

**Flash Report [Japanese GAAP] (Consolidated Basis)****Results for fiscal year ended March 31, 2015****Company name: Fuji Media Holdings, Inc.**

Stock listing: Tokyo Stock Exchange Code number: 4676

URL <http://www.fujimediahd.co.jp/en>

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Supplemental explanatory material prepared: Yes

Results briefing held: Yes

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

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

Years ended March 31

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Recurring profit		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
2015	643,313	0.2	25,628	(18.7)	35,102	0.8	19,908	15.2
2014	642,145	1.6	31,527	(16.2)	34,838	(26.2)	17,282	(44.8)

(Note) Comprehensive income: Year ended March 31, 2015: ¥60,599 million, 97.5%, Year ended March 31, 2014: ¥30,661 million, (38.8)%

	Net income per share	Net income per share after dilution	Return on equity	Recurring profit-to-total-assets ratio	Operating income-to-net-sales ratio
	Yen	Yen	%	%	%
2015	86.02	—	3.3	3.4	4.0
2014	74.62	—	3.0	3.5	4.9

(Reference) Equity in earnings of affiliates: Year ended March 31, 2015: ¥9,594 million,

Year ended March 31, 2014: ¥3,092 million

(Note) Fuji Media Holdings conducted a share split on October 1, 2013, at the ratio of 100 shares per share of common stock. Net income per share has been calculated assuming that the share split was conducted at the start of the previous fiscal year.

**(2) Financial Position**

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
2015	1,065,958	638,883	59.4	2,739.59
2014	1,011,696	583,013	57.1	2,495.75

(Reference) Total shareholders' equity: March 31, 2015: ¥633,568 million, March 31, 2014: ¥577,804 million

**(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 equivalent at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2015	40,344	(19,984)	(25,181)	53,620
2014	22,784	(33,043)	4,544	57,293

## 2. Dividends

Years ended March 31, 2014 and 2015/ Year ending March 31, 2016

	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			
2014	—	2,200.00	—	18.00	—	9,367	53.6	1.6
2015	—	20.00	—	20.00	40.00	9,367	46.5	1.5
2016 (Forecast)	—	20.00	—	20.00	40.00		41.5	

(Note) Fuji Media Holdings conducted a share split on October 1, 2013, at the ratio of 100 shares per share of common stock. The figure for fiscal 2014 2Q is the actual dividend amount prior to the share split.

## 3. Forecasts of Consolidated Financial Results for Fiscal Year ending March 31, 2016

Percentages indicate year-on-year increase/(decrease).

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	324,000	5.7	8,000	(16.0)	10,500	(39.4)
Fiscal year	670,000	4.1	30,200	17.8	35,200	0.3

	Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Yen
Interim period	6,200	(49.0)	26.81
Fiscal year	22,300	12.0	96.43

### 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: Yes

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

3) Changes in accounting estimates: None

4) Modifications and restatements: None

Note: Please refer to "5. CONSOLIDATED FINANCIAL STATEMENTS: (5) Notes to Consolidated Financial Statements: Changes in Accounting Policies" on page 25.

3. Number of issued shares (Common stock)

	Years ended March 31	
	2015	2014
1) Number of issued shares (including treasury stock) at end of fiscal year	236,429,800	236,429,800
2) Number of treasury stock at end of fiscal year	5,165,548	4,914,917
3) Average number of issued shares for fiscal year	231,452,397	231,615,354

(Note) Fuji Media Holdings conducted a share split on October 1, 2013, at the ratio of 100 shares per share of common stock. Figures have been calculated assuming that the share split was conducted at the start of the previous fiscal year.

## (Reference) Flash Report (Non-Consolidated Basis)

### Non-Consolidated Financial Results for fiscal year ended March 31, 2015

#### (1) Operating Results

Years ended March 31

Percentages indicate year-on-year increase/(decrease).

	Net sales		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2015	18,592	(15.1)	11,703	(22.3)	12,119	(22.8)	9,356	(31.5)
2014	21,897	4.7	15,071	14.0	15,704	8.0	13,665	(9.6)

	Net income per share	Net income per share after dilution
	Yen	Yen
2015	39.95	—
2014	58.35	—

(Note) Fuji Media Holdings conducted a share split on October 1, 2013, at the ratio of 100 shares per share of common stock. Net income per share has been calculated assuming that the share split was conducted at the start of the previous fiscal year.

#### (2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2015	717,652	498,457	69.5	2,128.39
2014	666,151	463,029	69.5	1,977.12

(Reference) Total shareholders' equity: March 31, 2015: ¥498,457 million, March 31, 2014: ¥463,029 million

#### Indication of audit procedure implementation status

This flash report is not subject to audit procedures under the Financial Instruments and Exchange Act. The audit procedures of financial statements in accordance with the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this flash report.

#### 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 forecast of financial results, please refer to "1. ANALYSIS OF BUSINESS PERFORMANCE AND FINANCIAL POSITION: (1) Analysis of Business Performance: [Outlook for FY2015 (Ending March 31, 2016)]" on page 8.

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# 1. ANALYSIS OF BUSINESS PERFORMANCE AND FINANCIAL POSITION

## (1) Analysis of Business Performance

### [Business Performance in FY2014]

The Japanese economy during fiscal 2014 (April 1, 2014 to March 31, 2015) began with weakness in consumer spending as a result of such factors as the rebound decline from demand rush ahead of the consumption tax hike in April 2014 and rising import prices, leading to negative growth in real GDP during the first half. However, real GDP growth turned positive from the second half, with the economy on a recovery track as a result of various government policy measures accompanied by improving conditions for employment and salaries.

Amid this economic environment, the Fuji Media Holdings Group's consolidated net sales rose slightly in the subject fiscal year, up 0.2% year-on-year to ¥643,313 million, as the contribution from the Urban Development segment offset declines in the Broadcasting, Production, Video and Music, Life Information, Advertising and Other segments.

In terms of earnings, operating income amounted to ¥25,628 million, down 18.7% year-on-year, as gains in the Urban Development, Advertising and Other segments were offset by declines in all other segments. Recurring profit rose 0.8% to ¥35,102 million, due mainly to the recording of a gain on negative goodwill generated when ITOCHU Fuji Partners, Inc. was made an equity-method affiliate. Net income also increased, rising 15.2% year-on-year to ¥19,908 million.

Results by operating segment are as follows.

Years ended March 31

	Net sales			Operating income (loss)		
	2014	2015	Change	2014	2015	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Broadcasting	346,861	<b>341,925</b>	(1.4)	18,170	<b>13,331</b>	(26.6)
Production	51,487	<b>51,405</b>	(0.2)	2,838	<b>2,658</b>	(6.4)
Video and Music	60,182	<b>56,873</b>	(5.5)	2,219	<b>1,160</b>	(47.7)
Life Information	139,725	<b>134,538</b>	(3.7)	1,490	<b>(607)</b>	—
Advertising	44,045	<b>43,201</b>	(1.9)	457	<b>472</b>	3.3
Urban Development	43,410	<b>57,129</b>	31.6	5,333	<b>7,319</b>	37.2
Other	27,669	<b>27,289</b>	(1.4)	720	<b>943</b>	30.9
Eliminations	(71,236)	<b>(69,049)</b>	—	298	<b>351</b>	—
Total	642,145	<b>643,313</b>	0.2	31,527	<b>25,628</b>	(18.7)

### Broadcasting

Broadcasting revenue, which accounts for the core of revenue from the broadcasting businesses of Fuji Television Network, Inc. ("Fuji TV"), declined 0.9% from the previous fiscal year to ¥231,121 million. Network time and spot advertising sales were down in April 2014 on the cooling consumption following the consumption tax hike, but consumption trends became firmer on continued improvement in employment and salary conditions, and sales rose steadily from May. However, viewer ratings for new programs in the Golden Time and Prime Time slots lagged, leading to an overall decline in revenue.

Network time advertising sales (time advertising for nationwide broadcasts) declined 2.2% year-on-year to ¥106,379 million. First half revenue was up year-on-year, as we were able to maintain rates for regular programs, along with a substantial boost for sales during the 2014 FIFA

World Cup, broadcast in June through July 2014. During the second half, however, despite the contribution from special events such as the 55th anniversary drama *Murder on the Orient Express* and the Tokyo Marathon broadcast on Fuji TV every other year, second half revenue declined year-on-year as a result of the rebound from last year's Sochi 2014 Olympics.

