

Fuji Media Holdings (4676 JP)



FUJI MEDIA HOLDINGS, INC.

Time to Focus on the Content

October 2025

DaltonInvestments

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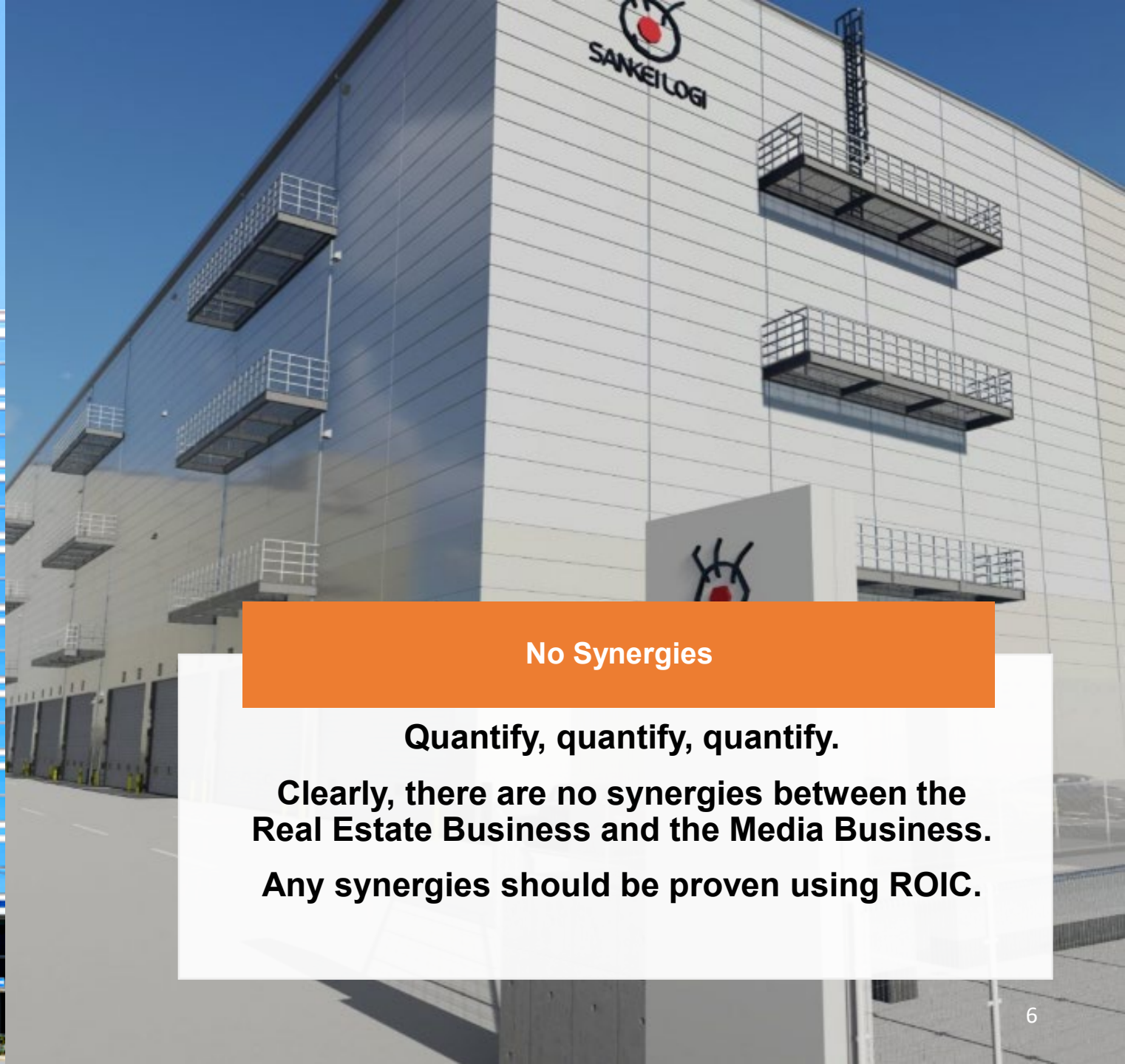
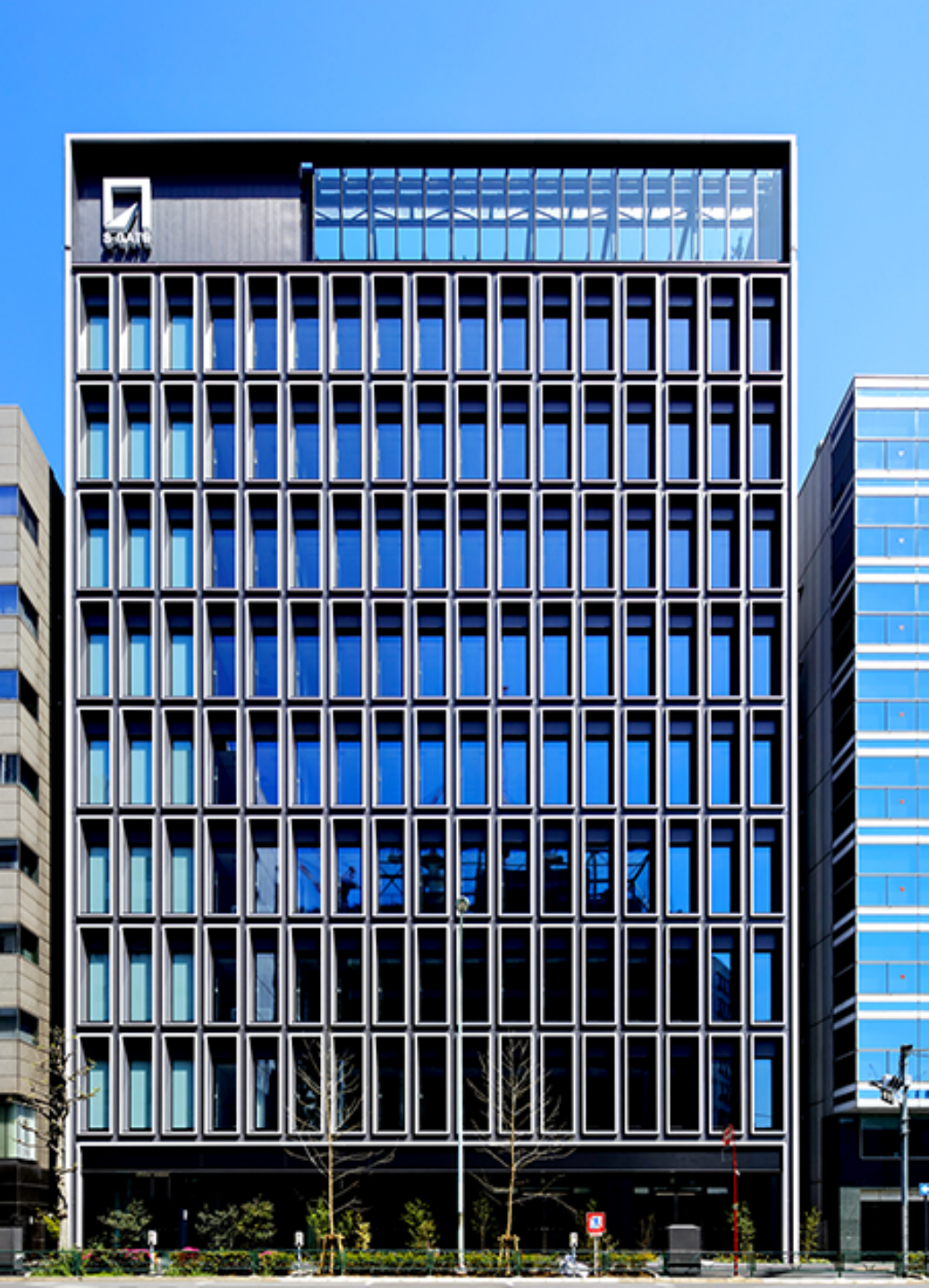
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1. Our Analysis of FMH

