May 12, 2016

Flash Report [Japanese GAAP] (Consolidated Basis)

Results for the fiscal year ended March 31, 2016

Company name: Fuji Media Holdings, Inc.

Stock listing: Tokyo Stock Exchange Code number: 4676 URL http://www.fujimediahd.co.jp/en

Representative: Shuji Kanoh, President and Chief Operating Officer
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Scheduled date of the General Meeting of Shareholders: June 28, 2016
Scheduled date of commencing dividend payments: June 29, 2016
Scheduled date of filing securities report: June 28, 2016
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Scheduled

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

1. Consolidated Financial Results

(1) Business Performance

Years ended March 31

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

	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	%
2016	640,572	(0.4)	24,394	(4.8)	32,400	(7.7)	22,835	14.7
2015	643,313	0.2	25,628	(18.7)	35,102	0.8	19,908	15.2

(Note) Comprehensive income: Year ended March 31, 2016: ¥6,492 million, (89.3)%,
Year ended March 31, 2015: ¥60,559 million, 97.5%

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Recurring profit-to-total-assets ratio	Operating income-to-net-sales ratio
	Yen	Yen	%	%	%
2016	98.75	—	3.6	2.9	3.8
2015	86.02	—	3.3	3.4	4.0

(Reference) Equity in earnings of affiliates: Year ended March 31, 2016: ¥4,786 million,
Year ended March 31, 2015: ¥9,594 million

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2016	1,136,406	638,383	55.4	2,723.63
2015	1,065,958	638,883	59.4	2,739.59

(Reference) Total shareholders' equity: March 31, 2016: ¥629,785 million
March 31, 2015: ¥633,568 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
2016	26,373	(33,838)	22,959	71,429
2015	40,344	(19,984)	(25,181)	53,620

2. Dividends

Years ended March 31, 2015 and 2016/ Year ending March 31, 2017

	Dividends per share					Total amount of dividends (for the entire fiscal year)	Payout ratio	Dividends-to-net assets ratio
	1Q	2Q	3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
2015	—	20.00	—	20.00	40.00	9,367	46.5	1.5
2016	—	20.00	—	20.00	40.00	9,367	40.5	1.5
2017 (Forecast)	—	20.00	—	20.00	40.00		40.2	

3. Forecasts of Consolidated Financial Results for the Fiscal Year ending March 31, 2017

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	333,700	7.0	11,200	128.3	14,200	73.8
Fiscal year	670,500	4.7	27,200	11.5	33,000	1.9

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Interim period	9,000	77.2	38.92
Fiscal year	23,000	0.7	99.47

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 28.

3. Number of issued shares (Common stock)

	Years ended March 31	
	2016	2015
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	5,199,629	5,165,548
3) Average number of issued shares during the fiscal year	231,255,685	231,452,397

(Reference) Flash Report (Non-Consolidated Basis)

Non-Consolidated Financial Results for the Fiscal Year ended March 31, 2016

(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	%
2016	17,005	(8.5)	10,062	(14.0)	13,584	12.1	10,235	9.4
2015	18,592	(15.1)	11,703	(22.3)	12,119	(22.8)	9,356	(31.5)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2016	43.71	—
2015	39.95	—

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2016	703,075	490,802	69.8	2,095.70
2015	717,652	498,457	69.5	2,128.39

(Reference) Total shareholders' equity: March 31, 2016: ¥490,802 million, March 31, 2015: ¥498,457 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 the fiscal year ending March 31, 2017]" on page 9.

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1. ANALYSIS OF BUSINESS PERFORMANCE AND FINANCIAL POSITION

(1) Analysis of Business Performance

[Business Performance in Fiscal Year Ended March 31, 2016]

The Cabinet Office’s *Monthly Economic Report* on the Japanese economy during the fiscal year ended March 31, 2016 states, “ Although weakness is seen in some parts, the economy is on a moderate recovery track, and with the continuing improvement trend of the employment and income situation, along with the effect of various government measures, the moderate recovery trend is expected to continue.” With regard to business outlook of corporations, it continues, “Although it has generally remained unchanged, discretion has been seen in some areas.”

Amid this economic environment, the Fuji Media Holdings Group’s consolidated net sales declined in the fiscal year under review, down 0.4% year-on-year to ¥640,572 million, as declines in the Broadcasting, Production, Video and Music, Advertising and Other segments offset the contribution from the Life Information and Urban Development segments.

In terms of earnings, operating income amounted to ¥24,394 million, down 4.8% year-on-year, as declines in the Broadcasting, Production, Advertising and Other segments could not be offset by an improvement of operating loss and return to profitability in the Life Information segment and gains in the Video and Music and Urban Development segments. Recurring profit decreased 7.7% year-on-year to ¥32,400 million, and net income attributable to owners of the parent increased 14.7% year-on-year to ¥22,835 million, due mainly to a decrease in impairment loss.

Results by operating segment are as follows.

Years ended March 31

	Net sales			Operating income (loss)		
	2015	**2016**	Change	2015	**2016**	Change
	Millions of yen	**Millions of yen**	%	Millions of yen	**Millions of yen**	%
Broadcasting	341,925	**318,980**	(6.7)	13,331	**8,073**	(39.4)
Production	51,405	**50,834**	(1.1)	2,658	**2,093**	(21.2)
Video and Music	56,873	**50,104**	(11.9)	1,160	**2,365**	103.9
Life Information	134,538	**135,556**	0.8	(607)	**1,223**	—
Advertising	43,201	**42,797**	(0.9)	472	**361**	(23.5)
Urban Development	57,129	**82,668**	44.7	7,319	**9,441**	29.0
Other	27,289	**26,066**	(4.5)	943	**541**	(42.6)
Eliminations	(69,049)	**(66,436)**	—	351	**294**	—
Total	643,313	**640,572**	(0.4)	25,628	**24,394**	(4.8)

Broadcasting

Broadcasting revenue, which accounts for the core of revenue from the broadcasting businesses of Fuji Television Network, Inc. (“Fuji TV”), struggled in the first half due to the downturn in market conditions for spot advertising sales from the previous-year level and a reactionary decrease from major sports programs in the previous fiscal year, such as the 2014 FIFA World Cup. Although market conditions turned strong in the second half, broadcasting revenue declined 7.6% from the previous fiscal year to ¥213,626 million, mainly affected by lagging viewer ratings for new regular programs in the programming lineup for October.