Local time advertising sales (time advertising for the Kanto region) rose 3.3% from the previous fiscal year to ¥15,200 million. Sales for regular programming were solid, with revenue rising in both the first and second halves, with positive results from single-company-sponsored programs in the first half, and a major contribution in the second from single-company-sponsored regular programs broadcast during late-night hours.

Spot advertising sales declined 0.3% from the previous fiscal year to ¥109,541 million. Regional market conditions were positive year-on-year in both the first and second halves. Despite chronic shortages of spot ads inventories due to the impact from the decline in viewership, we took steps to raise rates. By industry category, spending rose year-on-year in such categories as "Cosmetics/Toiletries" on strong placements from major cosmetics companies, "Telecommunication" on a sharp jump in placements for SNS games and other content, and "Travel/Leisure/Tourism" on a rise in placements from airline, railway and amusement companies. By contrast, year-on-year spending was down sharply in "Entertainment" on a decrease in placements for games and computer software and in "Office/Precision/Optical Equipment" on a decline in placements for camera ads.

Revenue from other broadcasting business decreased 2.3% year-on-year to ¥31,993 million. Income from overseas program sales increased but revenue was down year-on-year in communication satellite (CS) broadcasting and domestic program sales.

Revenue from other businesses declined 7.6% from the previous fiscal year to ¥46,897 million. In the movie business, *THERMAE ROMAE II* (¥4.42 billion in box office revenues) was third in box office revenue for live-action Japanese movies in 2014, but despite this and other efforts, revenue was down year-on-year as a result of the rebound decline from last year's powerful movie lineup. In the event business, revenue was boosted by Cirque du Soleil OVO, but this did not match last year's events such as the Japan performance of *MICHAEL JACKSON THE IMMORTAL WORLD TOUR* and *Walking with Dinosaurs – Live Arena Tour in Japan*. In the merchandising business, sales rose from the previous fiscal year on contributions from OVO food and merchandise sales. In the video business, year-on-year revenue was down as a result of cooling market conditions and the lack of any mainstay hit dramas. In the digital business, revenue increased, led by a sharp rise in membership for Fuji TV On Demand (fee-based streaming service) following proactive measures to gain subscribers.

In terms of expenses, we managed to hold overall operating expenses below the level of the previous fiscal year, by offsetting rises in broadcasting business costs and general and administrative expenses with curbs on other business costs and selling expenses.

Fuji Satellite Broadcasting, Inc. (BS Fuji) posted increases in both revenue and earnings. Sales reached record levels for the full-year period, with time advertising sales from *Prime News*, single-company-sponsor programs and TV shopping programs, together with steady growth in spot advertising revenue on large-scale placements.

Nippon Broadcasting System, Inc. recorded a year-on-year increases in both revenue and earnings, due mainly to gains in time advertising sales and event revenue.

As a result, for the Broadcasting segment overall, net sales declined 1.4% from the previous fiscal year to ¥341,925 million, with segment operating income down 26.6% to ¥13,331 million.

## Net Sales by Broadcasting Operations

Years ended March 31

	2014	2015	Change
	Millions of yen	Millions of yen	%
Fuji Television Network, Inc.			
Broadcasting businesses	266,076	<b>263,114</b>	(1.1)
Broadcasting	233,316	<b>231,121</b>	(0.9)
Network time	108,728	<b>106,379</b>	(2.2)
Local time	14,719	<b>15,200</b>	3.3
Spot	109,868	<b>109,541</b>	(0.3)
Other broadcasting business	32,759	<b>31,993</b>	(2.3)
Program sales	18,318	<b>18,253</b>	(0.4)
Other	14,440	<b>13,739</b>	(4.9)
Other businesses	50,770	<b>46,897</b>	(7.6)
Subtotal	316,846	<b>310,012</b>	(2.2)
Fuji Satellite Broadcasting, Inc. (BS Fuji)	13,810	<b>15,225</b>	10.2
Nippon Broadcasting System, Inc.	18,360	<b>18,753</b>	2.1
Elimination in the segment	(2,156)	<b>(2,065)</b>	—
Total	346,861	<b>341,925</b>	(1.4)

## Production

Net sales in the Production segment declined 0.2% from the previous fiscal year to ¥51,405 million. In terms of expenses, the cost rate rose on a decline in orders for programs, with segment operating income declining 6.4% year-on-year to ¥2,658 million.

## Video and Music

Pony Canyon, Inc. recorded a decline in sales overall. The music division posted revenue gains on hit albums from artists Sexy Zone and aiko but sales declined in the video division as hit titles including *Frozen* and *Free!-Eternal Summer-* could not match revenue from last year's titles. In terms of expenses, earnings declined mainly as a result of an increase in amortization of production investments.

Fujipacific Music Inc. posted declines in both revenue and earnings. Video production revenue increased but this was offset by declines in royalty revenue centered on distribution from JASRAC and in master recording usage fees on a lack of releases from major artists.

As a result, net sales in the Video and Music segment overall declined 5.5% from the previous fiscal year to ¥56,873 million, with segment operating income down 47.7% to ¥1,160 million.

## Life Information

Dinos Cecile Co., Ltd. posted an overall decline in revenue, with an operating loss. The Dinos business was boosted by positive performance in television shopping but overall sales declined as catalogue revenue was impacted until the second quarter by the rebound decline that followed the consumption tax hike, with struggling sales in all genres except the DAMA brand high-end catalogue. The Cecile business also faced harsh conditions in its mainstay ladies' goods catalogue mail-order sales.

Sankei Living Shimbun Inc. recorded a revenue decrease overall, due mainly to a decline in advertising income from *Living Shimbun* and *City Living*. The subsidiary posted an operating loss on an increase in selling, general and administration cost.

As a result, net sales in the Life Information segment overall decreased 3.7% from the previous fiscal year to ¥134,538 million, with an operating loss for the segment of ¥607 million.

### **Advertising**

Quaras Inc. and Kyodo Advertising Co., Ltd. merged during the subject fiscal year (October 1, 2014). Segment sales overall declined 1.9% overall to ¥43,201 million, as gains in television advertising were offset by declines in newspaper and outdoor advertising income. Operating income rose 3.3% to ¥472 million, due mainly to cuts in expenses.

### **Urban Development**

The Sankei Building Co., Ltd. posted gains in both revenue and earnings, due mainly to an increase in the number of condominiums sold and sales of rental apartments and owned buildings, along with a rise in the occupancy rate for Tokyo Sankei Building.

As a result, net sales in the Urban Development segment rose 31.6% from the previous fiscal year to ¥57,129 million, with operating income up 37.2% to ¥7,319 million.

### **Other**

Fujimic, Inc. recorded a revenue decline from a decrease in orders for system development and maintenance but operating income increased on a lower cost rate and cuts in selling, general and administration expenses. Fusosha Publishing, Inc. posted a gain in revenue from positive sales of books, the weekly magazine *SPA!* web business and digital publishing, though earnings declined on a higher cost rate and increase in selling, general and administration expenses.

As a result, net sales in the Other segment overall declined 1.4% from the previous fiscal year to ¥27,289 million, though operating income rose 30.9% to ¥943 million.

### **Equity-Method Affiliates**

Nihon Eiga Satellite Broadcasting Corporation recorded a revenue decline as a result of the impact from the shift to a high-definition broadcasting format but earnings increased with a cut in expenses.

The ten Fuji TV network affiliates, along with WOWOW Inc., which became an equity-method affiliate in the previous fiscal year, contributed to equity in earnings of affiliates. In addition, ITOCHU Fuji Partners, Inc. became a new equity-method affiliate.

As a result, equity in earnings of affiliates rose considerably, up ¥6,502 million from the previous fiscal year to ¥9,594 million.

### **[Outlook for FY2015 (Ending March 31, 2016)]**

The Japanese economy remains on a recovery track as a result of various government policy measures amid improvement in employment and salary conditions. Business conditions for advertising are expected to continue to recover, centered on spot advertising and we anticipate gains in both revenue and earnings for Fuji Television Network. We expect a revenue decline in the Video and Music segment, but with higher earnings from strengthened cost controls. We forecast revenue and earnings gains for the Life Information segment. We also expect revenue and earnings increases for the Urban Development segment with the addition of earnings from GRANVISTA



Hotels & Resorts Co., Ltd. Accordingly, on a consolidated basis, we are forecasting increases in net sales, operating income, recurring profit and net income attributable to owners of the parent.