The TSE Request – WACC, ROIC and ROE

Fuji Media Holdings has not responded to the TSE Request

	TSE Request	Fuji Media Holdings Response	Disclosed in IR?
WACC	Disclose WACC		Number not disclosed in IR Presentations or Reform Plan
ROIC	Disclose ROIC Per Business		ROIC is never mentioned in IR Presentation or Reform Plan
ROE	Show ROE Goal		ROE goal of 8% mentioned. Timeline?



No Synergies

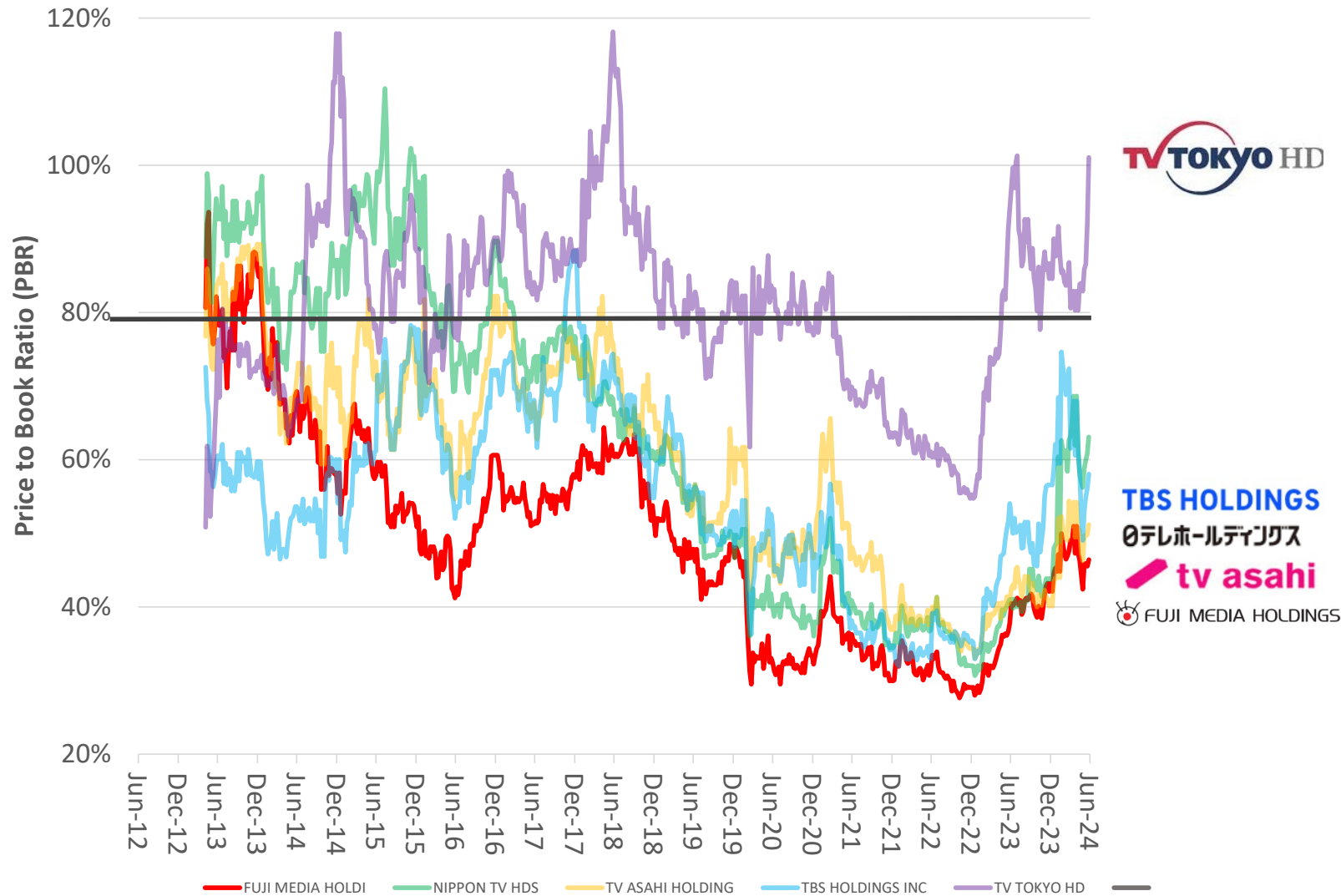
Quantify, quantify, quantify.

Clearly, there are no synergies between the Real Estate Business and the Media Business.

Any synergies should be proven using ROIC.

PBR is better without the Real Estate Business

PBR Broadcasters



THE CONGLOMERATE DISCOUNT

Without Real Estate, the company will be valued by its Intangible Assets, or IP.