Network time advertising sales (time advertising for nationwide broadcasts) declined 10.9% year-on-year to ¥94,826 million. With regard to one-off programs, “FIVB Volleyball World Cup Japan

2015" broadcast in August through September, "2018 FIFA World Cup Russia Asian Qualifiers Round 2" from October to November and International Friendly Matches, the final game of the professional baseball Climax Series of Tokyo Yakult Swallows which became the Central League champions for the first time in 14 years and games 3 through 5 of the Japan Series contributed to sales but could not offset the decrease in sales for regular programs which struggled in viewer ratings.

Local time advertising sales (time advertising for the Kanto region) fell 7.9% from the previous fiscal year to ¥14,001 million. Although sales for regular programs were solid due to the recovery in market conditions in the second half and sales from single-company-sponsored programs which struggled in the first half were brisk, sales for the full-year period fell below the previous-year level, affected by a decline in sales slots due to changes in the sales category.

Spot advertising sales were weak, falling below the previous-year level every month in the first half, except April. Owing to an upturn in market conditions in the second half, sales were higher than the previous-year level in November. Although market conditions were strong in January through March too, sales did not grow due to poor viewer ratings and could not offset the decline in the first half.

By industry category, "Cosmetics/Toiletries" and "Telecommunication" showed steady performances, in addition to the significant growth over the previous year for "Pharmaceuticals/Medical Supplies" and "Office/Precision/Optical Equipment." Meanwhile, products such as "Automobiles/Related Products" and "Alcoholic Beverages" fell below the previous-year levels. As a result, spot advertising sales declined 4.3% from the previous fiscal year to ¥104,797 million.

Revenue from other broadcasting business increased 4.4% year-on-year to ¥33,388 million. Income from domestic and overseas program sales did not reach the previous-year levels but revenue in communication satellite (CS) broadcasting for which program supplying to cable television and streaming was strong and production contract revenue increased.

Revenue from other businesses declined 9.0% from the previous fiscal year to ¥42,693 million. The movie business in this segment increased significantly, due to not only HERO (¥4.67 billion in box office revenues) which came in first in box office revenue for live-action Japanese movies in the fiscal year under review in the movie business, but also the string of hits such as *Nobunaga Concerto* (¥4.51 billion in box office revenues as of the end of fiscal year under review) and *Assassination Classroom* (¥2.77 billion in box office revenues), the first film version, including revenues from video and secondary use. In the event business, revenue was boosted by events such as Cirque du Soleil's new show *TOTEM*, which started a nationwide tour in February, and *Super Kabuki II One Piece* but decreased as a result of a reactionary decline from Cirque du Soleil *OVO* which contributed to sales throughout the previous fiscal year. In the merchandising business, revenue declined as *OVO* food and merchandise which recorded substantial sales in the previous year ended. In the video business, year-on-year revenue was down because of shrinking market conditions and the lack of any mainstay hit dramas. In the digital business, revenue increased, led by a sharp rise in memberships for Fuji TV On Demand (FOD; 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, through curbs on cost of sales as well as selling, general and administrative expenses.

Fuji Satellite Broadcasting, Inc. (BS Fuji) posted increases in both revenue and earnings for three consecutive fiscal years while net sales, operating income and recurring profit reached record levels for the full-year period with steady growth in time advertising sales from *Prime News* and TV shopping programs and solid event revenue.

Nippon Broadcasting System, Inc. posted declines in both revenue and earnings. In addition to the impact of decreases in broadcasting revenue and revenue from merchandise sales, expenses were newly incurred for supplementary FM broadcasting which started in the fiscal year under review.

As a result, for the Broadcasting segment overall, net sales declined 6.7% from the previous fiscal year to ¥318,980 million, with segment operating income down 39.4% to ¥8,073 million.

Net Sales by Broadcasting Operations

Years ended March 31

	2015	**2016**	Change
	Millions of yen	**Millions of yen**	%
Fuji Television Network, Inc.			
Broadcasting businesses	263,114	**247,014**	(6.1)
Broadcasting	231,121	**213,626**	(7.6)
Network time	106,379	**94,826**	(10.9)
Local time	15,200	**14,001**	(7.9)
Spot	109,541	**104,797**	(4.3)
Other broadcasting business	31,993	**33,388**	4.4
Program sales	18,253	**17,909**	(1.9)
Other	13,739	**15,478**	12.7
Other businesses	46,897	**42,693**	(9.0)
Subtotal	310,012	**289,708**	(6.5)
Fuji Satellite Broadcasting, Inc. (BS Fuji)	15,225	**16,761**	10.1
Nippon Broadcasting System, Inc.	18,753	**14,475**	(22.8)
Elimination in the segment	(2,065)	**(1,964)**	—
Total	341,925	**318,980**	(6.7)

Production

Net sales in the Production segment decreased 1.1% from the previous fiscal year to ¥50,834 million due mainly to a reactionary decline from the major dramas for the anniversary for which orders were received in the previous fiscal year. Segment operating income declined 21.2% year-on-year to ¥2,093 million as a result of a rise in the cost rate mainly for drama production.

Video and Music

Pony Canyon, Inc. posted a decline in net sales overall as there were few hit titles that formed the core of both the music and video divisions. Earnings increased, because the amount of money allocated from its investment in the anime *Shingeki No Kyojin* (*Attack on Titan)* and sales of concert merchandise were solid.

Fujipacific Music Inc. recorded an increase in sales overall due to the contributions mainly of master recording usage fees of artists, including Superfly and Sakurako Ohara, and video production income from Paul McCartney's "Out There Japan Tour 2015," in spite of a decline in royalty revenue. Earnings decreased because of higher cost rates resulting from factors such as advertising expenses for major artists.

As a result, net sales in the Video and Music segment overall declined 11.9% from the previous fiscal year to ¥50,104 million, with segment operating income up 103.9% to ¥2,365 million.

Life Information

The Dinos business of Dinos Cecile Co., Ltd. posted an increase in revenue due to the positive performance in television shopping, despite the struggling catalogue business. The Cecile business showed strong performances for its mainstay ladies' outerwear and ladies' inner wear for the spring and summer seasons and posted an increase in revenue. As a result, revenue increased and profitability was restored in Dinos Cecile Co., Ltd. overall.

Sankei Living Shimbun Inc. recorded a revenue decline overall due to sluggish growth mainly in advertising income from *Living Shimbun* and *City Living*, thus incurring an operating loss.