Consequently, for the fiscal year ending March 31, 2016, Fuji Media Holdings is forecasting consolidated net sales of ¥670.0 billion, with operating income of ¥30.2 billion, recurring profit of ¥35.2 billion and net income attributable to owners of the parent of ¥22.3 billion.

## **(2) Analysis of Financial Position**

Total assets at the end of the subject fiscal year (March 31, 2015) amounted to ¥1,065,958 million, an increase of ¥54,261 million (5.4%) from the end of the previous fiscal year (March 31, 2014).

Total current assets amounted to ¥365,335 million, a decrease of ¥5,125 million (1.4%) from the end of the previous fiscal year. This was due mainly to declines of ¥6,225 million in notes and accounts receivable-trade; ¥5,000 million in trust beneficiary right included in the “Other” line item of current assets; ¥2,249 million in short-term loans receivable; and ¥2,246 million in advance payments-trade; against an increase of ¥15,643 million in inventories.

Total noncurrent assets amounted to ¥700,622 million, an increase of ¥59,387 million (9.3%). This was due mainly to an increase of ¥58,982 million in investment securities.

Total liabilities amounted to ¥427,074 million, a decrease of ¥1,609 million (0.4%) from the end of the previous fiscal year. This was due mainly to declines of ¥13,332 million in short-term loans payable; ¥10,000 million in bonds payable; and ¥4,170 million in net defined benefit liability; against increases of ¥15,679 million in deferred tax liabilities in noncurrent liabilities; and ¥11,174 million in long-term loans payable.

Net assets at the end of the subject fiscal year amounted to ¥638,883 million, an increase of ¥55,870 million (9.6%) from the end of the previous fiscal year. This was mainly the result of the recording of ¥19,908 million in net income; together with an increase of ¥4,830 million in retained earnings from changes in account policies for retirement benefits; and an increase of ¥37,273 million in valuation difference on available-for-sale securities; against a decrease of ¥8,899 million in retained earnings due to dividend payments.

Cash flows during the subject period were as follows.

Cash provided by operating activities amounted to ¥ 40,344 million, an increase of ¥17,560 million (77.1%) from cash provided during the previous fiscal year. This was due mainly to a ¥15,382 million increase in notes and accounts receivable-trade; a ¥5,699 million decrease in income taxes paid; a ¥4,978 million decrease in advance payments, included in the “Other” line item; and a ¥4,088 million decrease in prepaid expenses; against a ¥6,502 million increase in equity in earnings of affiliates; and a ¥2,446 million decrease in notes and accounts payable-trade.

Cash used in investing activities amounted to ¥19,984 million, a decrease of ¥13,058 million (39.5%) from cash used in the previous fiscal year. This was due mainly to a decrease of ¥9,128 million in payments on purchase of property, plant and equipment; and an increase of ¥4,971 million in proceeds from sales and redemption of securities.

Cash used in financing activities amounted to ¥25,181 million, compared to ¥4,544 million in cash provided in the previous fiscal year, a difference of ¥29,726 million. This was due mainly to a shift in short-term loans payable to a ¥6,800 million net decrease from a ¥10,800 million net increase in the previous fiscal year; and an increase of ¥10,000 million in redemption of bonds.

As a result, including an additional ¥313 million increase in cash and cash equivalents resulting from merger, the balance of cash and cash equivalents at the end of FY2014 (March 31, 2015)

amounted to ¥53,620 million, a decrease of ¥3,672 million (6.4%) from the end of FY2013 (March 31, 2014).

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

Years ended March 31

	2011	2012	2013	2014	2015
Equity ratio (%)	63.1	55.3	59.1	57.1	59.4
Equity ratio, based on market value (%)	37.0	34.8	39.7	43.4	37.0
Ratio of Interest-bearing debt to cash flow (times)	1.2	4.2	2.9	6.7	3.4
Interest coverage ratio (times)	50.8	45.4	23.6	14.7	26.0

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) by 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.

### (3) Basic Policy on Distribution of Company Profits, and Dividends for FY2014 and FY2015

Fuji Media Holdings regards the redistribution of profits to its shareholders as one of its most important management responsibilities. Our basic policy, under the certified broadcast holding company structure, is to provide distributions to its shareholders commensurate with performance, while making proactive investments for the growth of the Group's businesses, and entry into new business fields, in order to enhance its corporate value.

The Company's policy regarding the distribution of retained earnings is to determine the disbursement based on a target of payout ratio of 40% on a consolidated basis, with consideration to the stability of dividends from the standpoint of emphasizing the redistribution of profits to its shareholders. The year-end dividend for FY2014 (ended March 31, 2015), based on the results for the subject fiscal year, will be ¥20 per share. Together with the interim dividend of ¥20 per share, this represents a full-year payout of ¥40 per share. The dividend payment will be an item on the agenda of the 74th Ordinary General Meeting of Shareholders scheduled for June 25, 2015.

For FY2015 (ending March 31, 2016), Fuji Media Holdings will maintain this dividend policy. Based on the policy, for FY2015, the Company plans to pay an interim dividend of ¥20 per share and a year-end dividend of ¥20 per share, amounting to a full-year payout of ¥40 per share.

## 2. ORGANIZATION OF THE FUJI MEDIA HOLDINGS GROUP

The Fuji Media Holdings Group comprises the certified broadcast holding company Fuji Media Holdings, Inc., together with 93 subsidiaries and 48 affiliates. The Group's activities include the mainstay business of broadcasting as prescribed by Japan's Broadcast Act; the planning, production, engineering and relay of programs for broadcast; the video and music business; the life information business comprising such activities as direct marketing and free paper publication, etc.; the advertising business; and the urban development business comprising office building leasing and real estate transactions.

The major companies by business category are shown below.

Category	Major Companies
<b>Broadcasting</b> TV broadcasting and radio broadcasting	Fuji Television Network, Inc. Nippon Broadcasting System, Inc. Fuji Satellite Broadcasting, Inc. (BS Fuji)
<b>Production</b> Planning, production, engineering and relay of programs for broadcast, etc.	Kyodo Edit, Inc. Kyodo Television, Ltd. Vasc, Co., Ltd. Van Eight Production, Inc. Fuji Art, Inc. Fuji Creative Corporation Fuji Media Technology, Inc. Basis, Ltd. NEXTEP TV WORKSHOP Co., Ltd.
<b>Video and Music</b> Production and sale of music and video content, management of music copyrights, etc.	EXIT TUNES Inc. Shinko Music Publishers Co., Ltd. Fujipacific Music Inc. "Fuji Music Partners" Pony Canyon Inc. Ponycanyon Enterprise Inc. ARC/CONRAD MUSIC, LLC ARC MUSIC, INC. FUJI MUSIC GROUP, INC.
<b>Life Information</b> Direct marketing and free paper publishing, etc.	Sankei Living Shimbun Inc. Dinos Cecile Co., Ltd. Dinos Cecile Communications Co., Ltd. Living Pro-Seed, Inc.
<b>Advertising</b> Advertising, etc.	Quaras Inc.
<b>Urban Development</b> Office building leasing, real estate transactions, etc.	Sankei Kaikan Co., Ltd. The Sankei Building Co., Ltd. The Sankei Bldg Techno Co., Ltd. The Sankei Building Management Co., Ltd.
<b>Other</b> Publishing, temporary agency services, movables leasing, software development, etc.	Nippon Broadcasting Projects, Inc. FUJI CAREER DESIGN INC. Fujimic, Inc. Fusosha Publishing, Inc. FUJISANKEI COMMUNICATIONS INTERNATIONAL, INC.

(NOTE) FUJI ENTERTAINMENT AMERICA, INC. changed its corporate name to FUJI MUSIC GROUP, INC.

### **3. MANAGEMENT POLICIES**

#### **(1) Basic Management Policy**

The Fuji Media Holdings Group, under a certified broadcast holding company structure and with operations centered on the terrestrial broadcasting business of Fuji Television Network, Inc., has established a basic management policy of contributing to the enrichment of the everyday lives of citizens through various media-related fields, centered on broadcasting, and including movies, events, video and music, publishing and books, as well as life information and urban development.

Under this policy, the Fuji Media Holdings Group has built an earnings structure capable of achieving sustainable growth, and strengthened its management foundation, while responding in a flexible manner to changes in the business environment.