From the perspective of the stock market, Broadcasters are better off without the Real Estate Business.

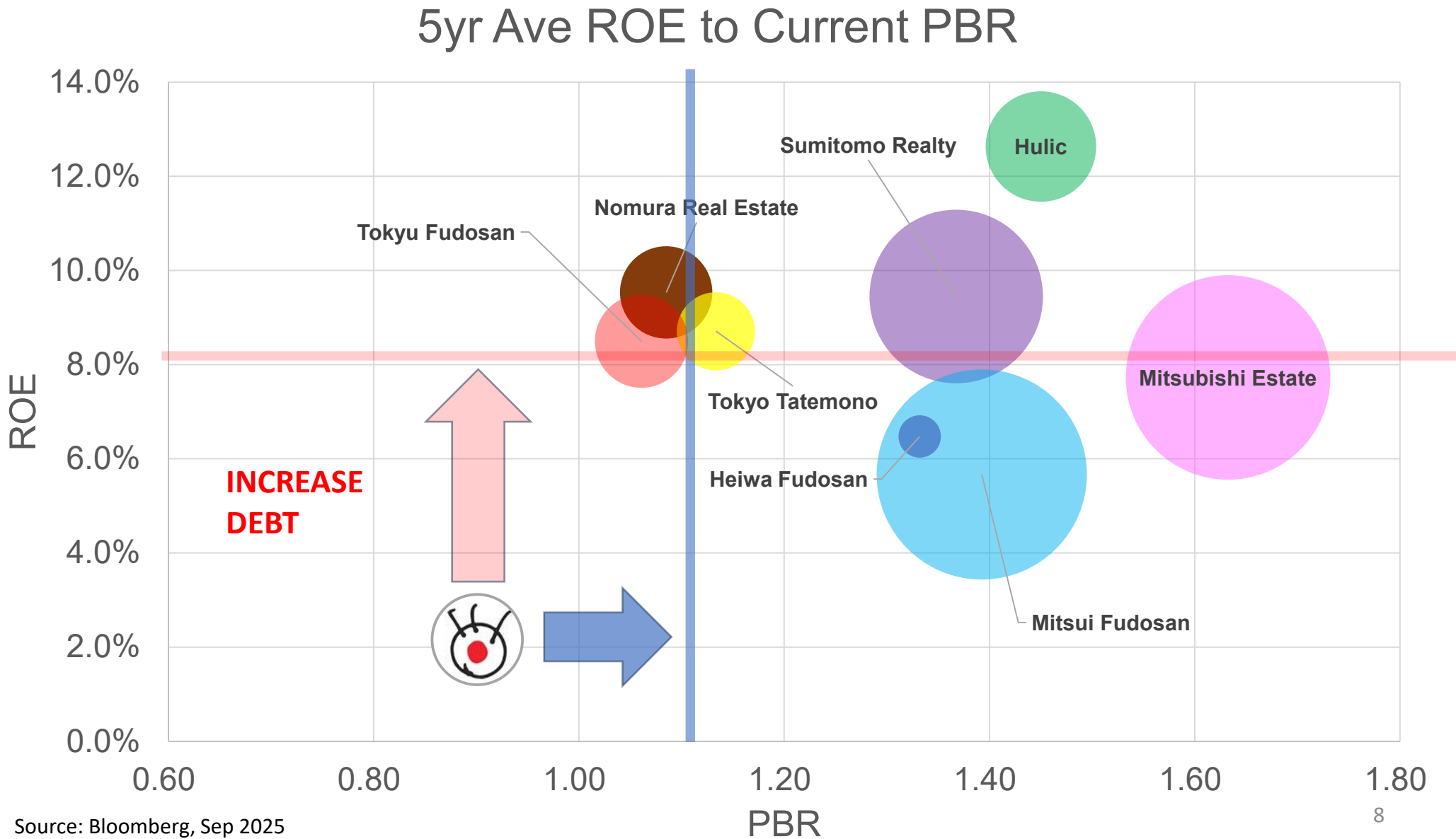
Source: Bloomberg, Jun 2024 (pre-scandal)

Focus on Real Estate Limits Upside, While Leverage Increases

To achieve an ROE of 8%, FMH will need to use significant borrowings to increase its leverage profile.

