

Flash Report [Japanese GAAP] (Consolidated Basis)**Results for the six months ended September 30, 2023****Company name: Fuji Media Holdings, Inc.**

Stock listing: Tokyo Stock Exchange Code number: 4676 URL: <https://www.fujimediahd.co.jp/en>
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Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: December 5, 2023

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled

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

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

Six months ended September 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	%
2023	267,545	7.4	13,021	7.1	15,199	(5.9)	10,053	(14.3)
2022	249,112	3.2	12,156	5.0	16,153	(13.6)	11,735	(14.0)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥10,495 million, (53.5)%,
 Six months ended September 30, 2022: ¥22,587 million, (59.1)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2023	45.51	—
2022	52.77	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2023	1,405,564	847,557	59.5
March 31, 2023	1,382,646	848,769	60.6

(Reference) Total shareholders' equity: September 30, 2023: ¥836,135 million,
 March 31, 2023: ¥837,680 million

2. Dividends

Year ended March 31, 2023 / Year ending March 31, 2024

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2023	—	20.00	—	30.00	50.00
2024	—	24.00			
2024 (Forecast)			—	24.00	48.00

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

Breakdown of dividends per share for the year ended March 31, 2023:

Year-end: Ordinary dividend: ¥20.00, Commemorative dividend: ¥10.00

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	557,700	4.1	32,000	1.9	39,300	0.6

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year	26,000	(44.5)	118.20

(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: None

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

3) Changes in accounting estimates: None

4) Modifications and restatements: None

4. Number of issued shares (Common stock)

	Six months ended September 30, 2023	Year ended March 31, 2023
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)	15,148,350	11,810,987
		Six months ended September 30, 2022
3) Average number of issued shares during the period (shares)	220,885,419	222,398,016

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 SECOND QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2024: (3) Explanation of Consolidated Financial Results Forecasts and Other Future Projections" on page 8.

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1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2024

(1) Explanation of Business Results

The Japanese government's Monthly Economic Report on the Japanese economy for the six months ended September 30, 2023 (April 1, 2023 to September 30, 2023) states, "The economy is expected to continue recovering at a moderate pace with the improving employment and income situation, supported by the effects of the policies. However, the slowing down of overseas economies is a downside risk to the Japanese economy, due in part to the effect of global monetary tightening and concerns about the economic outlook in China. Also, full attention should be given to price increases and fluctuations in the financial and capital markets." It also states that firms' judgments on business conditions "are picking up."

Fuji Media Holdings Group (the "Group") succeeded in improving its earnings, benefited from the further normalization of economic activities driven by the downgrading of the status of COVID-19 to Class 5 under the Infectious Diseases Control Act in May, which led to the resumption of events and the significant recovery of demand for travel and tourism, while there were the impact of price increases against the backdrop of rising raw material prices, as well as the shift from stay-at-home demand to offline consumption. The earnings improvement was also attributable to such factors as the strong performance of the leased properties including hotels and office buildings.

Amid this economic environment, consolidated net sales of the Group increased overall during the six months ended September 30, 2023, up 7.4% year-on-year to ¥267,545 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 7.1% year-on-year to ¥13,021 million, as the Urban Development, Hotels & Resorts segment reported an increase, while the Media & Content segment recorded a decrease. Recurring profit decreased 5.9% year-on-year to ¥15,199 million, and net income attributable to owners of the parent decreased 14.3% year-on-year to ¥10,053 million.

Results by operating segment are as follows.

Six months ended September 30

	Net sales			Operating income		
	2022	2023	Change	2022	2023	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Media & Content	199,196	212,475	6.7	6,203	4,156	(33.0)
Urban Development, Hotels & Resorts	47,375	53,060	12.0	6,337	9,749	53.8
Other	9,409	9,924	5.5	359	490	36.2
Eliminations	(6,868)	(7,915)	—	(744)	(1,375)	—
Total	249,112	267,545	7.4	12,156	13,021	7.1

Media & Content

Fuji Television Network, Inc. (“Fuji TV”) saw its core terrestrial TV advertising underperform due to a slowdown in the TV advertising market against the backdrop of general price increases and other factors in addition to lower viewer ratings, resulting in the decline of broadcasting and media business revenue. In the content business, revenue increased year-on-year, as the event business, which was buoyed by the run of Cirque du Soleil’s “*Daihatsu Alegria – In A New Light*,” the movie business, which was boosted by the smash hits of “TOKYO REVENGERS 2: BLOODY HALLOWEEN” and “*Misuteri to Iu Nakare*,” the video business, which benefitted from the video package of the drama “silent,” the MD business and animation development business, which enjoyed strong revenues from merchandising, and the digital business, which saw growth in the number of subscribers to FOD Premium, all posted year-on-year revenue growth. As a result of the above, Fuji TV as a whole recorded higher net sales than in the same period of the previous fiscal year. On the earnings front, however, it posted an operating loss due to a decrease in terrestrial TV advertising revenue despite its effort to manage costs effectively.