Going forward, the Fuji Media Holdings Group will strengthen and grow its businesses, and further enhance ties between group companies, while also expanding the wide variety of media content it possesses to various other types of media in order to maximize earnings. Further, we will actively cultivate future growth fields, centered on the media content and digital businesses, in order to enhance our corporate value, and earn the trust and meet the expectations of our shareholders and investors.

#### **(2) Management Goals and Indicators**

The Fuji Media Holdings Group, while responding appropriately to changes in the business environment and emphasizing the distribution of earnings to its shareholders, will aim to raise the level of earnings of the corporate group as a whole, and to improve indicators such as the operating income-to-net-sales ratio. Further, from the standpoint of realizing continual improvement of its corporate value, we will work to ensure efficient utilization of shareholders' equity and the effective management of expenses.

#### **(3) Medium- to Long-Term Management Strategies, and Issues to Be Addressed**

The Fuji Media Holdings Group, under its certified broadcast holding company structure, has worked to further the continued growth of its group companies, concentrate and effectively utilize management resources, and strengthen the earnings foundation of the corporate group. We will continue to strengthen the terrestrial television broadcasting business and all group businesses, pioneer new business fields, and while responding appropriately to changes in the business environment, seek sustainable growth of the corporate group as a whole.

##### **(i) Strengthen competitiveness and earnings capacity in the broadcasting business**

Fuji Television Network, Inc. ("Fuji TV"), the core company of the Fuji Media Holdings Group, seeks to create appealing content, enhance viewer ratings and media value through programming that earns the trust and support of viewers, and secure a high standard of broadcast revenue. Fuji TV has made substantial revisions to its timetable in the programming lineup from April 2015. We will continue to make efforts on the priority issue of raising viewer ratings.

In addition, the Fuji Media Holdings Group, centered on its terrestrial free-to-air commercial broadcast service, together with the steadily growing free-to-air commercial broadcast satellite (BS) service, and subscription-based communication satellite (CS) and pay TV service, and in appropriate combination with internet media, will respond flexibly to advancements in digital technologies and shifts in viewing styles. Fuji TV is rapidly expanding the business scale of its online streaming service Fuji TV On Demand, and is moving ahead with efforts for "+7," a streaming service that allows current

programs to be viewed free of charge for one week. Further, as a new initiative, from April 2015 we are launching *Hodokyoku*, a specialty news channel viewable on multiple devices.

The Fuji Media Holdings Group will continue to maximize the value of its content in an effort to expand earnings in the broadcasting business.

## **(ii) Build a strong business portfolio**

The Fuji Media Holdings Group's earnings are centered on Fuji TV's terrestrial television advertising revenue, but we also recognize the importance of building a strong business portfolio not overly susceptible to fluctuations in these earnings. The Fuji Media Holdings Group has established a broad media-related business that includes movies, events, and merchandising and rights-related businesses, as well as program production, video and music, life information, advertising and urban development. We will further the independent growth of our group companies, and while pursuing mutual tie-ups and complementary relationships among these businesses, secure a high level of earnings of the corporate group as a whole, and seek stable growth through appropriate group governance.

## **(iii) Cultivate new business fields**

The Fuji Media Holdings Group, with the aim of further growth, will work to build a more robust foundation for earnings through new business development and M&A.

In the Urban Development business, in April 2015 The Sankei Building Co., Ltd. acquired the shares in GRANVISTA Hotels & Resorts Co., Ltd., making the company our subsidiary. Amid an expected increase in overseas visitors to Japan, the company will seek to make a stable contribution to earnings from general resort business centered on hotels, and will work in alliance with the Urban Development and other existing businesses. The company's expertise in general resort business is also expected to contribute to the MICE/IR project for the Tokyo Daiba area, for which we are continuing to explore commercialization as a project for the future.

In the growing digital business field, in addition to steady growth of Fuji TV's in-house developed PC games, we have achieved a positive start for the native app games for smartphones released by game companies established through Fuji Startup Ventures Inc. We will seek further growth of the games business.

In March 2015, Fuji Media Holdings added GPlus Media Co., Ltd., which operates websites for foreigners, to its corporate group through a subsidiary. By strengthening its communication of information to the foreign community, the Fuji Media Holdings Group is seeking to generate new business opportunities. Further, in March 2015 we established a new subsidiary Fuji Smart Work Co., Ltd. through the merger of our group human resources subsidiary Fuji Career Design Co., Ltd. with Digital Hollywood Co., Ltd. This new company will provide services utilizing creative human resources in the digital field.

In addition to these efforts, we are making proactive efforts to cultivate business areas based on the fields of expertise of the Fuji Media Holdings Group.

#### **4. BASIC STANCE ON SELECTION OF ACCOUNTING STANDARDS**

The Fuji Media Holdings 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), the policy is to respond appropriately, considering the various conditions inside and outside Japan.

## 5. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

At March 31

Millions of yen

	2014	2015
<b>ASSETS</b>		
Current assets:		
Cash and deposits	37,119	36,851
Notes and accounts receivable-trade	128,778	122,553
Marketable securities	104,958	103,153
Inventories	48,791	64,434
Deferred tax assets	4,899	5,410
Other	46,645	33,984
Allowance for doubtful accounts	(732)	(1,052)
Total current assets	370,461	365,335
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	134,717	128,643
Machinery, equipment and vehicles	11,277	10,926
Land	169,488	178,327
Construction in progress	519	2,374
Other	8,548	7,665
Total property, plant and equipment	324,550	327,938
Intangible assets		
Goodwill	823	1,213
Leasehold right	17,474	16,614
Software	11,216	9,832
Other	13,206	11,741
Total intangible assets	42,720	39,402
Investments and other assets		
Investment securities	238,771	297,754
Deferred tax assets	18,285	15,120
Other	18,938	22,477
Allowance for doubtful accounts	(2,031)	(2,069)
Total investments and other assets	273,963	333,282
Total noncurrent assets	641,235	700,622
Total assets	1,011,696	1,065,958

	2014	2015
<b>LIABILITIES</b>		
Current liabilities:		
Notes and accounts payable-trade	54,264	<b>55,894</b>
Short-term loans payable	39,388	<b>26,056</b>
Accrued income taxes	5,013	<b>4,800</b>
Provision for sales returns	970	<b>858</b>
Provision for directors' bonuses	347	<b>380</b>
Provision for point card certificates	896	<b>989</b>
Provision for loss on reconstruction	285	<b>77</b>
Provision for loss on business of subsidiaries and affiliates	—	<b>504</b>
Other	83,543	<b>83,771</b>
Total current liabilities	184,710	<b>173,332</b>
Noncurrent liabilities:		
Bonds payable	50,000	<b>40,000</b>
Long-term loans payable	47,402	<b>58,576</b>
Deferred tax liabilities	46,504	<b>62,184</b>
Deferred tax liabilities for land revaluation	14,200	<b>13,243</b>
Provision for directors' retirement benefits	1,680	<b>1,723</b>
Provision for loss on interest repayment	19	<b>6</b>
Provision for environmental measures	18	<b>18</b>
Provision for loss on reconstruction	—	<b>78</b>
Net defined benefit liability	61,592	<b>57,421</b>
Negative goodwill	6,405	<b>5,826</b>
Other	16,149	<b>14,663</b>
Total noncurrent liabilities	243,973	<b>253,741</b>
Total liabilities	428,683	<b>427,074</b>
<b>NET ASSETS</b>		
Shareholders' equity:		
Capital stock	146,200	<b>146,200</b>
Capital surplus	173,664	<b>173,664</b>
Retained earnings	244,360	<b>260,440</b>
Treasury stock	(9,424)	<b>(9,767)</b>
Total shareholders' equity	554,800	<b>570,537</b>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	33,739	<b>71,012</b>
Deferred gains or losses on hedges	4	<b>208</b>
Revaluation reserve for land	(305)	<b>816</b>
Foreign currency translation adjustment	(1,553)	<b>184</b>
Remeasurements of defined benefit plans	(8,882)	<b>(9,191)</b>
Total accumulated other comprehensive income	23,003	<b>63,030</b>
Minority interests	5,208	<b>5,315</b>
Total net assets	583,013	<b>638,883</b>
Total liabilities and net assets	1,011,696	<b>1,065,958</b>