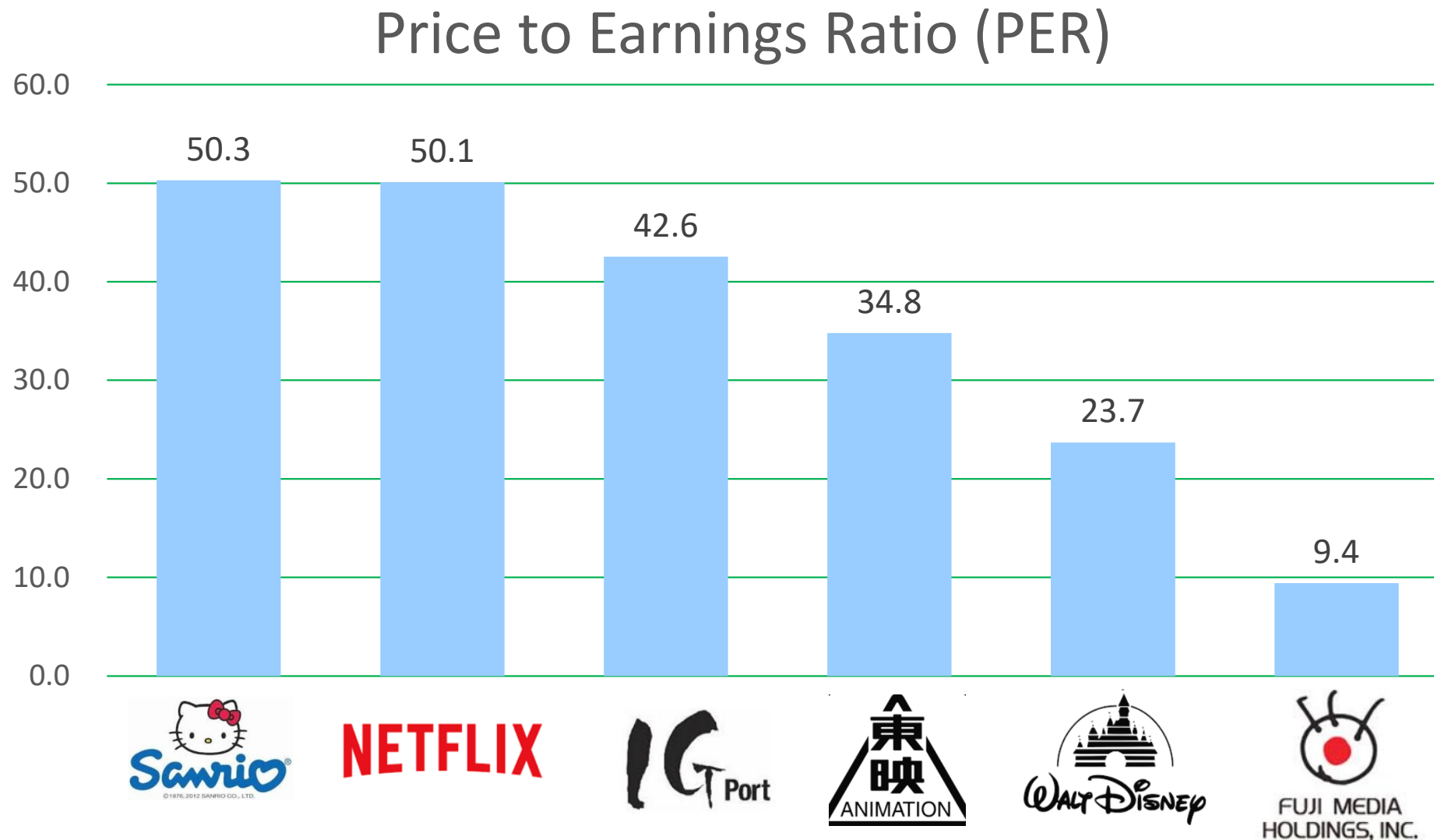
Use of leverage is unsuitable for the Media Business, which is more volatile.

