners of the parent			24,956		24,956
Purchase of treasury stock				(0)	(0)
Change in equity in affiliates accounted for by equity method – treasury stock				(123)	(123)
Reversal of revaluation reserve for land			18		18
Disposal of treasury stock		(47)		1,017	969
Change of scope of consolidation			709		709
Change of scope of equity method			(124)		(124)
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests		50			50
Net changes of items other than shareholders' equity					
Total	—	3	16,209	894	17,106
Balance at the current year-end	146,200	173,676	306,997	(9,354)	617,519

(Continued on page 16)

	Accumulated other comprehensive income						**Non-con-trolling interests**	**Total net assets**
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total		
Balance at the beginning of fiscal year	78,202	(325)	1,466	46	(11,958)	67,430	14,219	682,062
Changes of items during the fiscal year:								
Dividends from surplus								(9,350)
Net income attributable to owners of the parent								24,956
Purchase of treasury stock								(0)
Change in equity in affiliates accounted for by equity method – treasury stock								(123)
Reversal of revaluation reserve for land								18
Disposal of treasury stock								969
Change of scope of consolidation								709
Change of scope of equity method								(124)
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests								50
Net changes of items other than shareholders' equity	20,111	(75)	(18)	(621)	2,197	21,594	970	22,564
Total	20,111	(75)	(18)	(621)	2,197	21,594	970	39,671
Balance at the current year-end	98,313	(400)	1,448	(574)	(9,760)	89,024	15,189	721,733

Year ended March 31, 2019 Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of fiscal year	146,200	173,676	306,997	(9,354)	617,519
Changes of items during the fiscal year:					
Dividends from surplus			(9,836)		(9,836)
Net income attributable to owners of the parent			23,627		23,627
Purchase of treasury stock				(0)	(0)
Change in equity in affiliates accounted for by equity method – treasury stock				(117)	(117)
Reversal of revaluation reserve for land			831		831
Cancellation of treasury stock			(5,662)	5,662	—
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests		4			4
Net changes of items other than shareholders' equity					
Total	—	4	8,959	5,545	14,509
Balance at the current year-end	146,200	173,680	315,956	(3,808)	632,029

(Continued on page 18)

	Accumulated other comprehensive income						**Non-con-trolling interests**	**Total net assets**
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total		
Balance at the beginning of fiscal year	98,313	(400)	1,448	(574)	(9,760)	89,024	15,189	721,733
Changes of items during the fiscal year:								
Dividends from surplus								(9,836)
Net income attributable to owners of the parent								23,627
Purchase of treasury stock								(0)
Change in equity in affiliates accounted for by equity method – treasury stock								(117)
Reversal of revaluation reserve for land								831
Cancellation of treasury stock								—
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests								4
Net changes of items other than shareholders' equity	9,490	195	(831)	(420)	(133)	8,301	(1,195)	7,105
Total	9,490	195	(831)	(420)	(133)	8,301	(1,195)	21,614
Balance at the current year-end	107,804	(205)	616	(995)	(9,893)	97,325	13,993	743,348

(4) Consolidated Statements of Cash Flows

Years ended March 31

	Millions of yen	
	2018	**2019**
Cash flows from operating activities:		
Income before income taxes	32,059	**36,355**
Depreciation and amortization	18,569	**17,645**
Impairment loss	237	**6,326**
Amortization of goodwill	(339)	**(351)**
Increase (decrease) in net defined benefit liability	(1,571)	**(1,297)**
Interest and dividends income	(3,229)	**(3,150)**
Interest expenses	1,204	**1,169**
Equity in (earnings) losses of affiliates	(5,619)	**(3,025)**
Loss (gain) on sales of investment securities	(707)	**(1,595)**
Decrease (increase) in notes and accounts receivable-trade	(4,025)	**1,110**
Decrease (increase) in inventories	9,342	**44,197**
Increase (decrease) in notes and accounts payable-trade	3,663	**4,210**
Other	1,270	**5,939**
Subtotal	50,855	**107,532**
Interest and dividends income received	4,363	**4,401**
Interest expenses paid	(1,216)	**(1,148)**
Income taxes paid	(8,987)	**(9,061)**
Income taxes refunded	1,720	**1,916**
Net cash provided by operating activities	46,735	**103,640**
Cash flows from investing activities:		
Payments on purchase of marketable securities	(176,313)	**(203,914)**
Proceeds from sales and redemption of securities	187,748	**185,391**
Payments on purchase of property, plant and equipment	(39,021)	**(68,470)**
Payments on purchase of intangible assets	(5,219)	**(3,433)**
Payments on purchase of investment securities	(9,744)	**(15,421)**
Proceeds from sales and redemption of investment securities	6,504	**7,591**
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	622	**—**
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(808)	**—**
Other	232	**(1,128)**
Net cash used in investing activities	(35,997)	**(99,386)**