Fuji Satellite Broadcasting, Inc. recorded increases in both revenue and earnings due to strong performances of the broadcasting business and other businesses.

Nippon Broadcasting System, Inc. recorded a decrease in broadcasting revenue but recorded increases in both revenue and earnings overall as its event business and digital-related revenue increased and the goods sales business performed well.

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 the low performance of music packages and the impact of an increase in amortization of anime-related investments.

Fujipacific Music Inc. recorded increases in both revenue and earnings due to solid revenues from royalties, as well as the strong performance in revenues from master disc usage fees and artist management.

DINOS CORPORATION saw a decrease in overall revenue despite strong performance in sales for the fashion category and food category, as sales for the living category and the TV-led beauty and health category underperformed, and the impact of the company split of the *imini* business lingered. On the earnings front, an operating loss was recorded with wider deficits, as cost reduction measures, such as controlling sales promotion expenses, could not offset the impact of the decrease in revenue.

Quaras Inc. recorded increases in both revenue and earnings as it enjoyed the growth in advertising revenue following an increase in the volume of advertising related to music and games, and event-related revenue continued to show strong performance.

As the result of the above, for the overall Media & Content segment, net sales increased 6.7% from the same period of the previous fiscal year to ¥212,475 million and segment operating income decreased 33.0% from the same period of the previous fiscal year to ¥4,156 million.

Urban Development, Hotels & Resorts

THE SANKEI BUILDING CO., LTD. recorded a slight decrease in revenue due to the absence of sales of large condominium complex units in the same period of the previous fiscal year, but posted an increase in earnings due to the strong performance in revenue from leasing of offices, hotels, and houses and the sales of owned properties.

For GRANVISTA Hotels & Resorts Co., Ltd. ("GRANVISTA"), Sapporo Grand Hotel, Sapporo Park Hotel, the nationwide hotel chain Intergate Hotels, and other properties saw strong occupancy rates, following the recovery in travel demand. With Kamogawa Sea World continuing to attract a large number of visitors, GRANVISTA recorded increases in both revenue and earnings.

As a result of the above, the overall Urban Development, Hotels & Resorts segment recorded net sales of ¥53,060 million, up 12.0% from the same period of the previous fiscal year, and segment operating income of ¥9,749 million, up 53.8% from the same period of the previous fiscal year.

Other

Net sales in the Other segment overall increased 5.5% from the same period of the previous fiscal year to ¥9,924 million, and segment operating income increased 36.2% from the same period of the previous fiscal year to ¥490 million.

Affiliates accounted for using the equity method, such as ITOCHU Fuji Partners, Inc. and WOWOW Inc., contributed to the financial results, while SANKEI SHIMBUN CO., LTD., Fuji TV network affiliates, etc. caused equity in losses of affiliates.

(2) Explanation of Financial Position

Total assets at the end of the second quarter of the fiscal year under review (September 30, 2023) amounted to ¥1,405,564 million, an increase of ¥22,917 million (1.7%) from the end of the previous fiscal year (March 31, 2023).

Total current assets amounted to ¥425,465 million, an increase of ¥10,667 million (2.6%) from the end of the previous fiscal year. This was due mainly to increases of ¥9,886 million in marketable securities, ¥2,596 million in income tax refund receivable included in the "Other" line item, and ¥2,114 million in short-term loans receivable; against a decrease of ¥3,984 million in notes and accounts receivable-trade, and contract assets.

Total noncurrent assets amounted to ¥980,099 million, an increase of ¥12,249 million (1.3%) from the end of the previous fiscal year. This was due mainly to increases of ¥12,598 million in land, and ¥6,209 million in construction in progress included in the "Other" line item under property, plant and equipment; against a decrease of ¥3,426 million in investment securities.

Total liabilities amounted to ¥558,007 million, an increase of ¥24,130 million (4.5%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥165,381 million, a decrease of ¥9,517 million (5.4%) from the end of the previous fiscal year. This was due mainly to decreases of ¥4,249 million in notes and accounts payable-trade and ¥4,708 million in accrued income taxes included in the "Other" line item.

Total noncurrent liabilities amounted to ¥392,626 million, an increase of ¥33,647 million (9.4%) from the end of the previous fiscal year. This was due mainly to an increase of ¥36,005 million in long-

term loans payable.

