

Flash Report [Japanese GAAP] (Consolidated Basis)**Results for the three months ended June 30, 2022****Company name: Fuji Media Holdings, Inc.**

Stock listing: Tokyo Stock Exchange Code number: 4676 URL: <https://www.fujimediahd.co.jp/en>
 Representative: Osamu Kanemitsu, President
 Person to contact: Ryosuke Fukami, Executive Managing Director and General Manager of Treasury & Finance
 Department
 Telephone: +81-3-3570-8000 (key)

Scheduled date of filing quarterly securities report: August 12, 2022

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results**(1) Business Performance**

Three months ended June 30

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	%
2022	126,633	13.7	7,851	69.1	10,598	52.5	7,785	88.1
2021	111,401	(7.4)	4,643	64.5	6,951	24.6	4,138	105.5

(Note) Comprehensive income: Three months ended June 30, 2022: ¥7,355 million, (45.1)%,
 Three months ended June 30, 2021: ¥13,392 million, 1.4%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2022	35.01	—
2021	18.60	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2022	1,327,770	812,052	60.4
March 31, 2022	1,335,991	808,788	59.7

(Reference) Total shareholders' equity: June 30, 2022: ¥801,431 million,
 March 31, 2022: ¥798,068 million

2. Dividends

Year ended March 31, 2022 / Year ending March 31, 2023

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2022	—	18.00	—	20.00	38.00
2023	—				
2023 (Forecast)		20.00	—	20.00	40.00

(Note) Revision to the most recently announced dividends forecast: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	542,200	3.3	35,000	5.0	41,500	(8.9)

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year	27,000	8.5	121.41

(Note) Revision to the most recently announced financial results forecasts: None

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. Adoption of special accounting treatment in preparing the quarterly consolidated financial statements: None

3. Changes in accounting policies, changes in accounting estimates, and modifications and restatements:

1) Changes in accounting policies based on revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Modifications and restatements: None

(Note) For details, please refer to "2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES: (3) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" on page 13.

4. Number of issued shares (Common stock)

	Three months ended June 30, 2022	Year ended March 31, 2022
1) Number of issued shares (including treasury stock) at end of the period (shares)	234,194,500	234,194,500
2) Number of treasury stock at end of the period (shares)	11,804,125	11,788,673
		Three months ended June 30, 2021
3) Average number of issued shares during the period (shares)	222,405,657	222,450,942

This flash report is outside the scope of quarterly review 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. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2023: (3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections" on page 8.

CONTENTS OF ATTACHMENT

1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2023	5
(1) Explanation of Business Results	5
(2) Explanation of Financial Position	7
(3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections	8
2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES	9
(1) Consolidated Balance Sheets	9
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	11
(3) Notes to Consolidated Financial Statements	13
(Note on Assumptions for Going Concern)	13
(Notes in the Event of Major Change in Shareholders' Equity)	13
(Changes in Accounting Policies)	13
(Segment Information)	14

1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2023

(1) Explanation of Business Results

The Japanese government's Monthly Economic Report on the Japanese economy for the three months ended June 30, 2022 (April 1, 2022 to June 30, 2022) states, "The economy is expected to show movements of picking up, supported by the effects of the policies while all possible measures are being taken against infectious diseases, and economic and social activities proceed to normalization. However, full attention should be given to the downside risks due to rising raw material prices, supply-side constraints and fluctuations in the financial and capital markets while there are concerns regarding the effects of lengthening the state of affairs of Ukraine and suppression of economic activities in China." It also states that firms' judgments on business conditions "appear to be pausing for picking up."

Fuji Media Holdings Group (the "Group") was also affected by the prolonged situation in Ukraine and rising raw material prices. However, the Group was able to improve its performance thanks to a significant increase in the number of condominium units sold, as well as the recovery of travel and tourism demand and the resumption of events, among others, following the normalization of economic and social activities.

Amid this economic environment, consolidated net sales of the Group increased overall during the three months ended June 30, 2022, up 13.7% from the same period of the previous fiscal year to ¥126,633 million, thanks to increases in both the Media & Content segment and the Urban Development, Hotels & Resorts segment.

In terms of earnings, operating income overall increased 69.1% year-on-year to ¥7,851 million, as the Urban Development, Hotels & Resorts segment turned profitable after having recorded an operating loss in the same period of the previous fiscal year, despite a decrease in profit in the Media & Content segment. Recurring profit increased 52.5% year-on-year to ¥10,598 million and net income attributable to owners of the parent increased 88.1% year-on-year to ¥7,785 million.