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

### Consolidated Statements of Income

Years ended March 31

Millions of yen

	2014	2015
Net sales	642,145	<b>643,313</b>
Cost of sales	430,805	<b>438,103</b>
Gross profit	211,339	<b>205,210</b>
Selling, general and administrative expenses	179,812	<b>179,582</b>
Operating income	31,527	<b>25,628</b>
Non-operating income:		
Interest income	373	<b>328</b>
Dividends income	2,045	<b>1,870</b>
Equity in earnings of affiliates	3,092	<b>9,594</b>
Amortization of negative goodwill	634	<b>579</b>
Other	1,190	<b>1,693</b>
Total	7,336	<b>14,065</b>
Non-operating expenses:		
Interests	1,527	<b>1,487</b>
Loss on investments in partnership	1,808	<b>2,430</b>
Other	689	<b>673</b>
Total	4,025	<b>4,591</b>
Recurring profit	34,838	<b>35,102</b>
Extraordinary gain:		
Gain on sales of noncurrent assets	100	<b>1,590</b>
Gain on sales of investment securities	351	<b>800</b>
Other	24	<b>206</b>
Total	476	<b>2,597</b>
Extraordinary loss:		
Loss on valuation of investment securities	2,736	<b>2,190</b>
Loss on measures associated with the relocation of transmitting stations	907	<b>—</b>
Impairment loss	93	<b>3,738</b>
Other	1,389	<b>2,234</b>
Total	5,125	<b>8,163</b>
Income before income taxes	30,188	<b>29,536</b>
Income taxes-current	10,829	<b>9,552</b>
Income taxes-deferred	1,658	<b>(307)</b>
Total	12,488	<b>9,244</b>
Income before minority interests	17,700	<b>20,291</b>
Minority interests in income	417	<b>382</b>
Net income	17,282	<b>19,908</b>

**Consolidated Statements of Comprehensive Income**

Years ended March 31

Millions of yen

	2014	2015
Income before minority interests	17,700	20,291
Other comprehensive income:		
Valuation difference on available-for-sale securities	13,908	36,578
Deferred gains or losses on hedges	(35)	143
Revaluation reserve for land	(3,380)	957
Foreign currency translation adjustment	2,002	1,608
Remeasurements of defined benefit plans	—	(433)
Share of other comprehensive income of affiliates accounted for using equity method	466	1,414
Total other comprehensive income	12,961	40,267
Comprehensive income	30,661	60,559
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	30,245	59,935
Comprehensive income attributable to minority interests	416	623

### (3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2014

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of fiscal year	146,200	173,664	233,723	(9,228)	544,360
Changes of items during the fiscal year:					
Dividends from surplus			(10,304)		(10,304)
Net income			17,282		17,282
Change in equity in affiliates accounted for by equity method - treasury stock				(196)	(196)
Reversal of revaluation reserve for land			3,698		3,698
Increase by merger			(39)		(39)
Net changes of items other than shareholders' equity					
Total	—	—	10,636	(196)	10,439
Balance at the current year-end	146,200	173,664	244,360	(9,424)	554,800

	Accumulated other comprehensive income						Minority 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	Remeasurements of defined benefit plans	Total		
Balance at the beginning of fiscal year	19,429	69	2,980	(3,556)	—	18,923	4,915	568,200
Changes of items during the fiscal year:								
Dividends from surplus								(10,304)
Net income								17,282
Change in equity in affiliates accounted for by equity method - treasury stock								(196)
Reversal of revaluation reserve for land								3,698
Increase by merger								(39)
Net changes of items other than shareholders' equity	14,309	(64)	(3,285)	2,002	(8,882)	4,080	292	4,372
Total	14,309	(64)	(3,285)	2,002	(8,882)	4,080	292	14,812
Balance at the current year-end	33,739	4	(305)	(1,553)	(8,882)	23,003	5,208	583,013

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of fiscal year	146,200	173,664	244,360	(9,424)	554,800
Cumulative effects of changes in accounting policies			4,830		4,830
Restated balance	146,200	173,664	249,190	(9,424)	559,630
Changes of items during the fiscal year:					
Dividends from surplus			(8,899)		(8,899)
Net income			19,908		19,908
Change in equity in affiliates accounted for by equity method - treasury stock				(342)	(342)
Reversal of revaluation reserve for land			318		318
Change of scope of consolidation			74		74
Change of scope of equity method			(153)		(153)
Net changes of items other than shareholders' equity					
Total	—	—	11,249	(342)	10,907
Balance at the current year-end	146,200	173,664	260,440	(9,767)	570,537

(Continued on page 21)

	Accumulated other comprehensive income						Minority 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	Remeasurements of defined benefit plans	Total		
Balance at the beginning of fiscal year	33,739	4	(305)	(1,553)	(8,882)	23,003	5,208	583,013
Cumulative effects of changes in accounting policies								4,830
Restated balance	33,739	4	(305)	(1,553)	(8,882)	23,003	5,208	587,843
Changes of items during the fiscal year:								
Dividends from surplus								(8,899)
Net income								19,908
Change in equity in affiliates accounted for by equity method - treasury stock								(342)
Reversal of revaluation reserve for land								318
Change of scope of consolidation								74
Change of scope of equity method								(153)
Net changes of items other than shareholders' equity	37,273	203	1,121	1,737	(309)	40,026	106	40,133
Total	37,273	203	1,121	1,737	(309)	40,026	106	51,040
Balance at the current year-end	71,012	208	816	184	(9,191)	63,030	5,315	638,883

**(4) Consolidated Statements of Cash Flows**

Years ended March 31

Millions of yen

	2014	2015
Cash flows from operating activities:		
Income before income taxes	30,188	29,536
Depreciation and amortization	20,117	19,406
Impairment loss	93	3,738
Amortization of goodwill	29	(266)
Increase (decrease) in allowance for doubtful accounts	215	406
Increase (decrease) in provision for retirement benefits	(45,667)	—
Increase (decrease) in other provisions	(556)	408
Increase (decrease) in net defined benefit liability	61,448	(9,529)
Interest and dividends income	(2,419)	(2,198)
Interests expense	1,527	1,487
Equity in (earnings) losses of affiliates	(3,092)	(9,594)
Loss (gain) on valuation of investment securities	2,736	2,190
Loss (gain) on sales of noncurrent assets	(95)	(1,584)
Loss on transmitting station transfer measures	907	—
Decrease (increase) in notes and accounts receivable-trade	(8,935)	6,446
Decrease (increase) in inventories	(9,642)	(11,341)
Increase (decrease) in notes and accounts payable-trade	3,972	1,525
Other	(14,136)	17,534
Subtotal	36,688	48,166
Interest and dividends income received	2,666	2,052
Interest expenses paid	(1,545)	(1,554)
Income taxes paid	(17,959)	(12,259)
Income taxes refunded	2,934	3,940
Net cash provided by operating activities	22,784	40,344
Cash flows from investing activities:		
Proceeds from withdrawal of time deposits	11,509	10,010
Payments into time deposits	(11,000)	(10,000)
Payments on purchase of marketable securities	(229,859)	(230,785)
Proceeds from sales and redemption of securities	224,282	229,254
Payments on purchase of property, plant and equipment	(24,424)	(15,295)
Proceeds from sales of property, plant and equipment	3,224	2,391
Payments on purchase of intangible assets	(4,115)	(3,228)
Payments on purchase of investment securities	(6,075)	(7,401)
Proceeds from sales and redemption of investment securities	7,383	5,912
Other	(3,967)	(841)
Net cash used in investing activities	(33,043)	(19,984)

*(Continued on page 23)*

	2014	2015
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	10,800	<b>(6,800)</b>
Proceeds from long-term loans payable	18,300	<b>15,700</b>
Repayments of long-term loans payable	(12,618)	<b>(13,335)</b>
Redemption of bonds	—	<b>(10,000)</b>
Dividends paid	(10,360)	<b>(8,991)</b>
Dividends paid to minority shareholders	(109)	<b>(113)</b>
Other	(1,466)	<b>(1,641)</b>
Net cash provided by (used in) financing activities	4,544	<b>(25,181)</b>
Effect of exchange rate changes on cash and cash equivalents	907	<b>835</b>
Net increase (decrease) in cash and cash equivalents	(4,807)	<b>(3,986)</b>
Cash and cash equivalents at the beginning of the year	61,879	<b>57,293</b>
Increase in cash and cash equivalents resulting from merger	221	<b>313</b>
Cash and cash equivalents at the end of the year	57,293	<b>53,620</b>

## **(5) Notes to Consolidated Financial Statements**

### **(Note on Assumptions for Going Concern)**

Not applicable

## **(Important Matters Concerning the Basis for Preparing the Consolidated Financial Statements)**

### **1. Matters concerning the scope of consolidation**

#### **(1) Number of consolidated subsidiaries: 35**

Names of major consolidated subsidiaries

Fuji Television Network, Inc.