Total net assets amounted to ¥847,557 million, a decrease of ¥1,212 million (0.1%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥6,760 million in retained earnings owing to the payment of dividends of surplus, and an increase of ¥4,854 million in treasury stock due to the purchase of treasury stock; against the recording of net income attributable to owners of the parent company of ¥10,053 million.

Cash flows during the six months ended September 30, 2023 were as follows.

Cash provided by operating activities amounted to ¥15,676 million, a decrease of ¥7,030 million (31.0%) from cash provided during the same period of the previous fiscal year. This was due mainly to increases of ¥3,810 million in notes and accounts payable-trade and ¥4,321 million in income taxes paid.

Cash used in investing activities amounted to ¥61,701 million, an increase of ¥35,909 million (139.2%) from cash used during the same period of the previous fiscal year. This was due mainly to a decrease of ¥18,999 million in proceeds from sales and redemption of marketable securities and an increase of ¥14,037 million in payments on purchase of property, plant and equipment.

Cash provided by financing activities amounted to ¥25,620 million, an increase of ¥27,133 million as compared with the cash used during the same period of the previous fiscal year, which was ¥1,512 million. This was due mainly to an increase of ¥58,000 million in proceeds from long-term loans payable; against a net decrease of ¥23,073 million in short-term loans payable.

As a result of the above, the balance of cash and cash equivalents at the end of the second quarter of the fiscal year under review amounted to ¥111,609 million, a decrease of ¥18,546 million (14.2%) from the end of the previous fiscal year and an increase of ¥9,156 million (8.9%) from the end of the same period of the previous fiscal year.

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

The consolidated financial results during the six months ended September 30, 2023 saw an increase in revenue and a decrease in earnings in the Media & Content segment, while the Urban Development, Hotels & Resorts segment posted increases in both revenue and earnings. Although the environment surrounding the advertising market is expected to remain uncertain due to the impact of factors such as the weak yen and soaring raw material costs, Fuji Media Holdings, Inc. has made no change to its full-year consolidated financial results forecasts for the fiscal year ending March 31, 2024 announced on May 11, 2023.

2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2023	September 30, 2023
ASSETS		
Current assets:		
Cash and deposits	109,669	109,018
Notes and accounts receivable-trade, and contract assets	95,844	91,860
Marketable securities	100,044	109,931
Inventories	72,436	72,164
Other	37,269	43,050
Allowance for doubtful accounts	(467)	(559)
Total current assets	414,797	425,465
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	167,117	166,798
Land	287,002	299,600
Other, net	34,214	40,009
Total property, plant and equipment	488,334	506,409
Intangible assets		
Goodwill	499	447
Other	17,301	17,180
Total intangible assets	17,800	17,627
Investments and other assets		
Investment securities	418,155	414,728
Other	45,036	42,812
Allowance for doubtful accounts	(1,477)	(1,478)
Total investments and other assets	461,714	456,062
Total noncurrent assets	967,849	980,099
Total assets	1,382,646	1,405,564

	Millions of yen	
	March 31, 2023	September 30, 2023
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	39,040	34,790
Electronically recorded obligations-operating	5,492	7,473
Short-term loans payable	42,702	44,373
Provision for directors' bonuses	402	172
Other	87,261	78,572
Total current liabilities	174,898	165,381
Noncurrent liabilities:		
Long-term loans payable	220,424	256,429
Provision for directors' retirement benefits	2,438	2,175
Net defined benefit liability	15,874	15,480
Other	120,241	118,539
Total noncurrent liabilities	358,978	392,626
Total liabilities	533,877	558,007
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	146,200
Capital surplus	173,797	173,797
Retained earnings	401,585	404,877
Treasury stock	(14,113)	(18,967)
Total shareholders' equity	707,469	705,908
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	120,667	117,808
Deferred gains or losses on hedges	(183)	(129)
Revaluation reserve for land	1,533	1,533
Foreign currency translation adjustment	4,170	7,078
Remeasurements of defined benefit plans	4,023	3,937
Total accumulated other comprehensive income	130,210	130,227
Non-controlling interests	11,089	11,421
Total net assets	848,769	847,557
Total liabilities and net assets	1,382,646	1,405,564