As a result, net sales in the Life Information segment overall increased 0.8% from the previous fiscal year to ¥135,556 million, with segment operating income of ¥1,223 million. As such, the segment returned to profitability, despite recording an operating loss in the previous fiscal year.

Advertising

In the Advertising segment, an increase in revenue resulting from strong performance of radio advertising, contracted event management, out-of-home advertising and online advertising income was offset by struggling sales in its mainstay television and newspaper advertising. As a result, net sales in the segment decreased 0.9% from the same period of the previous fiscal year to ¥42,797 million, and segment operating income fell 23.5% to ¥361 million.

Urban Development

The Sankei Building Co., Ltd. posted an increase in earnings due to the recording of distributions from silent partnerships, despite a decrease in net sales overall, mainly reflecting a decline in revenue in its mainstay office building business and a decrease in the number of condominiums sold in the housing business. Meanwhile, GRANVISTA Hotels & Resorts Co., Ltd., which newly became our consolidated subsidiary in the fiscal year under review, substantially contributed to sales and operating income, with its hotel business showing a positive performance thanks to an increased number of tourists visiting Japan.

As a result, net sales in the Urban Development segment overall rose 44.7% from the previous fiscal year to ¥82,668 million, with segment operating income up 29.0% to ¥9,441 million.

Other

Fujimic, Inc. recorded declines in both revenue and earnings due to a decrease in orders for system development and maintenance. Fusosha Publishing, Inc. posted declines in both revenue and earnings due to fewer hits in its magazine and book division, in spite of positive performance in separate volume of ESSE and online business of the weekly magazine SPA!.

As a result, net sales in the Other segment overall declined 4.5% from the previous fiscal year to ¥26,066 million, and segment operating income decreased 42.6% to ¥541 million.

Equity-Method Affiliates

The eleven Fuji network affiliates, including Nagano Broadcasting Systems, Inc., which has newly become an equity-method affiliate, along with WOWOW Inc., ITOCHU Fuji Partners, Inc. and others contributed to equity by earnings of affiliates.

[Outlook for the fiscal year ending March 31, 2017]

The Japanese economy is expected to move toward moderate recovery partly as a result of various government policy measures amid continued improvement in employment and salary conditions. Business conditions for advertising are also expected to recover, centered on spot advertising revenue, and we anticipate increases in both revenue and earnings for Fuji Television Network, Inc. We also expect revenue and earnings increases for the Life Information segment and Advertising segment. Accordingly, on a consolidated basis, we are forecasting increases in net sales, operating income, recurring profit and net income.

Consequently, for the fiscal year ending March 31, 2017, Fuji Media Holdings is forecasting consolidated net sales of ¥670.5 billion, with operating income of ¥27.2 billion, recurring profit of ¥33.0 billion and net income attributable to owners of the parent of ¥23.0 billion.

(2) Analysis of Financial Position

Total assets at the end of the fiscal year under review (March 31, 2016) amounted to ¥1,136,406 million, an increase of ¥70,448 million (6.6%) from the end of the previous fiscal year (March 31, 2015).

Total current assets amounted to ¥386,011 million, an increase of ¥20,675 million (5.7%) from the end of the previous fiscal year. This was due mainly to increases of ¥15,407 million in inventories; and ¥13,692 million in cash and deposits; against a decrease of ¥7,789 million in marketable securities.

Total noncurrent assets amounted to ¥750,286 million, an increase of ¥49,664 million (7.1%) from the end of the previous fiscal year. This was due mainly to increases of ¥52,753 million in land; and ¥8,112 million in long-term prepaid expenses included in the “Other” under investments and other assets; against a decrease of ¥17,989 million in investment securities.

Total liabilities amounted to ¥498,023 million, an increase of ¥70,948 million (16.6%) from the end of the previous fiscal year. This was due mainly to increases of ¥62,407 million in long-term loans payable; and ¥12,365 million in net defined benefit liability; against a decrease of ¥10,000 million in bonds payable (including the current portion).

Net assets at the end of the fiscal year under review amounted to ¥638,383 million, a decrease of ¥500 million (0.1%) from the end of the previous fiscal year. This was due mainly to decreases of ¥9,367 million in retained earnings due to dividend payments; ¥9,074 million in valuation difference on available-for-sale securities; and ¥7,165 million in remeasurements of defined benefit plans; against an increase of ¥3,282 million in non-controlling interests and the recording of ¥22,835 million in net income attributable to owners of the parent.

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

Cash provided by operating activities amounted to ¥26,373 million, a decrease of ¥13,971 million (34.6%) from cash provided during the previous fiscal year. This was due mainly to a ¥10,059 million increase in prepaid expenses included in the “Other” line item; a ¥7,653 million increase in accrued consumption taxes; a ¥3,386 million increase in deposits received; a ¥3,067 million increase in advance payments: and a ¥2,912 million decrease in impairment loss; against a ¥8,939 million decrease in net defined benefit liability; and ¥4,807 million increase in equity in earnings of affiliates.

Cash used in investing activities amounted to ¥33,838 million, an increase of ¥13,853 million

(69.3%) from cash used in the previous fiscal year. This was due mainly to a decrease of ¥37,377 million in proceeds from sales and redemption of securities; and an increase of ¥30,937 million in payments on purchase of property, plant and equipment; against a decrease of ¥46,740 million in payments on purchase of marketable securities.

Cash provided by financing activities amounted to ¥22,959 million, compared to ¥25,181 million in cash used in the previous fiscal year, a difference of ¥48,140 million. This was due mainly to an increase of ¥55,226 million in proceeds from long-term loans payable.

As a result, including an additional ¥2,280 million increase in cash and cash equivalents resulting from merger, the balance of cash and cash equivalents at the end of the fiscal year under review amounted to ¥71,429 million, an increase of ¥17,808 million (33.2%) from the end of the previous fiscal year.

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

Years ended March 31

	2012	2013	2014	2015	**2016**
Equity ratio (%)	55.3	59.1	57.1	59.4	**55.4**
Equity ratio, based on market value (%)	34.8	39.7	43.4	37.0	**25.1**
Ratio of Interest-bearing debt to cash flow (times)	4.2	2.9	6.7	3.4	**7.4**
Interest coverage ratio (times)	45.4	23.6	14.7	26.0	**15.6**

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 the Fiscal Year ended March 31, 2016 and the Fiscal Year ending March 31, 2017

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 the fiscal year ended March 31, 2016, based on the results for the fiscal year under review, will be ¥20 per share. Together with the interim dividend of ¥20 per share, this represents a full-year payout of ¥40 per share which is the same amount as that of the fiscal year ended March 31, 2015. The dividend payment will be an item on the agenda of the 75th Ordinary General Meeting of Shareholders scheduled for June 28, 2016.