Results by operating segment are as follows.

Three months ended June 30

	Net sales			Operating income (loss)		
	2021	2022	Change	2021	2022	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Media & Content	97,215	98,051	0.9	5,600	4,464	(20.3)
Urban Development, Hotels & Resorts	12,919	27,344	111.7	(756)	3,497	—
Other	4,375	4,657	6.4	115	163	41.6
Eliminations	(3,109)	(3,420)	—	(315)	(273)	—
Total	111,401	126,633	13.7	4,643	7,851	69.1

Media & Content

Fuji Television Network, Inc. (“Fuji TV”) enjoyed an increase in streaming advertising revenue due to the strong performance of streaming of serial dramas that have grown in the number of titles as a result of the programming rearrangement in April. However, mainstay terrestrial TV advertising revenue decreased due to the effects of the prolonged situation in Ukraine, soaring raw material prices, the depreciation of the yen and other factors. Accordingly, revenue from the broadcasting and media business declined. In the content business, revenues from the animation development business and the video business fell below the same period of the previous fiscal year. However, revenues increased year-on-year in the movie business, which enjoyed strong secondary usage, the event business, which was significantly affected by COVID-19 in the same period of the previous fiscal year, and the digital business, which saw growth in the membership of FOD (Fuji TV On Demand). As a result of the above, Fuji TV as a whole recorded lower net sales than the same period of the previous fiscal year, posting a decrease in earnings despite efforts to manage costs efficiently.

Fuji Satellite Broadcasting, Inc. recorded a decrease in net sales overall due to a decrease in revenue from other businesses, reflecting a reactionary drop in big events from the same period of the previous fiscal year, despite an increase in broadcasting revenue. Meanwhile, earnings increased as a result of efforts made to control costs with a focus on broadcasting business costs.

Nippon Broadcasting System, Inc. recorded decreases in both revenue and earnings due to a decrease in time advertising sales, despite spot advertising sales remaining strong.

Pony Canyon Inc. recorded an increase in revenue due to contributions from distributed profits from anime, revenue from events, sales of goods, etc. However, earnings decreased due to a reactionary fall in large-scale titles in anime program sales from the same period of the previous fiscal year, as well as weak performance in video packages sales..

Fujipacific Music Inc. recorded decreases in both revenue and earnings due to decreases in revenues from royalties and video production, which were strong in the same period of the previous fiscal year, despite strong revenues from master disc usage fees and event planning and production.

DINOS CORPORATION saw a recovery trend in the fashion category thanks to the successful approach of issuing more catalogs and listing more products for sale, while sales of food, bedding and other products remained strong. However, the company recorded an operating loss, as revenue decreased due to sluggish sales of television shopping and catalog shopping for the living, and beauty and health categories.

Quaras Inc. reported an operating loss in the same period of the previous fiscal year. However, this turned positive thanks to an increase in revenue due to an increased volume of advertising mainly in television and web advertising, as well as a contribution from the resumption of events.

grape Co., Ltd., which became a consolidated subsidiary from the first quarter of the fiscal year under review, contributed to net sales and operating income for the three months ended June 30, 2022, thanks to growth in advertising revenue as a result of the high number of page views on “grape” and other online media operated by the company.

As a result of the above, in the Media & Content segment overall, net sales increased 0.9% from the same period of the previous fiscal year to ¥98,051 million and segment operating income decreased 20.3% to ¥4,464 million.

Urban Development, Hotels & Resorts

THE SANKEI BUILDING CO., LTD. recorded huge increases in both revenue and earnings due to a significant increase in the number of condominium units sold and a contribution from the sale of owned properties, as well as a strong performance in the building business including office leasing.

GRANVISTA Hotels & Resorts Co., Ltd. greatly reduced its operating loss, as revenue increased due to a gradual recovery of travel and tourism demand, excluding that of inbound tourists as a result of the relaxation of restrictions on the flow of people to prevent the spread of COVID-19.

As a result of the above, the Urban Development, Hotels & Resorts segment overall recorded net sales of ¥27,344 million, up 111.7% from the same period of the previous fiscal year, with segment operating income of ¥3,497 million, compared to segment operating loss of ¥756 million in the same period of the previous fiscal year.