(Continued on page 20)

	Millions of yen	
	2018	**2019**
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(2,552)	**12,000**
Proceeds from long-term loans payable	31,000	**22,500**
Repayments of long-term loans payable	(5,822)	**(27,749)**
Redemption of bonds	(10,000)	**—**
Dividends paid	(9,343)	**(9,825)**
Dividends paid to non-controlling shareholders	(497)	**(764)**
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(266)	**(3,004)**
Other	591	**(467)**
Net cash provided by (used in) financing activities	3,110	**(7,310)**
Effect of exchange rate changes on cash and cash equivalents	(394)	**(199)**
Net increase (decrease) in cash and cash equivalents	13,452	**(3,256)**
Cash and cash equivalents at the beginning of the year	78,161	**93,155**
Increase in cash and cash equivalents from the new consolidation of a subsidiary	1,541	**—**
Increase in cash and cash equivalents resulting from merger	—	**0**
Cash and cash equivalents at the end of the year	93,155	**89,900**

(5) Notes to Consolidated Financial Statements

(Note on Assumptions for Going Concern)

Not applicable

(Changes in Presentation)

Consolidated Balance Sheets

"Electronically recorded obligations-operating," which was included in "Notes and accounts payable-trade" under "Current liabilities" in the previous fiscal year, is shown separately from the fiscal year under review due to its increased significance.

The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect the change in presentation.

As a result, the amount of ¥58,820 million which was presented as "Notes and accounts payable-trade" under "Current liabilities" in the consolidated balance sheet for the previous fiscal year is reclassified as ¥57,510 million in "Notes and accounts payable-trade" and ¥1,310 million in "Electronically recorded obligations-operating."

Consolidated Statements of Income

"Impairment loss," which was included in "Other" under "Extraordinary loss" in the previous fiscal year, is shown separately from the fiscal year under review, as the amount of such loss exceeded 10% of the total extraordinary loss.

"Loss on sales of investment securities" under "Extraordinary loss," which was separately shown in the previous fiscal year, is included in "Other" from the fiscal year under review, as the amount of such loss fell below 10% of the total extraordinary loss.

The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect these changes in presentation.

As a result, the amount of ¥2,113 million which was presented as "Loss on sales of investment securities" and the amount of ¥2,499 million which was presented as "Other" under "Extraordinary loss" in the consolidated statement of income for the previous fiscal year are reclassified as ¥237 million in "Impairment loss" and ¥4,375 million in "Other."

Consolidated Statements of Cash Flows

"Impairment loss," which was included in "Other" under "Cash flows from operating activities" and "Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation," which was included in "Other" under "Cash flows from financing activities" in the previous fiscal year, are shown separately from the fiscal year under review due to their increased significance.

The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect these changes in presentation.

As a result, the amount of ¥1,508 million which was presented as "Other" under "Cash flows from operating activities" in the consolidated statement of cash flows for the previous fiscal year is reclassified as ¥237 million in "Impairment loss" and ¥1,270 million in "Other," and the amount of ¥325 million which was presented as "Other" under "Cash flows from financing activities" in the previous fiscal year is reclassified as negative ¥266 million in "Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation” and ¥591 million in “Other.”

(Changes due to the application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

The “Partial Amendments to ‘Accounting Standard for Tax Effect Accounting’” (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the fiscal year under review, and accordingly deferred tax assets are included in the item of investments and other assets, and deferred tax liabilities are included in the item of noncurrent liabilities.

As a result, ¥3,956 million of the ¥7,140 million in “Deferred tax assets” under “Current assets,” ¥13 million of the ¥14 million in “Deferred tax liabilities” included in “Other” under “Current liabilities” and ¥135 million of the ¥77,049 million in “Deferred tax liabilities” under “Noncurrent liabilities” in the consolidated balance sheet for the previous fiscal year are included in the ¥19,633 million in “Deferred tax assets” under “Investments and other assets” in the fiscal year under review; and ¥3,184 million of the ¥7,140 million in “Deferred tax assets” under “Current assets” and ¥0 million of the ¥14 million in “Deferred tax liabilities” under “Current liabilities” in the consolidated balance sheet of the previous fiscal year are included in the ¥73,729 million in “Deferred tax liabilities” under “Noncurrent liabilities” in the fiscal year under review.