For the fiscal year ending March 31, 2017, Fuji Media Holdings will maintain this dividend policy. Based on this policy, 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 100 subsidiaries and 52 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, real estate transactions as well as hotels and resorts.

The major companies by business category are shown below.

Category	Major Companies
Broadcasting TV broadcasting and radio broadcasting	Fuji Television Network, Inc. Nippon Broadcasting System, Inc. Fuji Satellite Broadcasting, Inc. (BS Fuji)
Production 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.
Video and Music 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.
Life Information Direct marketing and free paper publishing, etc.	Sankei Living Shimbun Inc. Dinos Cecile Co., Ltd. Dinos Cecile Communications Co., Ltd. Living Pro-Seed, Inc.
Advertising Advertising, etc.	Quaras Inc.
Urban Development Office building leasing, real estate transactions, hotels and resorts, etc.	GRANVISTA Hotels & Resorts Co., Ltd. Silent partnership operated by Granvista Holdings Limited Liability Company Sankei Kaikan Co., Ltd. The Sankei Building Co., Ltd. Sankei Building Well Care Co., Ltd. The Sankei Bldg Techno Co., Ltd. The Sankei Building Management Co., Ltd.
Other 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.

3. MANAGEMENT POLICIES

(1) Basic Management Policy

The Fuji Media Holdings Group, under its 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 advertising 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 to changes in the business environment.

Going forward, the Fuji Media Holdings Group will strengthen the earnings foundation of group businesses, and earn the trust and meet the expectations of our shareholders and investors through strengthening and growing its businesses, further enhancing ties among its group companies and actively cultivating future growth fields.

(2) Management Goals and Indicators

The Fuji Media Holdings Group, while emphasizing the distribution of earnings to its shareholders, will aim to raise the level of earnings of its group companies as a whole as it raises viewer ratings and expands the broadcasting revenue of Fuji Television Network, Inc., its core subsidiary, as well as improves indicators such as the operating income-to-net-sales ratio.

Further, from the standpoint of realizing continual improvement of its corporate value, the Fuji Media Holdings Group will work to ensure efficient utilization of shareholders' equity.

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

The Fuji Media Holdings Group, under its certified broadcast holding company structure and with operations centered on the terrestrial broadcasting business, operates various media-related businesses.

Although at present, Fuji Television Network, Inc., the core company of the Fuji Media Holdings Group, is showing a lower level of earnings due mainly to poor viewer ratings, the strong performance of its group companies are bolstering consolidated financial results, with record levels of operating income posted by other group businesses as a whole during the fiscal year under review.

The Fuji Media Holdings Group will work to achieve a recovery in performance of Fuji Television Network, Inc., which drives the Group, in addition to further strengthening all group businesses, pioneering new business fields, and while responding to changes in the business environment, seeking sustainable growth of the corporate group as a whole.

(i) Strengthen competitiveness of the broadcasting business and earnings capacity in the content business

Fuji Television Network, Inc. ("Fuji TV") will seek to create content that earns the trust and support of viewers, enhance viewer ratings and media value, and secure a high standard of broadcast revenue. Fuji TV has taken measures to improve viewer ratings such as making substantial revisions to its timetable in the programming lineup from April this year, as it did last year. At the same time, we will strive to enhance cost effectiveness and achieve an early recovery in performance.

In the streaming business positioned as a growth field amid advancements in digital technologies and diversification of viewing styles, the number of paying subscribers of its online streaming service “FOD (Fuji TV On Demand),” which was set up by us ahead of any other Japanese broadcasting station, surpassed 800,000 (as of the end of the fiscal year under review) and FOD has developed into a business that contributes to earnings. At the same time, we are receiving requests for program production and content provision from several streaming platforms and our powerful contents create new earnings.

Similarly in the growing animation business, in addition to the strong performance of original feature animation films, we are pushing ahead with various initiatives including overseas streaming of animation programs with an eye to developing merchandising, and expect further expansion of our business. In addition, Pony Canyon, Inc., too, is playing a central part from the development stage of animation and other works with a view to acquiring a wide range of rights in an effort to diversify earnings sources.

The Fuji Media Holdings Group will strive to maximize its content value with a view to expanding earnings while continuing to focus on developing and expanding new opportunities for viewing content.

(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 diverse business portfolio not overly susceptible to fluctuations in these earnings.

The Fuji Media Holdings Group has established a broad media-related business that includes not only terrestrial broadcasting but also satellite broadcasting by BS and CS, movies, events, 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 to secure a high level of earnings as a whole while pursuing mutual tie-ups and complementary relationships among these businesses, seek sustainable growth through appropriate group governance.

(iii) Cultivate new business fields

The Fuji Media Holdings Group, aiming at further growth, will work to expand the Group’s foundation for earnings through initiatives such as new business development and M&A.

The games business which has been developed and cultivated as a growth field at Fuji TV has expanded steadily in scale of business. While the games market is expected to continue growing in the future, competition continues to intensify and development costs keep increasing. In order to further expand the games business in this business environment, Fuji Games, Inc. was established in a spin-off of the games business from Fuji TV in April this year. Fuji Games, Inc. will seek to not only develop smartphone games but also expand the scale of business including rights business and related fields.

Additionally, in the Urban Development business, GRANVISTA Hotels & Resorts Co., Ltd., which was made our consolidated subsidiary through The Sankei Building Co., Ltd. in April last year, has significantly contributed to consolidated financial results through Sapporo Grand Hotel and other nationwide hotel operations and comprehensive marine leisure facilities such as Kamogawa Sea World. Since tourism and MICE/IR (which stands for Meeting, Incentive Travel, Convention and Exhibition/Event, and Integrated Resort) are promising fields in Japan’s growth strategy, the Fuji Media Holdings Group, too, is proactively pursuing initiatives in these fields.

Furthermore, we will aim at further growth for the Group as a whole through cultivation of new business areas including overseas business expansion.