Other

Net sales in the Other segment overall increased 6.4% from the same period of the previous fiscal year to ¥4,657 million, and segment operating income increased 41.6% from the same period of the previous fiscal year to ¥163 million.

Affiliates accounted for using the equity method, such as ITOCHU Fuji Partners, Inc., WOWOW Inc. and Fuji TV network affiliates, contributed to equity in earnings of affiliates.

(2) Explanation of Financial Position

Total assets at the end of the first quarter of the fiscal year under review (June 30, 2022) amounted to ¥1,327,770 million, a decrease of ¥8,221 million (0.6%) from the end of the previous fiscal year (March 31, 2022).

Total current assets amounted to ¥387,420 million, a decrease of ¥5,599 million (1.4%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥11,428 million in cash and deposits; against increases of ¥1,860 million in notes and accounts receivable-trade, and contract assets and ¥1,628 million in prepaid expenses included in the "Other" line item.

Total noncurrent assets amounted to ¥940,349 million, a decrease of ¥2,621 million (0.3%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥2,910 million in investment securities.

Total liabilities amounted to ¥515,718 million, a decrease of ¥11,484 million (2.2%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥130,792 million, a decrease of ¥8,529 million (6.1%) from the end of the previous fiscal year. This was due mainly to decreases of ¥3,801 million in accrued income taxes and ¥3,653 million in trade accounts payable included in the "Other" line item.

Total noncurrent liabilities amounted to ¥384,925 million, a decrease of ¥2,955 million (0.8%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥2,473 million in long-term loans payable.

Total net assets amounted to ¥812,052 million, an increase of ¥3,263 million (0.4%) from the

end of the previous fiscal year. This was due mainly to the recording of ¥7,785 million in net income attributable to owners of the parent; against a decrease of ¥4,507 million in retained earnings due to the payment of dividends of surplus.

(3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections

The consolidated financial results during the three months ended June 30, 2022 saw an increase in revenue and a decrease in earnings in the Media & Content segment, while the Urban Development, Hotels & Resorts segment, which posted an operating loss in the same period of the previous fiscal year, increased revenue and turned profitable. The consolidated performance overall was mainly in line with the forecasts, and Fuji Media Holdings, Inc. (the "Company") has made no change to its full-year consolidated financial results forecasts for the fiscal year ending March 31, 2023 announced on May 12, 2022.

2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2022	June 30, 2022
ASSETS		
Current assets:		
Cash and deposits	103,960	92,532
Notes and accounts receivable-trade, and contract assets	93,491	95,351
Marketable securities	92,191	92,694
Inventories	65,807	66,376
Other	38,021	40,919
Allowance for doubtful accounts	(451)	(453)
Total current assets	393,020	387,420
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	162,589	160,390
Land	272,183	271,879
Other, net	32,381	36,660
Total property, plant and equipment	467,154	468,930
Intangible assets		
Goodwill	603	577
Other	19,282	18,294
Total intangible assets	19,885	18,872
Investments and other assets		
Investment securities	411,723	408,812
Other	45,765	45,265
Allowance for doubtful accounts	(1,557)	(1,530)
Total investments and other assets	455,930	452,547
Total noncurrent assets	942,971	940,349
Total assets	1,335,991	1,327,770

	Millions of yen	
	March 31, 2022	June 30, 2022
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	32,855	31,011
Electronically recorded obligations-operating	6,343	6,245
Short-term loans payable	30,608	33,608
Provision for directors' bonuses	467	71
Other	69,048	59,857
Total current liabilities	<u>139,322</u>	<u>130,792</u>
Noncurrent liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	227,796	225,323
Provision for directors' retirement benefits	2,450	2,193
Net defined benefit liability	27,838	28,066
Other	119,795	119,342
Total noncurrent liabilities	<u>387,880</u>	<u>384,925</u>
Total liabilities	<u>527,202</u>	<u>515,718</u>
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	146,200
Capital surplus	173,797	173,797
Retained earnings	363,223	367,015
Treasury stock	(14,088)	(14,105)
Total shareholders' equity	<u>669,133</u>	<u>672,908</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	124,746	122,634
Deferred gains or losses on hedges	(168)	(134)
Revaluation reserve for land	1,532	1,532
Foreign currency translation adjustment	(144)	1,553
Remeasurements of defined benefit plans	2,969	2,936
Total accumulated other comprehensive income	<u>128,935</u>	<u>128,522</u>
Non-controlling interests	<u>10,719</u>	<u>10,621</u>
Total net assets	<u>808,788</u>	<u>812,052</u>
Total liabilities and net assets	<u>1,335,991</u>	<u>1,327,770</u>

