

Flash Report [Japanese GAAP] (Consolidated Basis)**Results for the nine months ended December 31, 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: February 9, 2024

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**

Nine months ended December 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	%
2023	410,051	6.4	23,601	5.2	28,387	(1.6)	19,256	(7.1)
2022	385,561	(2.5)	22,439	(14.8)	28,857	(21.1)	20,732	(21.8)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥30,167 million, (18.9)%,
 Nine months ended December 31, 2022: ¥37,180 million, (4.2)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2023	87.55	—
2022	93.22	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2023	1,413,935	859,218	60.0
March 31, 2023	1,382,646	848,769	60.6

(Reference) Total shareholders' equity: December 31, 2023: ¥847,675 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 year-end 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)	118.59

(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)

	Nine months ended December 31, 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)	17,071,159	11,810,987
		Nine months ended December 31, 2022
3) Average number of issued shares during the period (shares)	219,937,631	222,393,506

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 THIRD 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 THIRD 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 nine months ended December 31, 2023 (April 1, 2023 to December 31, 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, the situation in the Middle East, and fluctuations in the financial and capital markets." It also states that firms' judgments on business conditions "are improving."

Fuji Media Holdings Group (the "Group") succeeded in improving its earnings, benefiting from the normalization of socio-economic activities, which led to the resumption of events and the significant recovery of demand for travel and tourism, in spite of 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 nine months ended December 31, 2023, up 6.4% year-on-year to ¥410,051 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 5.2% year-on-year to ¥23,601 million, as the Urban Development, Hotels & Resorts segment reported an increase, while the Media & Content segment recorded a decrease. Recurring profit decreased 1.6% year-on-year to ¥28,387 million, and net income attributable to owners of the parent decreased 7.1% year-on-year to ¥19,256 million.

Results by operating segment are as follows.

Nine months ended December 31

	Net sales			Operating income		
	2022	2023	Change	2022	2023	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Media & Content	310,796	325,524	4.7	13,219	11,840	(10.4)
Urban Development, Hotels & Resorts	70,261	80,962	15.2	9,723	12,663	30.2
Other	15,295	15,179	(0.8)	777	855	10.1
Eliminations	(10,791)	(11,615)	—	(1,280)	(1,757)	—
Total	385,561	410,051	6.4	22,439	23,601	5.2

Media & Content

Fuji Television Network, Inc. (“Fuji TV”) saw its core terrestrial TV advertising underperform due to lower viewer ratings and the impact of price increases against the backdrop of rising raw material prices despite an increase in streaming advertising revenue due to the strong performance of serial dramas on streaming services, resulting in the decline of broadcasting and media business revenue. In the content business, the movie business, which was boosted by the smash hit of “*Misuteri to Iu Nakare*” which was released last September, maintained the same level of the revenue in the same period of the previous fiscal year, which had the smash hit “ONE PIECE FILM RED.” The event business, which was buoyed by the run of Cirque du Soleil’s “*Daihatsu Alegria – In A New Light*,” the MD business and animation development business, which enjoyed strong revenues from merchandising such as ONE PIECE, and the digital business, which saw growth in the number of subscribers to FOD Premium, all posted revenue growth, resulting in a significant increase in revenue for the content business. 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 a decrease in operating income 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 an increase in revenue by offsetting a decrease in broadcasting revenue with the event business and the goods sales business but recorded a decrease in earnings overall due to the increased cost ratio.

Pony Canyon Inc. recorded an increase in both revenue and earnings due to contributions from streaming, overseas sales of and distributed profits from anime programs, revenue from events, sales of goods, etc.

Fujipacific Music Inc. recorded increases in both revenue and earnings due to strong revenues from royalties, master disc usage fees, etc.

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 showed little growth. It recorded an operating loss, as its effort to manage selling expenses effectively and reduce general and administrative expenses could not offset the impact of the decrease in revenue.

Quaras Inc. recorded increases in both revenue and earnings as it enjoyed increases in the volume of core advertising media such as TV, and event-related revenue continued to show strong performance.

As the result of the above, for the overall Media & Content segment, net sales increased 4.7% from the same period of the previous fiscal year to ¥325,524 million and segment operating income decreased 10.4% from the same period of the previous fiscal year to ¥11,840 million.