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

	2015	**2016**
ASSETS		
Current assets:		
Cash and deposits	36,851	**50,544**
Notes and accounts receivable-trade	122,553	**119,588**
Marketable securities	103,153	**95,364**
Inventories	64,434	**79,842**
Deferred tax assets	5,410	**5,645**
Other	33,984	**35,817**
Allowance for doubtful accounts	(1,052)	**(791)**
Total current assets	365,335	**386,011**
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	128,643	**134,666**
Machinery, equipment and vehicles	10,926	**11,336**
Land	178,327	**231,080**
Construction in progress	2,374	**3,652**
Other	7,665	**8,919**
Total property, plant and equipment	327,938	**389,655**
Intangible assets		
Goodwill	1,213	**1,608**
Leasehold right	16,614	**16,628**
Software	9,832	**8,552**
Other	11,741	**7,696**
Total intangible assets	39,402	**34,485**
Investments and other assets		
Investment securities	297,754	**279,764**
Net defined benefit asset	2,482	**73**
Deferred tax assets	15,120	**17,582**
Other	19,995	**30,598**
Allowance for doubtful accounts	(2,069)	**(1,874)**
Total investments and other assets	333,282	**326,145**
Total noncurrent assets	700,622	**750,286**
Deferred assets	—	**108**
Total assets	1,065,958	**1,136,406**

At March 31	Millions of yen	
	2015	**2016**
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	55,894	**57,943**
Short-term loans payable	26,056	**31,304**
Accrued income taxes	4,800	**3,355**
Provision for sales returns	858	**844**
Provision for directors' bonuses	380	**337**
Provision for point card certificates	989	**800**
Provision for loss on reconstruction	77	—
Provision for loss on business of subsidiaries and affiliates	504	—
Provision for environmental measures	—	**13**
Provision for business restructuring expenses	—	**27**
Other	83,771	**105,156**
Total current liabilities	173,332	**199,783**
Noncurrent liabilities:		
Bonds payable	40,000	**10,000**
Long-term loans payable	58,576	**120,983**
Deferred tax liabilities	62,184	**60,431**
Deferred tax liabilities for land revaluation	13,243	**12,554**
Provision for directors' retirement benefits	1,723	**1,854**
Provision for loss on interest repayment	6	**0**
Provision for environmental measures	18	**66**
Provision for loss on reconstruction	78	**302**
Provision for business restructuring expenses	—	**13**
Net defined benefit liability	57,421	**69,787**
Negative goodwill	5,826	**5,247**
Other	14,663	**16,998**
Total noncurrent liabilities	253,741	**298,239**
Total liabilities	427,074	**498,023**

	2015	**2016**
NET ASSETS		
Shareholders’ equity:		
Capital stock	146,200	**146,200**
Capital surplus	173,664	**173,673**
Retained earnings	260,440	**272,716**
Treasury stock	(9,767)	**(9,816)**
Total shareholders’ equity	570,537	**582,773**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	71,012	**61,937**
Deferred gains or losses on hedges	208	**(732)**
Revaluation reserve for land	816	**1,509**
Foreign currency translation adjustment	184	**654**
Remeasurements of defined benefit plans	(9,191)	**(16,357)**
Total accumulated other comprehensive income	63,030	**47,011**
Non-controlling interests	5,315	**8,598**
Total net assets	638,883	**638,383**
Total liabilities and net assets	1,065,958	**1,136,406**

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

Consolidated Statements of Income

Years ended March 31		Millions of yen
	2015	**2016**
Net sales	643,313	**640,572**
Cost of sales	438,103	**439,217**
Gross profit	205,210	**201,354**
Selling, general and administrative expenses	179,582	**176,960**
Operating income	25,628	**24,394**
Non-operating income:		
Interest income	328	**339**
Dividends income	1,870	**2,255**
Equity in earnings of affiliates	9,594	**4,786**
Amortization of negative goodwill	579	**578**
Gain on investments in partnership	625	**1,152**
Other	1,067	**1,828**
Total	14,065	**10,941**
Non-operating expenses:		
Interests	1,487	**1,679**
Loss on investments in partnership	2,430	**466**
Other	673	**789**
Total	4,591	**2,935**
Recurring profit	35,102	**32,400**
Extraordinary gain:		
Gain on sales of investment securities	800	**403**
Other	1,796	**5**
Total	2,597	**408**
Extraordinary loss:		
Loss on valuation of investment securities	2,190	**827**
Impairment loss	3,738	**825**
Other	2,234	**998**
Total	8,163	**2,652**
Income before income taxes	29,536	**30,157**
Income taxes-current	9,552	**6,810**
Income taxes-deferred	(307)	**280**
Total	9,244	**7,091**
Net income	20,291	**23,066**
Net income attributable to non-controlling interests	382	**230**
Net income attributable to owners of the parent	19,908	**22,835**

Consolidated Statements of Comprehensive Income

Years ended March 31 | Millions of yen

	2015	**2016**
Net income	20,291	**23,066**
Other comprehensive income:		
Valuation difference on available-for-sale securities	36,578	**(8,900)**
Deferred gains or losses on hedges	143	**(408)**
Revaluation reserve for land	957	**688**
Foreign currency translation adjustment	1,608	**7**
Remeasurements of defined benefit plans	(433)	**(7,275)**
Share of other comprehensive income of affiliates accounted for using equity method	1,414	**(686)**
Total other comprehensive income	40,267	**(16,574)**
Comprehensive income	60,559	**6,492**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	59,935	**6,354**
Comprehensive income attributable to non-controlling interests	623	**137**

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2015 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	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 attributable to owners of the parent			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						**Non-controlling 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 attributable to owners of the parent								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

Year ended March 31, 2016 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	260,440	(9,767)	570,537
Cumulative effects of changes in accounting policies					—
Restated balance	146,200	173,664	260,440	(9,767)	570,537
Changes of items during the fiscal year:					
Dividends from surplus			(9,367)		(9,367)
Net income attributable to owners of the parent			22,835		22,835
Change in equity in affiliates accounted for by equity method - treasury stock				(48)	(48)
Reversal of revaluation reserve for land			(4)		(4)
Increase by merger			(158)		(158)
Change of scope of consolidation			(1,027)		(1,027)
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests		8			8
Net changes of items other than shareholders' equity					
Total	—	8	12,276	(48)	12,236
Balance at the current year-end	146,200	173,673	272,716	(9,816)	582,773

(Continued on page 23)