The Sankei Building Co., Ltd.

Dinos Cecile Co., Ltd.

EXIT TUNES Inc. was included in the list of consolidated subsidiaries in April 2014, as it became the wholly-owned subsidiary of the Company through an additional acquisition of its shares by the Company.

ALMADO Inc. was excluded from the list of consolidated subsidiaries in September 2014, through a sale of its shares, etc. by the Company.

Kyodo Advertising Co., Ltd. was excluded from the list of consolidated subsidiaries in October 2014, as it was absorbed by Quaras Inc. as a result of an absorption-type merger.

#### **(2) Names of major non-consolidated subsidiaries**

FCG Research Institute, Inc.

Fujisankei Agency, Inc.

Reasons for excluding the subsidiaries from the scope of consolidation

58 non-consolidated subsidiaries are small companies and the aggregate amounts of total assets, net sales, net income/loss and retained earnings (based on the Company's equity interest) thereof have no significant impact on the consolidated financial statements.

### **2. Matters concerning the application of the equity method**

#### **(1) Number of non-consolidated subsidiaries accounted for by the equity method: 3**

Names of major non-consolidated subsidiaries

FCG Research Institute, Inc.

Nippon Planning Center Inc.

Fujisankei Agency, Inc.

PONY CANYON ARTISTS INC. was excluded from the list of subsidiaries accounted for by the equity method from the beginning of the fiscal year under review, due to its decreased significance resulting from downsizing of business, etc.

#### **(2) Number of affiliates accounted for by the equity method: 16**

Names of major affiliates

Kansai Telecasting Corporation

WOWOW INC.

ITOCHU Fuji Partners, Inc. was newly included in the list of affiliates accounted for by the equity method in August 2014, due to the subscription for new shares by the Company.

Studio Alta Co., Ltd. was excluded from the list of affiliates accounted for by the equity method in October 2014, due to the sale of its equity interest by the Company.



### **(3) Names of major non-consolidated subsidiaries and affiliates not accounted for by the equity method**

FILM Inc.

FUJIPACIFIC MUSIC KOREA, INC.

PONYCANYON KOREA, INC.

Reasons for not applying the equity method

Companies not accounted for by the equity method are excluded from the scope of the equity method as they have no significant impact on consolidated net income/loss and retained earnings and are of little importance as a whole.

### **(4) Special Notes with respect to the Application of the Equity Method**

Concerning the companies accounted for by the equity method, the financial statements for their respective fiscal years are used for those that have a closing date that differs from the consolidated closing date.

No further disclosure is made hereby, as there are no significant changes other than as mentioned above from the descriptions in the latest securities report (submitted on June 27, 2014).

### **(Changes in Accounting Policies)**

From the beginning of the first quarter period of the subject fiscal year, the Company has applied "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012, "Retirement Benefits Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015, "Retirement Benefits Application Guidance"), as prescribed by the purview of Paragraph 35 of the Accounting Standard for Retirement Benefits and the purview of Paragraph 67 of the Retirement Benefits Application Guidance. The method for calculating retirement benefit obligations and service cost has been revised, with the period attribution method for projected benefit obligations changed from a straight-line attribution to a benefit formula standard. The method for determining the discount rate has also been revised, with regard to the period for the bonds that are the basis for determining the discount rate, from a method that uses the number of years approximate to the average remaining years of service for the employee, to a simple weighted average discount rate reflecting the projected benefit obligation period and amounts of each projected benefit obligation period.

For the application of the Retirement Benefits Accounting Standard, in accordance with the provisional treatment as prescribed by Paragraph 37 of the Retirement Benefits Accounting Standard, from the beginning of the subject fiscal year, the amount of financial impact resulting from the change in the method for calculating retirement benefit obligations and service cost has been assessed to retained earnings.

As a result, net defined benefit liability at the beginning of the subject fiscal year decreased ¥8,975 million and retained earnings increased ¥4,830 million. The impact on operating income, recurring profit and income before income taxes is negligible.

The effect on per share information is presented in the relevant section.

### **(Changes in Presentation)**

#### ***Consolidated Statements of Income***

The presentation method for "Impairment loss", which was previously included in "Other" under

“Extraordinary loss”, has been changed and it is independently presented as from the fiscal year under review, due to its increased significance. The consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, the amount of ¥1,482 million, which was presented as “Other” under “Extraordinary loss” in the consolidated statement of income for the previous fiscal year, is restated as ¥93 million in “Impairment loss” and ¥1,389 million in “Other”.

### **Consolidated Statements of Cash Flows**

The presentation method for “Impairment loss” and “Loss (gain) on sales of non-current assets”, which were previously included in “Other, net” under “Cash flows from operating activities”, has been changed, and they are independently presented as from the fiscal year under review, due to their increased significance. The consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, the negative amount of ¥14,138 million which was presented as “Other, net” for the previous fiscal year, is restated as ¥93 million in “Impairment loss”, negative ¥95 million in “Gain on sales of non-current assets” and negative ¥14,136 million in “Other, net”.

### **(Notes to Consolidated Balance Sheets)**

#### 1. Accumulated depreciation for property, plant and equipment Millions of yen

	March 31, 2014	March 31, 2015
Accumulated depreciation for property, plant and equipment	229,170	234,776

#### 2. Non-consolidated subsidiaries and affiliates Millions of yen

	March 31, 2014	March 31, 2015
Investment securities (Shares)	66,250	88,896
Investment securities (Investments in capital)	1,043	2,399

#### 3.

##### (1) Assets pledged as collateral Millions of yen

	March 31, 2014	March 31, 2015
Buildings and structures	3,122	—
Land	2,013	—
Total	5,135	—

##### (2) Liabilities backed by the above collateral Millions of yen

	March 31, 2014	March 31, 2015
Notes and accounts payable-trade	24	—
Other (Current liabilities)	432	—
Total	456	—

(3) Assets other than the above, which are provided by consolidated subsidiaries to television broadcasting companies, newspaper companies, etc. in substitution for business guarantee deposits Millions of yen

	March 31, 2014	March 31, 2015
Time deposits	211	119
Investment securities	14	9
Total	225	128

#### 4. Contingent Obligations

##### Guarantee Obligations

The Company guarantees bank loans etc. of non-consolidated subsidiaries and employees as follows.

Millions of yen

	March 31, 2014	March 31, 2015
SBF-2	2,250	—
Housing loans for employees	619	441
Total	2,869	441

#### 5. Advanced depreciation

With regard to the fixed assets acquired for and before the consolidated fiscal year under review, the amount of advanced depreciation by government subsidies was as follows. The amounts thereof in the consolidated balance sheet are shown by deducting such amount of advanced depreciation.

Millions of yen

	March 31, 2014	March 31, 2015
Buildings and structures	200	237
Machinery, equipment and vehicles	283	335
Other (Property, plant and equipment)	77	77
Software	15	15
Total	577	666

#### 6. Revaluation of land

Some of consolidated subsidiaries revalued the land used for its business in accordance with the “Act on Revaluation of Land” (Act No. 34, March 31, 1998). The tax equivalent to this revaluation difference has been stated in Liabilities as “Deferred tax liabilities for land revaluation”.

Of “Revaluation reserve for land”, which is the resulting revaluation difference after deduction of the said tax equivalent, the balance at the time of consolidation of subsidiaries is offset on the consolidated financial statements.

Date of revaluation: March 31, 2002

##### Revaluation method

The value of land is determined based on the assessed value of real property for property tax purposes, as stipulated in Article 2, Item 3 of the Ordinance for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, March 31, 1998).

Furthermore, as some of the affiliates accounted for by the equity method of the Company revalued the land used for its business as well, equity equivalents of the revaluation difference after deduction of the tax equivalent have been stated in Net Assets.