(Segment Information)

1. Overview of Reported Segments

The Company's reported segments allow it to acquire financial data separated into the various components of the corporate group. The scope of the segments is reviewed on a regular basis in order to allow the Board of Directors to determine the allocation of management resources and evaluate earnings performance.

The Group comprises affiliated companies under the Company as a certified broadcast holding company. These affiliates conduct broadcast-related business activities centering on the mainstay business of broadcasting as prescribed by the Broadcast Act. The Group's two reported segments are "Media & Content" and "Urban Development, Hotels & Resorts."

The "Media & Content" segment includes mainly broadcasting as prescribed by the Broadcast Act; production of TV programming, movies, animations, games and events; sale of videos and music software; music publication; advertisement and direct marketing; while the "Urban Development, Hotels & Resorts" segment includes mainly building leasing, real-estate transactions, hotels and resorts, etc.

(Matters concerning Changes of the Reported Segment)

On May 10, 2018, the Board of Directors of the Company resolved to change the segment categories.

The Group has announced a medium-term business plan aimed at enhancing its earnings capabilities based on powerful media and attractive content, while responding to such changes in the environment as innovations in Internet technologies and the spread of digital devices, as well as increasing investment in growth fields, building a more solid business portfolio and sustaining future-oriented growth of the Group. Under the medium-term business plan, businesses related to media and content have been aggregated into the same segment to enhance the Group's earnings capabilities, while the Urban Development, Hotels & Resorts business is positioned as one of the Group's two main pillars and the Group aims for further growth over the medium to long term through strategic investments.

Accordingly, the segments classified as "Broadcasting," "Production," "Video and Music," "Life Information," "Advertising," "Urban Development" and "Other" in the previous fiscal year are changed into "Media & Content," "Urban Development, Hotels & Resorts" and "Other" starting from the fiscal year under review.

Note that the segment information for the previous fiscal year is presented based on the reported segments after the change in "3. Information on Amounts of Net Sales, Profit or Loss, Assets and Other Items by Reported Segment."

As stated in "(Changes in Presentation)," the "Partial Amendments to Accounting Standard for Tax Effect Accounting" has been applied from the beginning of the fiscal year under review, and accordingly, deferred tax assets are presented under investment and other assets, and deferred tax liabilities are presented under noncurrent liabilities. As a result of this change, segment assets decreased by ¥691 million in the "Media & Content" segment, ¥2,630 million in the "Urban

Development, Hotels & Resorts" and ¥11 million in the "Other" segment for the previous fiscal year.

2. Calculation Methods for Amounts of Net Sales, Profit or Loss, Assets and Other Items by Reported Segment

The accounting methods for reported business segments are basically the same as those for the significant items that form the basis for preparation of the consolidated financial statements. Profit figures for reported segments are on an operating income basis. Inter-segment net sales and transfers are based on prevailing market prices.

3. Information on Amounts of Net Sales, Profit or Loss, Assets and Other Items by Reported Segment

Year ended March 31, 2018 (Millions of yen)

	Reported segment			Other (Note 1)	Total	Adjustment (Notes 2, 3)	Consolidated financial statements (Note 4)
	Media & Content	Urban Development, Hotels & Resorts	Total				
Net sales:							
Net sales to third parties	531,632	108,389	640,022	6,514	646,536	—	646,536
Inter-segment net sales and transfers	591	550	1,141	13,590	14,732	(14,732)	—
Total net sales	532,224	108,939	641,164	20,105	661,269	(14,732)	646,536
Segment operating income	11,839	14,171	26,011	662	26,673	(1,415)	25,258
Segment assets	549,061	415,537	964,598	18,716	983,315	262,910	1,246,225
Other:							
Depreciation	13,673	4,700	18,374	475	18,849	(279)	18,569
Amortization of goodwill	73	166	239	0	239	—	239
Increase in property, plant and equipment and intangible assets	10,864	35,050	45,915	685	46,600	(330)	46,269