	Accumulated other comprehensive income							
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total	**Non-con-trolling interests**	**Total net assets**
Balance at the beginning of fiscal year	71,012	208	816	184	(9,191)	63,030	5,315	638,883
Cumulative effects of changes in accounting policies								—
Restated balance	71,012	208	816	184	(9,191)	63,030	5,315	638,883
Changes of items during the fiscal year:								
Dividends from surplus								(9,367)
Net income attributable to owners of the parent								22,835
Change in equity in affiliates accounted for by equity method - treasury stock								(48)
Reversal of revaluation reserve for land								(4)
Increase by merger								(158)
Change of scope of consolidation								(1,027)
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests								8
Net changes of items other than shareholders' equity	(9,074)	(941)	693	469	(7,165)	(16,018)	3,282	(12,736)
Total	(9,074)	(941)	693	469	(7,165)	(16,018)	3,282	(500)
Balance at the current year-end	61,937	(732)	1,509	654	(16,357)	47,011	8,598	638,383

(4) Consolidated Statements of Cash Flows

Years ended March 31 Millions of yen

	2015	**2016**
Cash flows from operating activities:		
Income before income taxes	29,536	**30,157**
Depreciation and amortization	19,406	**19,605**
Impairment loss	3,738	**825**
Amortization of goodwill	(266)	**(345)**
Increase (decrease) in allowance for doubtful accounts	406	**(270)**
Increase (decrease) in other provisions	408	**(491)**
Increase (decrease) in net defined benefit liability	(9,529)	**(589)**
Interest and dividends income	(2,198)	**(2,595)**
Interests expense	1,487	**1,679**
Equity in (earnings) losses of affiliates	(9,594)	**(4,786)**
Loss (gain) on valuation of investment securities	2,190	**827**
Loss (gain) on sales of noncurrent assets	(1,584)	**(1)**
Decrease (increase) in notes and accounts receivable-trade	6,446	**7,006**
Decrease (increase) in inventories	(11,341)	**(10,001)**
Increase (decrease) in notes and accounts payable-trade	1,525	**1,399**
Other	17,534	**(6,349)**
Subtotal	48,166	**36,071**
Interest and dividends income received	2,052	**1,470**
Interest expenses paid	(1,554)	**(1,690)**
Income taxes paid	(12,259)	**(12,247)**
Income taxes refunded	3,940	**2,769**
Net cash provided by operating activities	40,344	**26,373**
Cash flows from investing activities:		
Proceeds from withdrawal of time deposits	10,010	**15,106**
Payments into time deposits	(10,000)	**(10,000)**
Payments on purchase of marketable securities	(230,785)	**(184,044)**
Proceeds from sales and redemption of securities	229,254	**191,877**
Payments on purchase of property, plant and equipment	(15,295)	**(46,233)**
Proceeds from sales of property, plant and equipment	2,391	**2**
Payments on purchase of intangible assets	(3,228)	**(2,862)**
Payments on purchase of investment securities	(7,401)	**(7,019)**
Proceeds from sales and redemption of investment securities	5,912	**11,900**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(33)	**(2,615)**
Other	(807)	**51**
Net cash used in investing activities	(19,984)	**(33,838)**

(Continued on page 25)

	2015	**2016**
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(6,800)	**3,405**
Proceeds from long-term loans payable	15,700	**70,926**
Repayments of long-term loans payable	(13,335)	**(27,180)**
Redemption of bonds	(10,000)	**(10,000)**
Dividends paid	(8,991)	**(9,706)**
Dividends paid to non-controlling shareholders	(113)	**(96)**
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	**(2,929)**
Other	(1,641)	**(1,459)**
Net cash provided by (used in) financing activities	(25,181)	**22,959**
Effect of exchange rate changes on cash and cash equivalents	835	**13**
Net increase (decrease) in cash and cash equivalents	(3,986)	**15,508**
Cash and cash equivalents at the beginning of the year	57,293	**53,620**
Increase in cash and cash equivalents from the new consolidation of a subsidiary	—	**19**
Increase in cash and cash equivalents resulting from merger	313	**2,280**
Cash and cash equivalents at the end of the year	53,620	**71,429**

(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: 38

Names of major consolidated subsidiaries

Fuji Television Network, Inc.
The Sankei Building Co., Ltd.
Dinos Cecile Co., Ltd.

The Company's consolidated subsidiary The Sankei Building Co., Ltd. invested in the silent partnership operated by JXA Limited Liability Company in April 2015, jointly with a fund managed by J-Will Partners Co., Ltd. As a result, the said silent partnership became a consolidated subsidiary of the Company. JXA Limited Liability Company has changed its corporate name to GRANVISTA Holdings Limited Liability Company.

The silent partnership operated by GRANVISTA Holdings Limited Liability Company acquired the shares of GRANVISTA Hotels & Resorts Co., Ltd. in April 2015, which made GRANVISTA Hotels & Resorts Co., Ltd. a consolidated subsidiary of the Company.

Sankei Building Well Care Co., Ltd. became a consolidated subsidiary of the Company as of the beginning of the fiscal year under review, considering its recent growing importance.

(2) Names of major non-consolidated subsidiaries

FCG Research Institute, Inc.

Fujisankei Agency, Inc.

Reasons for excluding the subsidiaries from the scope of consolidation

62 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.

(3) Special Purpose Companies (SPCs) subject to disclosure

(i) Summary of the SPCs subject to disclosure and Summary of transactions using the SPCs subject to disclosure

The Group securitizes its properties to diversify funding sources and procure funds in a stable manner. In securitizing properties, the Group transfers its properties to SPCs (particular type of limited liability companies) and receives funds, as sales proceeds, procured by the SPCs through loans, etc. secured by such properties.

The Group leases back the properties transferred to the SPCs. In addition, the Group enters into silent partnership agreements with the SPCs, based on which investments are made therein.

As a result of such securitization, the SPC with a transaction balance is listed as follows. The Group has neither made any investment in the SPC that confers voting rights, nor dispatched any officer or employee thereto.

	March 31, 2015	March 31, 2016
Number of SPCs	—	1
Total assets as of the most recent closing date (simple aggregation) (Millions of yen)	—	13,272
Total liabilities (simple aggregation) (Millions of yen)	—	13,269

(ii) Amount, etc. of transactions with SPCs subject to disclosure

For the fiscal year ended March 31, 2015

Not applicable

For the fiscal year ended March 31, 2016

Amounts, etc. of transactions with the SPC in the consolidated fiscal year ended March 31, 2016 are as follows.

	Balance at the end of consolidated fiscal year (Millions of yen)	Major gain/loss	
		Item	Amount (Millions of yen)
Accounts receivable (Note) 1	19	Operating expenses (Note) 2	595
Investments made in silent partnerships	0	—	—

(Notes) 1. Advances paid to the SPC

2. Real estate rental fees paid to the SPC

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.