Urban Development, Hotels & Resorts

THE SANKEI BUILDING CO., LTD. recorded increases in both revenue and earnings due to the strong performance in revenue from leasing of hotels and houses, and the sales of owned properties.

For GRANVISTA Hotels & Resorts Co., Ltd. ("GRANVISTA"), the hotels under its operation including Sapporo Grand Hotel and Sapporo Park Hotel 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 ¥80,962 million, up 15.2% from the same period of the previous fiscal year, and segment operating income of ¥12,663 million, up 30.2% from the same period of the previous fiscal year.

Other

Net sales in the Other segment overall decreased 0.8% from the same period of the previous fiscal year to ¥15,179 million, and segment operating income increased 10.1% from the same period of the previous fiscal year to ¥855 million.

Affiliates accounted for using the equity method, such as ITOCHU Fuji Partners, Inc., WOWOW Inc., Nihon Eiga Broadcasting Corp., and TVer INC. contributed to equity in earnings of affiliates.

(2) Explanation of Financial Position

Total assets at the end of the third quarter of the fiscal year under review (December 31, 2023) amounted to ¥1,413,935 million, an increase of ¥31,288 million (2.3%) from the end of the previous fiscal year (March 31, 2023).

Total current assets amounted to ¥422,228 million, an increase of ¥7,431 million (1.8%) from the end of the previous fiscal year. This was due mainly to increases of ¥8,427 million in inventories, ¥4,377 million in income tax refund receivable included in the "Other" line item, and ¥2,262 million in prepaid expenses; against decreases of ¥6,619 million in cash and deposits and ¥2,858 million in marketable securities.

Total noncurrent assets amounted to ¥991,706 million, an increase of ¥23,857 million (2.5%) from the end of the previous fiscal year. This was due mainly to increases of ¥15,013 million in investment securities and ¥10,321 million in land.

Total liabilities amounted to ¥554,716 million, an increase of ¥20,839 million (3.9%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥138,642 million, a decrease of ¥36,256 million (20.7%) from the end of the previous fiscal year. This was due mainly to decreases of ¥11,049 million in short-term loans payable, ¥10,000 million in current portion of bonds payable included in the "Other" line item, ¥7,101 million in accrued income taxes, ¥3,921 million in accrued expenses, and ¥2,626 million in accounts payable-trade.

Total noncurrent liabilities amounted to ¥416,074 million, an increase of ¥57,096 million (15.9%) from the end of the previous fiscal year. This was due mainly to increases of ¥34,516 million in long-term loans payable and ¥20,000 million in bonds payable.

Total net assets amounted to ¥859,218 million, an increase of ¥10,448 million (1.2%) from the end

of the previous fiscal year. This was due mainly to the recording of net income attributable to owners of the parent of ¥19,256 million; against a decrease of ¥12,089 million in retained earnings owing to the payment of dividends of surplus, and an increase of ¥7,835 million in treasury stock due to the purchase of treasury stock.

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

The consolidated financial results during the nine months ended December 31, 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	December 31, 2023
ASSETS		
Current assets:		
Cash and deposits	109,669	103,050
Notes and accounts receivable-trade, and contract assets	95,844	96,921
Marketable securities	100,044	97,186
Inventories	72,436	80,863
Other	37,269	44,819
Allowance for doubtful accounts	(467)	(613)
Total current assets	414,797	422,228
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	167,117	161,638
Land	287,002	297,324
Other, net	34,214	39,821
Total property, plant and equipment	488,334	498,783
Intangible assets		
Goodwill	499	421
Other	17,301	17,442
Total intangible assets	17,800	17,863
Investments and other assets		
Investment securities	418,155	433,169
Other	45,036	43,374
Allowance for doubtful accounts	(1,477)	(1,483)
Total investments and other assets	461,714	475,059
Total noncurrent assets	967,849	991,706
Total assets	1,382,646	1,413,935