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

Consolidated Statements of Income

Three months ended June 30

	Millions of yen	
	2021	2022
Net sales	111,401	126,633
Cost of sales	75,882	87,183
Gross profit	35,518	39,450
Selling, general and administrative expenses	30,874	31,598
Operating income	4,643	7,851
Non-operating income:		
Dividends income	1,500	1,691
Equity in earnings of affiliates	802	905
Other	681	834
Total	2,984	3,430
Non-operating expenses:		
Interests	379	361
Loss on investments in partnership	114	67
Foreign exchange losses	6	140
Other	176	114
Total	676	684
Recurring profit	6,951	10,598
Extraordinary gain:		
Gain on sale of investment securities	0	50
Gain on change in equity	10	—
Other	3	0
Total	14	50
Extraordinary loss:		
Loss on retirement of non-current assets	22	53
Extra retirement payments	—	19
Loss on COVID-19	135	—
Other	17	0
Total	174	73
Income before income taxes	6,790	10,575
Income taxes-current	1,582	1,695
Income taxes-deferred	1,118	1,099
Total	2,701	2,795
Net income	4,089	7,780
Net income attributable to non-controlling interests	(48)	(5)
Net income attributable to owners of the parent	4,138	7,785

Consolidated Statements of Comprehensive Income

Three months ended June 30

	Millions of yen	
	2021	2022
Net income	4,089	7,780
Other comprehensive income:		
Valuation difference on available-for-sale securities	7,528	(1,975)
Revaluation reserve for land	41	—
Foreign currency translation adjustment	1,411	1,721
Remeasurements of defined benefit plans	308	(10)
Share of other comprehensive income of affiliates accounted for using equity method	12	(159)
Total other comprehensive income	9,303	(424)
Comprehensive income	13,392	7,355
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	13,296	7,372
Comprehensive income attributable to non-controlling interests	96	(17)

(3) Notes to Consolidated Financial Statements

(Note on Assumptions for Going Concern)

Not applicable

(Notes in the Event of Major Change in Shareholders' Equity)

Not applicable

(Changes in Accounting Policies)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Fair Value Measurement Guidance") effective from the beginning of the first quarter of the fiscal year ending March 31, 2023, and in accordance with the transitional treatment provided for in paragraph 27-2 of the Fair Value Measurement Guidance, the Company will apply the new accounting policy prescribed by the Fair Value Measurement Guidance into the future. This has no impact on the consolidated financial statements.

(Segment Information)

I. Three months ended June 30, 2021

1. Information on Amounts of Net Sales and Profit or Loss by Reported Segment

(Millions of yen)

	Reported segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated statement of income (Note 3)
	Media & Content	Urban Development, Hotels & Resorts	Total				
Net sales:							
Net sales to third parties	97,054	12,878	109,933	1,467	111,401	—	111,401
Inter-segment net sales and transfers	161	40	201	2,908	3,109	(3,109)	—
Total net sales	97,215	12,919	110,135	4,375	114,510	(3,109)	111,401
Segment operating income (loss)	5,600	(756)	4,843	115	4,959	(315)	4,643

- 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 ¥315 million mainly comprises ¥782 million in eliminations of inter-segment business, together with minus ¥1,097 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. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

II. Three months ended June 30, 2022

1. Information on Amounts of Net Sales and Profit or Loss by Reported Segment

(Millions of yen)

	Reported segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated statement of income (Note 3)
	Media & Content	Urban Development, Hotels & Resorts	Total				
Net sales:							
Net sales to third parties	97,988	27,083	125,071	1,561	126,633	—	126,633
Inter-segment net sales and transfers	63	260	324	3,095	3,420	(3,420)	—
Total net sales	98,051	27,344	125,395	4,657	130,053	(3,420)	126,633
Segment operating income	4,464	3,497	7,961	163	8,125	(273)	7,851

- 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 ¥273 million mainly comprises ¥864 million in eliminations of inter-segment business, together with minus ¥1,138 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. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

---End of Document---