## 7. Inventories

Millions of yen

	March 31, 2014	March 31, 2015
Programs and other programs	10,322	10,013
Products and goods	14,396	16,477
Work in process	1,122	1,077
Real estate for sale	2,128	6,818
Real estate for sale in process	14,214	16,741
Real estate for development	5,786	12,415
Others	820	890
Total	48,791	64,434

**(Notes to Consolidated Statements of Income)**

1. The main items and amounts in selling, general and administrative expenses are as follows.

Years ended March 31

Millions of yen

	2014	2015
Agent fees	52,092	51,236
Advertising expenses	32,407	33,721
Personnel expenses	38,285	38,989
Retirement benefit expenses	3,683	3,604
Provision of allowance for doubtful accounts	289	188
Provision for directors' bonuses	346	377
Provision for point card certificates	31	102
Provision for directors' retirement benefits	250	262
Amortization of goodwill	663	313

2. Research and development expenses included in general and administrative expenses are as follows.

Years ended March 31

Millions of yen

	2014	2015
Research and development expenses included in general and administrative expenses	295	194

3. Breakdown of gain on sales of non-current assets is as follows.

Years ended March 31

Millions of yen

	2014	2015
Buildings and structures	1	0
Machinery, equipment and vehicles	2	1
Land	95	1,586
Others	0	0
Total	100	1,590

## 4. Impairment loss

For the fiscal year ended March 31, 2014

The Group omitted notes to impairment loss because its amount is not significant.

For the fiscal year ended March 31, 2015

The Group recorded impairment losses for the following assets.

Location	Usage	Type	Amount (Millions of yen)
(Life Information) Dinos Cecile Co., Ltd. Takamatsu, Kagawa	Property for business use	Buildings and structures, intangible leasing, land	3,403
(Urban Development) The Sankei Building Co., Ltd. Hiroshima, Hiroshima	Rental building	Buildings and structures	278
Sankei Kaikan Co., Ltd. Chiyoda, Tokyo	Rented stores	Buildings and structures	56

In the Life Information segment, the Group groups business assets by business category and reviews the said assets for any impairment loss. In the consolidated fiscal year under review, the book values of properties for business use, consisting of those for which profitability decreased, were reduced to their respective collectible amounts and such reduced amounts were recorded as an impairment loss under extraordinary loss. The breakdown of such impairment loss was ¥1,513 million in buildings and structures, ¥1,068 million in intangible leased assets included in “Others” under intangible assets, ¥148 million in lands and ¥672 million in other. The collectible amounts of properties for business use are measured with use value. Future cash flows discounted at a rate of 5.3% are used to compute the use value.

In the Urban Development segment, in principle, the Group groups assets by each property and reviews the said assets for any impairment loss. In the consolidated fiscal year under review, the book values of properties to be disposed were reduced to their respective collectible amounts and such reduced amounts were recorded as an impairment loss under extraordinary loss. The breakdown of such impairment loss was ¥329 million in buildings and structures and ¥5 million in other.

The collectible amounts of the said asset groups are measured with the higher of the net sale value and use value, and the net realizable sale value is considered to be zero, as such assets are difficult to sell or convert to other uses. Future cash flows discounted at a rate of 3.8% are used to compute the use value.

**(Notes to Consolidated Statements of Comprehensive Income)**

## 1. Reclassification adjustments and tax effect for other comprehensive income

Years ended March 31

Millions of yen

	2014	2015
Valuation difference on available-for-sale securities		
Amount recorded during the period	20,118	51,432
Reclassification adjustments	154	(183)
Amount before tax effect adjustments	20,273	51,248
Tax effect	(6,364)	(14,670)
Valuation difference on available-for-sale securities	13,908	36,578
Deferred gains or losses on hedges		
Amount recorded during the period	(58)	210
Amount before tax effect adjustments	(58)	210
Tax effect	22	(67)
Deferred gains or losses on hedges	(35)	143
Revaluation reserve for land		
Amount recorded during the period	—	—
Amount before tax effect adjustments	—	—
Tax effect	(3,380)	957
Revaluation reserve for land	(3,380)	957
Foreign currency translation adjustment		
Amount recorded during the period	2,002	1,608
Foreign currency translation adjustment	2,002	1,608
Remeasurements of defined benefit plans, net of tax		
Amount recorded during the period	—	(3,019)
Reclassification adjustments	—	2,422
Amount before tax effect adjustments	—	(596)
Tax effect	—	162
Remeasurements of defined benefit plans, net of tax	—	(433)
Share of other comprehensive income of entities accounted for using equity method		
Amount recorded during the period	453	1,421
Reclassification adjustments	13	(7)
Share of other comprehensive income of entities accounted for using equity method	466	1,414
Total other comprehensive income	12,961	40,267

**(Notes to Consolidated Statements of Changes in Net Assets)**

For the fiscal year ended March 31, 2014

## 1. Matters related to issued shares

(Shares)

Class of shares	At April 1, 2013	Increase	Decrease	At March 31, 2014
Common stock	2,364,298	234,065,502	—	236,429,800

(Note) The increase in the number of common stocks by 234,065,502 shares is due to the share split (at the ratio of 100 shares per share of common stock) conducted on October 1, 2013.

## 2 Matters related to treasury stock

(Shares)

Class of shares	At April 1, 2013	Increase	Decrease	At March 31, 2014
Common stock	47,945	4,866,972	—	4,914,917

(Note) The increase in the number of treasury stocks by 4,866,972 shares is due to an increase of 4,746,507 shares by the share split (at the ratio of 100 shares per share of common stock) conducted on October 1, 2013 and an increase of 120,465 shares by an increase of the said stocks attributable to the Company, resulting from a change in the shareholding ratio in respect of its affiliates accounted for by the equity method.

## 3. Matters related to dividends

## (1) Dividend payment

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2013	Common stock	5,152	2,200	March 31, 2013	June 28, 2013
Board of Directors' Meeting on October 31, 2013	Common stock	5,152	2,200	September 30, 2013	December 3, 2013

(Note) With regard to the amount of dividend per share, the share split (at the ratio of 100 shares per share of common stock) conducted on October 1, 2013 is not taken into consideration as the record date is September 30, 2013.

(2) Dividends for which the record date belongs to the consolidated fiscal year under review but the effective date of the dividends will be in the following fiscal year

Resolution	Class of shares	Source of dividend funds	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2014	Common stock	Retained earnings	4,215	18	March 31, 2014	June 30, 2014

For the fiscal year ended March 31, 2015

1. Matters related to issued shares (Shares)

Class of shares	At April 1, 2014	Increase	Decrease	At March 31, 2015
Common stock	236,429,800	—	—	236,429,800

2. Matters related to treasury stock (Shares)

Class of shares	At April 1, 2014	Increase	Decrease	At March 31, 2015
Common stock	4,914,917	250,631	—	5,165,548

(Note) The increase in the number of treasury stocks by 250,631 shares is due to an increase of the said stocks attributable to the Company, resulting from a change in the shareholding ratio in respect of its affiliates accounted for by the equity method.

3. Matters related to dividends

(1) Dividend payment

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2014	Common stock	4,215	18	March 31, 2014	June 30, 2014
Board of Directors' Meeting on October 31, 2014	Common stock	4,683	20	September 30, 2014	December 2, 2014

(2) Dividends for which the record date belongs to the consolidated fiscal year under review but the effective date of the dividends will be in the following fiscal year

Resolution	Class of shares	Source of dividend funds	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2015	Common stock	Retained earnings	4,683	20	March 31, 2015	June 26, 2015



**(Notes to Consolidated Statements of Cash Flows)**

1. Relationship between cash and cash equivalents at the end of the period and the itemized amounts stated in consolidated balance sheets

Years ended March 31

(Millions of yen)

	2014	2015
Cash and deposits	37,119	36,851
Marketable securities	104,958	103,153
Total	142,078	140,005
Deposits received included in current liabilities (Note)	(341)	(425)
Time deposits with a deposit term longer than three months	(5,382)	(5,372)
Bonds with a redemption term longer than three months	(79,060)	(80,586)
Cash and cash equivalents	57,293	53,620

(Note) Deposits received relate to CMS (Cash Management System).

**(Segment Information)****1. Overview of Reported Segments**

Fuji Media Holdings' 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 Fuji Media Holdings Group comprises affiliated companies under the certified broadcast holding company Fuji Media Holdings. These affiliates conduct broadcast-related business activities centering on the mainstay business of broadcasting as prescribed by the Broadcast Act. The Group's six reported segments are "Broadcasting," "Production," "Video and Music," "Life Information," "Advertising" and "Urban Development."