(2) Number of affiliates accounted for by the equity method: 18

Names of major affiliates

Kansai Telecasting Corporation

WOWOW INC.

The Company acquired the shares of Space Shower Network Inc. (“Space Shower Network”) in June 2015, and also subscribed for the shares thereof through a third-party allotment. Consequently, Space Shower Network became an affiliate of the Company accounted for by the equity method.

Nagano Broadcasting Systems Inc. (“NBS”) became an affiliate of the Company accounted for by the equity method as a result of an additional acquisition of NBS’s shares by the Company in December 2015.

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

Tokyo Film Mate Corp.

Fuji & gumi Games, Inc.

FINS INC.

Reasons for not applying the equity method

The companies not accounted for by the equity method are excluded from the scope of the equity method as they have no significant impact on the 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 25, 2015).

(Changes in Accounting Policies)

Effective from the consolidated fiscal year under review, the Company has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, the “Business Combinations Standard”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, the “Consolidated Financial Statements Standard”), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, the “Business Divestitures Standard”) and other pronouncements. Accordingly, the accounting methods have been changed such that the difference arising from a change in the Company’s ownership interest in a subsidiary over which the Company continues to have control is recorded as capital surplus and that acquisition-related costs are recorded as expenses for the consolidated fiscal year in which they are incurred. Furthermore, for business combinations to be carried out at and after the beginning of the consolidated fiscal year under review, the method has been changed to reflect an adjustment to the allocated amount of acquisition cost determined by tentative accounting treatment in the consolidated financial statements for the consolidated fiscal year in which the date of business combination falls. In addition, the Company has changed the presentation of net income and other related items, and the presentation of “minority interests” to “non-controlling interests.” To reflect these changes in presentation, reclassification has been made in the consolidated financial statements for the previous fiscal year.

The Business Combinations Standard and others are applicable in accordance with the transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, prospectively from the beginning of the consolidated fiscal year under review.

As a result, operating income and recurring profit each decreased by ¥693 million, and income before income taxes decreased by ¥697 million in the consolidated fiscal year under review. In addition, capital surplus at the end of the fiscal year under review increased by ¥8 million.

In the consolidated statement of cash flows for the fiscal year under review, cash flows relating to the purchase or sales of shares of subsidiaries not resulting in change in scope of consolidation have been included in “cash flows from financing activities,” and cash flows relating to acquisition-related costs incurred in connection with the purchase of shares of subsidiaries resulting in change in scope of consolidation and cash flows relating to expenses incurred in connection with the purchase or sales of shares of subsidiaries not resulting in change in scope of consolidation have been included in “cash flows from operating activities.”

The year-end balance of capital surplus on the consolidated statements of changes in net assets increased by ¥8 million in the consolidated fiscal year under review.

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

(Changes in Presentation)

Consolidated Statements of Income

”Gain on investments in partnership”, which was included in “Other” under “Non-operating income” in the previous consolidated fiscal year, is shown separately from the fiscal year under review, as the amount of such gain exceeded 10% of the total non-operating income. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect this change in presentation.

As a result, the amount of ¥1,693 million, which was presented as “Other” under “Non-operating income” in the consolidated statement of income for the previous fiscal year, is reclassified as ¥625 million in “Gain on investments in partnership” and ¥1,067 million in “Other”.

”Gain on sales of noncurrent assets” under “Extraordinary gain”, which was separately shown in the previous consolidated fiscal year, is included in “Other” from the fiscal year under review, as the amount of such gain fell below 10% of the total Extraordinary gain. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect this change in presentation.

As a result, the amount of ¥1,590 million which was presented as “Gain on sales of noncurrent assets” and the amount of ¥206 million which was presented as “Other” under “Extraordinary gain” in the consolidated statement of income for the previous fiscal year, are reclassified as ¥1,796 million in “Other”.

Consolidated Statements of Cash Flows

The presentation method for “Purchase of shares of subsidiaries resulting in change in scope of consolidation”, which was previously included in “Other” under “Cash flows from investing activities”, has been changed, and it is separately presented as from the fiscal year under review, due to its increased significance. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect this change in presentation.

As a result, the negative amount of ¥841 million which was presented as “Other” under “Cash flows from investing activities” in the consolidated statement of cash flows for the previous fiscal year, is reclassified as negative ¥33 million in “Purchase of shares of subsidiaries resulting in change in scope of consolidation”, and negative ¥807 million in “Other”.

(Notes to Consolidated Balance Sheets)

1. Accumulated depreciation for property, plant and equipment

Millions of yen

	March 31, 2015	**March 31, 2016**
Accumulated depreciation for property, plant and equipment	234,776	**256,074**

2. Non-consolidated subsidiaries and affiliates

Millions of yen

	March 31, 2015	**March 31, 2016**
Investment securities (Shares)	88,896	**92,968**
Investment securities (Investments in capital)	2,399	**4,504**

3. Assets pledged as collateral

Millions of yen

	March 31, 2015	**March 31, 2016**
Time deposits (Note) 1	119	**125**
Investment securities (Note) 1	9	**7**
Buildings and structures (Note) 2	—	**2**
Land (Note) 2	—	**92**
Total	128	**228**

(Notes) 1. Time deposits and investment securities are pledged by Quaras Inc., a consolidated subsidiary of the Company, to television broadcasting companies, newspaper companies, etc. in lieu of business guarantee deposits.

2. Buildings and structures and land owned by GRANVISTA Hotels & Resort Co., Ltd., a consolidated subsidiary of the Company, are pledged as real estate collateral for Atami Beach Line Co., Ltd.'s debt obligations.

4. 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, 2015	**March 31, 2016**
Buildings and structures	237	**238**
Machinery, equipment and vehicles	335	**335**
Other (Property, plant and equipment)	77	**77**
Software	15	**15**
Total	666	**667**

5. Revaluation of land

Some of the consolidated subsidiaries revalued the land used for their 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 their business as well, equity equivalents of the revaluation difference after deduction of the tax equivalent have been stated in Net Assets.