Notes:
1. The "Other" category is a business segment not included in reported segments. It includes such operations as temporary agency services, movables leasing and software development.
2. The segment operating income adjustment of minus ¥1,415 million mainly comprises ¥4,034 million in eliminations of inter-segment business, together with minus ¥5,449 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.
3. The segment assets adjustment of ¥262,910 million mainly comprises minus ¥455,046 million in inter-segment credit eliminations, together with ¥717,957 million in Group-wide assets not allocated to a particular reported segment. Group-wide assets mainly included the Company's surplus funds (cash and deposits, marketable securities, etc.), funds for long-term investment (investment securities, etc.), and assets connected with management divisions.
4. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

Year ended March 31, 2019 (Millions of yen)

	Reported segment			Other (Note 1)	Total	Adjustment (Notes 2, 3)	Consolidated financial statements (Note 4)
	Media & Content	Urban Development, Hotels & Resorts	Total				
Net sales:							
Net sales to third parties	525,954	136,883	662,838	6,392	669,230	—	669,230
Inter-segment net sales and transfers	613	497	1,111	12,670	13,781	(13,781)	—
Total net sales	526,568	137,381	663,950	19,062	683,012	(13,781)	669,230
Segment operating income	16,987	18,029	35,017	555	35,573	(863)	34,709
Segment assets	572,042	432,471	1,004,514	18,823	1,023,338	267,146	1,290,484
Other							
Depreciation	12,328	5,109	17,438	501	17,939	(294)	17,645
Amortization of goodwill	55	166	221	0	221	—	221
Increase in property, plant and equipment and intangible assets	27,608	46,581	74,190	912	75,102	(318)	74,784

Notes:
1. The "Other" category is a business segment not included in reported segments. It includes such operations as temporary agency services, movables leasing and software development.
2. The segment operating income adjustment of minus ¥863 million mainly comprises ¥3,680 million in eliminations of inter-segment business, together with minus ¥4,543 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.
3. The segment assets adjustment of ¥267,146 million mainly comprises minus ¥468,650 million in inter-segment credit eliminations, together with ¥735,797 million in Group-wide assets not allocated to a particular reported segment. Group-wide assets mainly included the Company's surplus funds (cash and deposits, marketable securities, etc.), funds for long-term investment (investment securities, etc.), and assets connected with management divisions.
4. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

(Amounts per Share)

The amounts of net assets per share and basic earnings per share with their respective bases for calculating are as follows.

	March 31, 2018	**March 31, 2019**
(1) Net assets per share (Yen)	3,051.02	**3,150.57**
(Basis for calculating)		
Total net assets on the consolidated balance sheet (Millions of yen)	721,733	**743,348**
Total net assets related to shares of common stock (Millions of yen)	706,544	**729,354**
Major components of the difference (Millions of yen) Non-controlling interests	15,189	**13,993**
Number of shares of common stock issued (Shares)	236,429,800	**234,194,500**
Number of shares of treasury stock (Shares)	4,853,511	**2,695,505**
Number of shares of common stock used to determine net assets per share (Shares)	231,576,289	**231,498,995**

Years ended March 31

	2018	**2019**
(2) Basic earnings per share (Yen)	107.80	**102.03**
(Basis for calculating)		
Net income attributable to owners of the parent on the consolidated statement of income (Millions of yen)	24,956	**23,627**
Net income attributable to owners of the parent related to shares of common stock (Millions of yen)	24,956	**23,627**
Average number of issued shares of common stock during the fiscal year (Shares)	231,497,098	**231,574,541**

(Note) Information on diluted earnings per share is omitted since there is no potentially dilutive share.

(Significant Events after the Reporting Period)

(Return of the substitutional portion of the Employees' Pension Fund)

On April 1, 2019, Fuji Employees' Pension Fund, in which the Company and some of its consolidated subsidiaries participate, received approval from the Minister of Health, Labour and Welfare for the return of the substitutional portion for the past of the employees' pension fund.

In conjunction with this, the Company and its relevant consolidated subsidiaries will recognize the extinguishment of the retirement benefit obligations for the substitutional portion pertaining to the approval and the accompanying gain or loss in accordance with Paragraph 46 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015).

As a result, the Company plans to post a gain of ¥18,832 million on transfer of benefit obligation relating to employees' pension fund as an extraordinary gain for the fiscal year ending March 31, 2020. Note that the final amount of the gain is currently being calculated and subject to change.

4. OTHER

Changes in Representative Directors and Other Directors

For changes in Representative Directors and other Directors, please refer to the separate disclosure material, "Notice of Changes in Representative Director and Other Directors" announced today (May 15, 2019).

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