	Millions of yen	
	March 31, 2023	December 31, 2023
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	39,040	36,196
Electronically recorded obligations-operating	5,492	8,159
Short-term loans payable	42,702	31,653
Provision for directors' bonuses	402	271
Other	87,261	62,361
Total current liabilities	174,898	138,642
Noncurrent liabilities:		
Bonds payable	—	20,000
Long-term loans payable	220,424	254,940
Provision for directors' retirement benefits	2,438	2,257
Net defined benefit liability	15,874	15,516
Other	120,241	123,360
Total noncurrent liabilities	358,978	416,074
Total liabilities	533,877	554,716
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	146,200
Capital surplus	173,797	173,797
Retained earnings	401,585	409,051
Treasury stock	(14,113)	(21,948)
Total shareholders' equity	707,469	707,100
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	120,667	126,989
Deferred gains or losses on hedges	(183)	(170)
Revaluation reserve for land	1,533	1,533
Foreign currency translation adjustment	4,170	8,298
Remeasurements of defined benefit plans	4,023	3,924
Total accumulated other comprehensive income	130,210	140,574
Non-controlling interests	11,089	11,543
Total net assets	848,769	859,218
Total liabilities and net assets	1,382,646	1,413,935

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

Consolidated Statements of Income

Nine months ended December 31

	Millions of yen	
	2022	2023
Net sales	385,561	410,051
Cost of sales	269,026	293,575
Gross profit	116,534	116,475
Selling, general and administrative expenses	94,095	92,874
Operating income	22,439	23,601
Non-operating income:		
Dividends income	3,268	3,611
Equity in earnings of affiliates	2,488	958
Other	2,069	2,091
Total	7,826	6,661
Non-operating expenses:		
Interests	1,092	1,330
Other	314	545
Total	1,407	1,875
Recurring profit	28,857	28,387
Extraordinary gain:		
Gain on sale of investment securities	155	713
Other	42	14
Total	198	727
Extraordinary loss:		
Loss on retirement of noncurrent assets	116	166
Impairment loss	28	261
Other	276	277
Total	420	705
Income before income taxes	28,635	28,409
Income taxes-current	6,423	7,144
Income taxes-deferred	1,215	1,583
Total	7,638	8,728
Net income	20,996	19,681
Net income attributable to non-controlling interests	264	425
Net income attributable to owners of the parent	20,732	19,256

Consolidated Statements of Comprehensive Income

Nine months ended December 31

	Millions of yen	
	2022	2023
Net income	20,996	19,681
Other comprehensive income:		
Valuation difference on available-for-sale securities	9,043	6,153
Foreign currency translation adjustment	6,822	3,846
Remeasurements of defined benefit plans	(32)	(47)
Share of other comprehensive income of affiliates accounted for using equity method	349	533
Total other comprehensive income	16,184	10,486
Comprehensive income	37,180	30,167
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	36,800	29,620
Comprehensive income attributable to non-controlling interests	380	547

**(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

(Segment Information)

I. Nine months ended December 31, 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	310,526	69,807	380,333	5,228	385,561	—	385,561
Inter-segment net sales and transfers	269	454	724	10,067	10,791	(10,791)	—
Total net sales	310,796	70,261	381,057	15,295	396,353	(10,791)	385,561
Segment operating income	13,219	9,723	22,942	777	23,719	(1,280)	22,439

- 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 ¥1,280 million mainly comprises ¥2,230 million in eliminations of inter-segment business, together with minus ¥3,510 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. Nine months ended December 31, 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	325,188	80,034	405,223	4,828	410,051	—	410,051
Inter-segment net sales and transfers	335	928	1,263	10,351	11,615	(11,615)	—
Total net sales	325,524	80,962	406,486	15,179	421,666	(11,615)	410,051
Segment operating income	11,840	12,663	24,504	855	25,359	(1,757)	23,601

- 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 ¥1,757 million mainly comprises ¥1,788 million in eliminations of inter-segment business, together with minus ¥3,546 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.

2. Information on Impairment Losses on Noncurrent Assets and Goodwill by Reported Segment

(Significant impairment losses on noncurrent assets)

The “Urban Development, Hotels & Resorts” segment recorded an impairment loss of ¥261 million. This was recorded due to a change in the use of owned properties by THE SANKEI BUILDING

CO., LTD.

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