6. Inventories

Millions of yen

	March 31, 2015	**March 31, 2016**
Programs and other programs	10,013	**14,356**
Products and goods	16,477	**15,108**
Work in process	1,077	**966**
Real estate for sale	6,818	**14,007**
Real estate for sale in process	16,741	**24,625**
Real estate for development	12,415	**9,806**
Others	890	**972**
Total	64,434	**79,842**

(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

	2015	**2016**
Agent fees	51,236	**47,975**
Advertising expenses	33,721	**33,692**
Personnel expenses	38,989	**39,424**
Retirement benefit expenses	3,604	**3,796**
Provision of allowance for doubtful accounts	188	**154**
Provision for directors' bonuses	377	**336**
Provision for point card certificates	102	**—**
Provision for directors' retirement benefits	262	**334**
Amortization of goodwill	313	**233**

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

Years ended March 31 Millions of yen

	2015	**2016**
Research and development expenses included in general and administrative expenses	194	**195**

3. Impairment loss

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.

For the fiscal year ended March 31, 2016
The Group recorded impairment losses for the following assets.

Location	Usage	Type	Amount (Millions of yen)
(Life Information) Sankei Living Shimbun Inc. Chiyoda, Tokyo	Property for business use	Software, leased assets, buildings and structures	438
(Urban Development) The Sankei Building Co., Ltd. Chuo, Tokyo	Rental building	Buildings and structures	164
GRANVISTA Hotels & Resorts Co., Ltd. Tomakomai, Hokkaido	Property for business use, Unutilized assets	Machinery, equipment and vehicles, land	222

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 ¥192 million in software, ¥110 million in leased assets included in “Other” under property, plant and equipment, ¥65 million in buildings and structures and ¥70 million in other. The collectible amounts of properties for business use are measured with use value. However, as the use value based on the future cash flow indicates a negative amount, the collectible amounts are deemed to be zero.

In the Urban Development segment, in principle, The Sankei Building Co., Ltd. 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 ¥161 million in buildings and structures and ¥3 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.

In respect of GRANVISTA Hotels & Resort, an entity engaged in the urban developing business, properties for business use, grouped by business unit based on the management accounting rule, and unutilized assets, grouped by individual asset class, are subject to an impairment loss. The book values of properties for business use whose profitability declined, and those of unutilized assets not in use for business 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 ¥87 million in machinery, equipment and vehicles, ¥75 million in land and ¥59 million in other. The collectible amounts are measured at their net realizable values. Real estate appraisal values are referenced in the evaluation of properties for business use, while property tax assessment values are referenced in the evaluation of unutilized assets.

(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, real-estate transactions and hotels and resorts.

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.

As stated in Changes in Accounting Policies, effective from the consolidated fiscal year under review, the Company has adopted the "Business Combinations Standard", the "Consolidated Financial Statements Standard", "Business Divestitures Standard" and other pronouncements. Accordingly, the accounting methods have been changed such that the difference arising from a change in the Company's ownership interest in a subsidiary over which the Company continues to have control is recorded as capital surplus and that acquisition-related costs are recorded as expenses for the consolidated fiscal year in which they are incurred. As a result, segment operating income in the Urban Development decreased ¥693 million and amortization of goodwill decreased ¥172 million.

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

Year ended March 31, 2015 (Millions of yen)

	Reported segment							Other (Note 1)	Total	Adjustment (Notes 2 and 3)	Consolidated statement of income (Note 4)
	Broadcasting	Production	Video and Music	Life Information	Advertising	Urban Development	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.

Year ended March 31, 2016 (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	302,292	21,210	49,189	134,911	39,523	82,131	629,259	11,312	640,572	—	640,572
Inter-segment net sales and transfers	16,687	29,624	914	645	3,273	537	51,682	14,753	66,436	(66,436)	—
Total net sales	318,980	50,834	50,104	135,556	42,797	82,668	680,942	26,066	707,008	(66,436)	640,572
Segment operating income	8,073	2,093	2,365	1,223	361	9,441	23,558	541	24,100	294	24,394
Segment assets	380,706	36,463	58,376	52,313	13,427	374,817	916,105	21,101	937,207	199,199	1,136,406
Other:											
Depreciation	11,385	855	1,044	1,211	16	4,778	19,292	541	19,833	(227)	19,605
Amortization of goodwill	—	5	31	29	0	166	233	0	233	—	233
Increase in property, plant and equipment and intangible assets	6,627	1,236	263	727	36	39,991	48,884	703	49,588	(189)	49,398

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 ¥294 million mainly comprises ¥4,851 million in eliminations of inter-segment business, together with minus ¥4,557 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 ¥199,199 million mainly comprises minus ¥450,860 million in inter-segment credit eliminations, together with ¥650,059 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 basic earnings per share with their respective bases of calculation are as follows.

	March 31, 2015	**March 31, 2016**
(1) Net assets per share (Yen)	2,739.59	**2,723.63**
(Basis for calculating)		
Total net assets on the consolidated balance sheet (Millions of yen)	638,883	**638,383**
Total net assets related to shares of common stock (Millions of yen)	633,568	**629,785**
Major components of the difference (Millions of yen) Non-controlling interests	5,315	**8,598**
Number of shares of common stock issued (Shares)	236,429,800	**236,429,800**
Number of shares of treasury stock (Shares)	5,165,548	**5,199,629**
Number of shares of common stock used to determine net assets per share (Shares)	231,264,252	**231,230,171**

Years ended March 31

	2015	**2016**
(2) Basic earnings per share (Yen)	86.02	**98.75**
(Basis for calculating)		
Net income attributable to owners of the parent on the consolidated statement of income (Millions of yen)	19,908	**22,835**
Net income attributable to owners of the parent related to shares of common stock (Millions of yen)	19,908	**22,835**
Average number of issued shares of common stock during the fiscal year (Shares)	231,452,397	**231,255,685**

(Note) 1. Information on diluted earnings per share is omitted, since there is no potentially dilutive share.

2. As stated in “Changes in accounting policies”, the Business Combinations Standard, etc. have been applied. As a result, net assets per share and basic earnings per share decreased by ¥2.98 and ¥3.02, respectively, in the fiscal year under review.

(Significant Events after the Reporting Period)

Not applicable

6. OTHERS

Changes in Management

Please be advised that the Company informally made a decision on changes in management at the Board of Directors' meeting held today as follows.
A formal decision is scheduled to be made at the Ordinary General Meeting of Shareholders to be held on June 28, 2016, and the Board of Directors' meeting to be held thereafter.

Director candidate newly nominated
Director Masaki Miyauchi
(currently, President and Chief Operating Officer of Fuji Satellite Broadcasting, Inc. (BS Fuji))

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