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

Consolidated Statements of Income

Six months ended September 30

	Millions of yen	
	2022	2023
Net sales	249,112	267,545
Cost of sales	175,470	194,013
Gross profit	73,641	73,532
Selling, general and administrative expenses	61,484	60,511
Operating income	12,156	13,021
Non-operating income:		
Dividends income	2,143	2,296
Equity in earnings of affiliates	1,558	—
Other	1,421	1,300
Total	5,124	3,596
Non-operating expenses:		
Interests	722	826
Equity in losses of affiliates	—	61
Loss on investments in partnership	182	96
Other	222	434
Total	1,127	1,418
Recurring profit	16,153	15,199
Extraordinary gain:		
Gain on sale of investment securities	98	554
Other	24	10
Total	123	565
Extraordinary loss:		
Loss on retirement of noncurrent assets	76	104
Impairment loss	28	261
Other	268	31
Total	374	397
Income before income taxes	15,902	15,366
Income taxes-current	3,856	4,705
Income taxes-deferred	156	349
Total	4,013	5,054
Net income	11,888	10,312
Net income attributable to non-controlling interests	153	258
Net income attributable to owners of the parent	11,735	10,053

Consolidated Statements of Comprehensive Income

Six months ended September 30

	Millions of yen	
	2022	2023
Net income	11,888	10,312
Other comprehensive income:		
Valuation difference on available-for-sale securities	5,898	(3,085)
Foreign currency translation adjustment	4,963	2,808
Remeasurements of defined benefit plans	(21)	(54)
Share of other comprehensive income of affiliates accounted for using equity method	(142)	514
Total other comprehensive income	10,698	183
Comprehensive income	22,587	10,495
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	22,379	10,070
Comprehensive income attributable to non-controlling interests	207	425

(3) Consolidated Statements of Cash Flows

Six months ended September 30

	Millions of yen	
	2022	2023
Cash flows from operating activities:		
Income before income taxes	15,902	15,366
Depreciation and amortization	8,737	8,888
Impairment loss	28	261
Increase (decrease) in net defined benefit liability	(121)	(536)
Interest and dividends income	(2,218)	(2,625)
Interest expenses	722	826
Equity in (earnings) losses of affiliates	(1,558)	61
Decrease (increase) in notes and accounts receivable-trade	5,489	3,887
Decrease (increase) in inventories	1,202	3,265
Increase (decrease) in notes and accounts payable-trade	1,532	(2,278)
Other	(4,913)	(2,576)
Subtotal	24,802	24,539
Interest and dividends income received	3,289	3,592
Interest expenses paid	(708)	(746)
Income taxes paid	(7,501)	(11,823)
Income taxes refunded	2,824	113
Net cash provided by operating activities	22,706	15,676
Cash flows from investing activities:		
Payments on purchase of marketable securities	(116,085)	(112,633)
Proceeds from sales and redemption of marketable securities	110,200	91,200
Payments on purchase of property, plant and equipment	(18,458)	(32,495)
Payments on purchase of intangible assets	(1,301)	(1,170)
Payments on purchase of investment securities	(2,732)	(7,676)
Proceeds from sales and redemption of investment securities	1,756	3,174
Other	830	(2,100)
Net cash used in investing activities	(25,791)	(61,701)

(Continued on page 14)

	Millions of yen	
	2022	2023
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	23,073	–
Proceeds from long-term loans payable	2,000	60,000
Repayments of long-term loans payable	(21,496)	(22,323)
Purchase of treasury stock	–	(4,854)
Dividends paid	(4,513)	(6,757)
Dividends paid to non-controlling interests	(81)	(93)
Other	(494)	(350)
Net cash provided by (used in) financing activities	(1,512)	25,620
Effect of exchange rate changes on cash and cash equivalents	3,550	1,858
Net increase (decrease) in cash and cash equivalents	(1,047)	(18,546)
Cash and cash equivalents at the beginning of the year	102,598	130,155
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	901	–
Cash and cash equivalents at the end of the period	102,452	111,609

(4) 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

(Segment Information)

I. Six months ended September 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	198,992	47,034	246,026	3,085	249,112	—	249,112
Inter-segment net sales and transfers	203	340	544	6,324	6,868	(6,868)	—
Total net sales	199,196	47,375	246,571	9,409	255,981	(6,868)	249,112
Segment operating income	6,203	6,337	12,540	359	12,900	(744)	12,156

- 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 ¥744 million mainly comprises ¥1,609 million in eliminations of inter-segment business, together with minus ¥2,354 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. Six months ended September 30, 2023

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	212,217	52,238	264,455	3,089	267,545	—	267,545
Inter-segment net sales and transfers	258	821	1,079	6,835	7,915	(7,915)	—
Total net sales	212,475	53,060	265,535	9,924	275,460	(7,915)	267,545
Segment operating income	4,156	9,749	13,906	490	14,396	(1,375)	13,021

- 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 ¥1,375 million mainly comprises ¥1,014 million in eliminations of inter-segment business, together with minus ¥2,389 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.

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