The "Broadcasting" segment includes the TV broadcasting business and radio broadcasting business; the "Production" segment includes planning, production, engineering and relay of programs for broadcast; the "Video and Music" segment includes the production and sale of music and video content, and management of music copyrights; the "Life Information" segment includes direct marketing and free paper publishing; the "Advertising" segment includes the advertising business; and the "Urban Development" segment includes office building leasing and real-estate transactions.

**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 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, 2014

(Millions of Yen)

	Reported segment							Other (Note 1)	Total	Adjust- ment (Notes 2 and 3)	Consolidated statement of income (Note 4)
	Broad- casting	Produc- tion	Video and Music	Life Informa- tion	Advertis- ing	Urban Develop- ment	Total				
Net sales:											
Net sales to third parties	327,352	20,633	59,329	139,184	41,028	42,759	630,288	11,857	642,145	—	642,145
Inter-segment net sales and transfers	19,508	30,854	852	541	3,016	651	55,424	15,812	71,236	(71,236)	—
Total net sales	346,861	51,487	60,182	139,725	44,045	43,410	685,712	27,669	713,382	(71,236)	642,145
Segment operating income	18,170	2,838	2,219	1,490	457	5,333	30,508	720	31,229	298	31,527
Segment assets	384,550	34,721	58,085	58,131	12,909	260,598	808,996	19,561	828,557	183,138	1,011,696
Other:											
Depreciation	13,231	797	975	1,389	23	3,458	19,878	511	20,389	(271)	20,117
Amortization of goodwill	—	5	172	485	0	—	663	0	663	—	663
Increase in property, plant and equipment and intangible assets	8,350	847	273	4,584	13	18,853	32,923	407	33,331	(290)	33,040

Notes: 1. The “Other” category is a business segment not included in reported segments. It includes such operations as publishing, temporary agency services, movables leasing and software development.

2. The segment operating income adjustment of ¥298 million mainly comprises ¥4,596 million in eliminations of inter-segment business, together with minus ¥4,298 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 ¥183,138 million mainly comprises minus ¥424,495 million in inter-segment credit eliminations, together with ¥607,634 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 for divisions 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, 2015

(Millions of Yen)

	Reported segment							Other (Note 1)	Total	Adjust- ment (Notes 2 and 3)	Consolidated statement of income (Note 4)
	Broad- casting	Produc- tion	Video and Music	Life Informa- tion	Advertis- ing	Urban Develop- ment	Total				
Net sales:											
Net sales to third parties	325,431	19,437	56,156	133,958	39,830	56,428	631,242	12,071	643,313	—	643,313
Inter-segment net sales and transfers	16,494	31,967	716	580	3,370	701	53,831	15,217	69,049	(69,049)	—
Total net sales	341,925	51,405	56,873	134,538	43,201	57,129	685,073	27,289	712,362	(69,049)	643,313
Segment operating income (loss)	13,331	2,658	1,160	(607)	472	7,319	24,332	943	25,276	351	25,628
Segment assets	384,832	36,305	59,094	52,987	13,448	275,475	822,144	19,810	841,955	224,003	1,065,958
Other:											
Depreciation	12,019	814	1,056	1,739	17	3,524	19,171	490	19,661	(255)	19,406
Amortization of goodwill	—	5	32	237	0	37	313	0	313	—	313
Increase in property, plant and equipment and intangible assets	9,832	757	268	662	24	7,919	19,465	630	20,095	(282)	19,813

Notes: 1. The “Other” category is a business segment not included in reported segments. It includes such operations as publishing, temporary agency services, movables leasing and software development.

2. The segment operating income adjustment of ¥351 million mainly comprises ¥4,749 million in eliminations of inter-segment business, together with minus ¥4,397 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 ¥224,003 million mainly comprises minus ¥435,187 million in inter-segment credit eliminations, together with ¥659,190 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 for divisions 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 net income per share with their respective bases of calculation are as follows.

	March 31, 2014	March 31, 2015
(1) Net assets per share (Yen)	2,495.75	2,739.59
(Basis for calculating)		
Total net assets on the consolidated balance sheet (Millions of yen)	583,013	638,883
Total net assets related to shares of common stock (Millions of yen)	577,804	633,568
Major components of the difference (Millions of yen)	5,208	5,315
Minority interests		
Number of shares of common stock issued (Shares)	236,429,800	236,429,800
Number of shares of treasury stock (Shares)	4,914,917	5,165,548
Number of shares of common stock used to determine net assets per share (Shares)	231,514,883	231,264,252

## Years ended March 31

	2014	2015
(2) Net income per share (Yen)	74.62	86.02
(Basis for calculating)		
Net income on the consolidated statement of income (Millions of yen)	17,282	19,908
Net income related to shares of common shares (Millions of yen)	17,282	19,908
Average number of shares of common stock outstanding for each period (Shares)	231,615,354	231,452,397

(Note) 1. Information on net income per share after dilution is omitted, since there is no potentially dilutive share.

2. The Company conducted a share split on October 1, 2013, at the ratio of 100 shares per share of common stock. The amount of net income per share has been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

3. As stated in "Changes in accounting policies", the Retirement Benefits Accounting Standard, etc. were applied in accordance with the transitional treatment set forth in Article 37 of the Retirement Benefits Accounting Standard. As a result, net assets per share in the fiscal year under review increased by ¥20.89. The effect of the above on net income per share is nominal.

## **(Significant Events after the Reporting Period)**

For the fiscal year ended March 31, 2015

The Company's consolidated subsidiary The Sankei Building Co., Ltd. ("Sankei Building"), on April 24, 2015, through a limited liability company that invests jointly with a fund managed by J-Will Partners Co., Ltd. ("JWP"), acquired the shares in GRANVISTA Hotels & Resorts Co., Ltd. ("GRANVISTA") held by Regional Economy Vitalization Corporation of Japan ("REVIC"). GRANVISTA became a consolidated subsidiary of the Company from the start of the FY2015 period.

### **1. Overview of the business combination**

#### **1) Name , description of business, business scale, etc. of the acquired firm**

Name of the acquired firm: GRANVISTA Hotels & Resorts Co., Ltd.

Description of business: Hotel management operations, leisure-related business operations, restaurant business, merchandise sales

For the fiscal year ended March 31, 2014

Net sales: ¥27,287 million

Capital stock: ¥100 million

Total assets: ¥33,852 million

#### **2) Main reasons for the business combination**

GRANVISTA's core business is hotels, with 10 locations nationwide, including two renowned city hotels; a groundbreaking Japanese city hotel Sapporo Grand Hotel, and Sapporo Park Hotel. The company also has a traditional and established general resort business, operating Kamogawa Seaworld, a popular ocean-themed leisure facility, as well as Tomakomai Golf Resort 72, and three highway restaurant facilities at expressway rest areas. GRANVISTA has expertise that has allowed it to provide highly satisfying services for many years, as well as the strength of a stable customer base. Further, the implementation of a revitalization plan under REVIC has made these successes more prominent, and we determined that the capital participation of Sankei Building at this time would establish an environment to utilize these strengths for further growth.

The number of overseas visitors to Japan exceeded 13 million in 2014, and is expected to reach 20 million in 2020 with the Tokyo Olympics and Paralympics. Sankei Building is expanding its hotel development business in response to this rise in inbound demand, and felt that it could provide strong support for the expansion of GRANVISTA's new hotel business. Sankei Building also has expertise in urban development, which it feels could generate considerable synergies to enhance GRANVISTA's future asset value.

Further, Fuji Media Holdings is one of Japan's most prominent media conglomerates, with a corporate group, including such companies as Fuji Television Network, Inc., Nippon Broadcasting System, Inc., and Pony Canyon, Inc. We believe that the ties between these group companies and GRANVISTA with its general resort business know-how could generate considerable synergies for Fuji Television's MICE/IR project and provide further growth.

#### **3) Date of the business combination: April 24, 2015**

#### **4) Legal form of the business combination: Acquisition of shares**

#### **5) Proportion of voting rights acquired: 99.6%**

Note: The acquisition cost is not disclosed because of a contractual obligation of confidentiality.

## **2. Other**

The amounts for goodwill amortization, and assets received and liabilities assumed on the date of the business combination, etc. are currently being calculated.

## **6. OTHERS**

### **Changes in Management**

For changes of directors, please refer to the separate press release “Notice of Changes in Representative Director and Other Directors” announced on May 14, 2015.

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