As a result, FMH management cannot take optimal risks in Real Estate OR the Media Content Business



The Conglomerate Discount

IP and Content trades at much higher PE multiples compared to broadcasters



Source: Bloomberg, Dec 2024

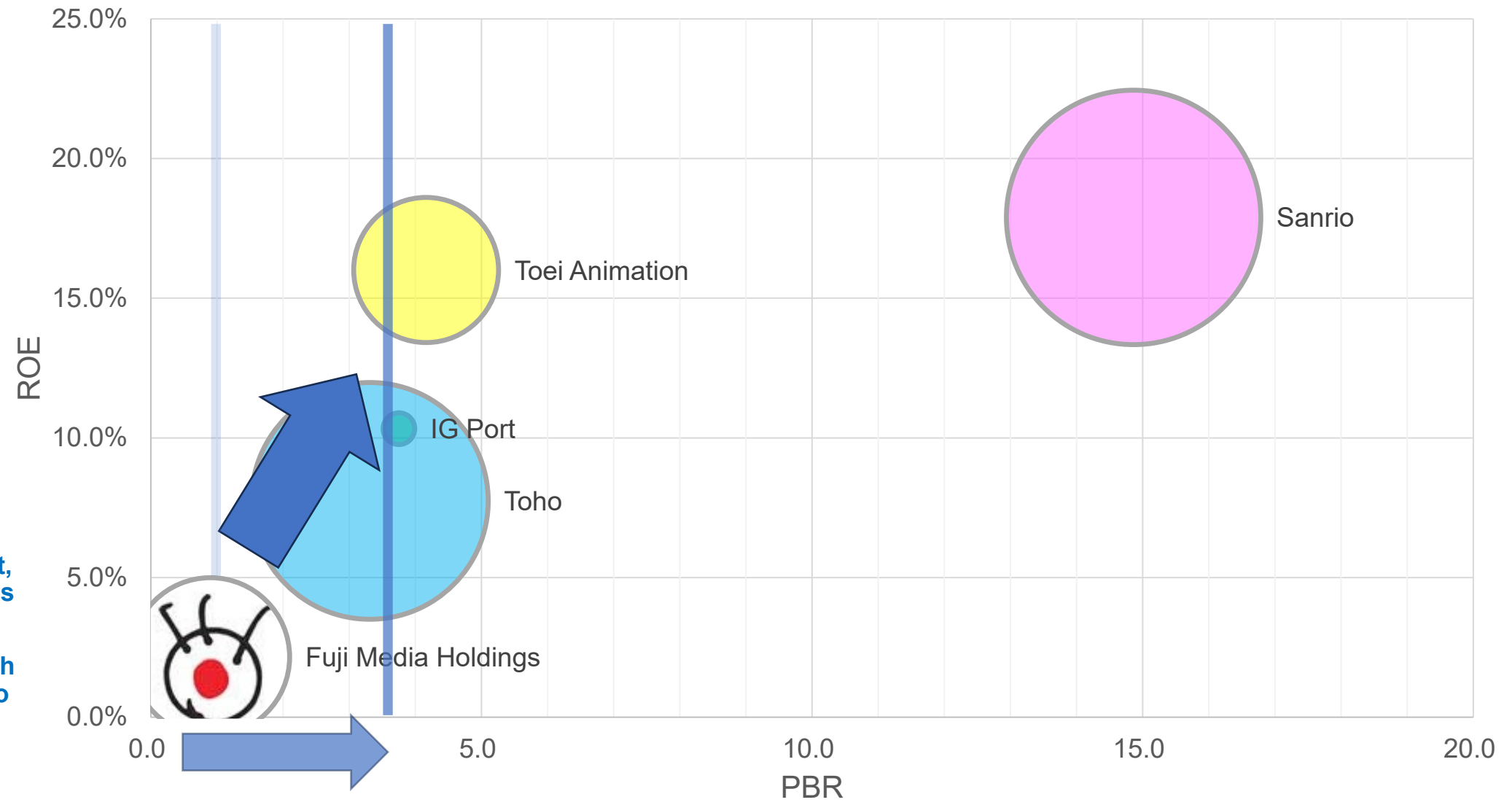
IP and Content Business drives Higher ROE, and Higher PBR

5yr Ave ROE to Current PBR

Sanrio and Toei Anime achieve higher ROE with better ROA and ROIC.

For the same dollar spent, Content and IP companies are much better off

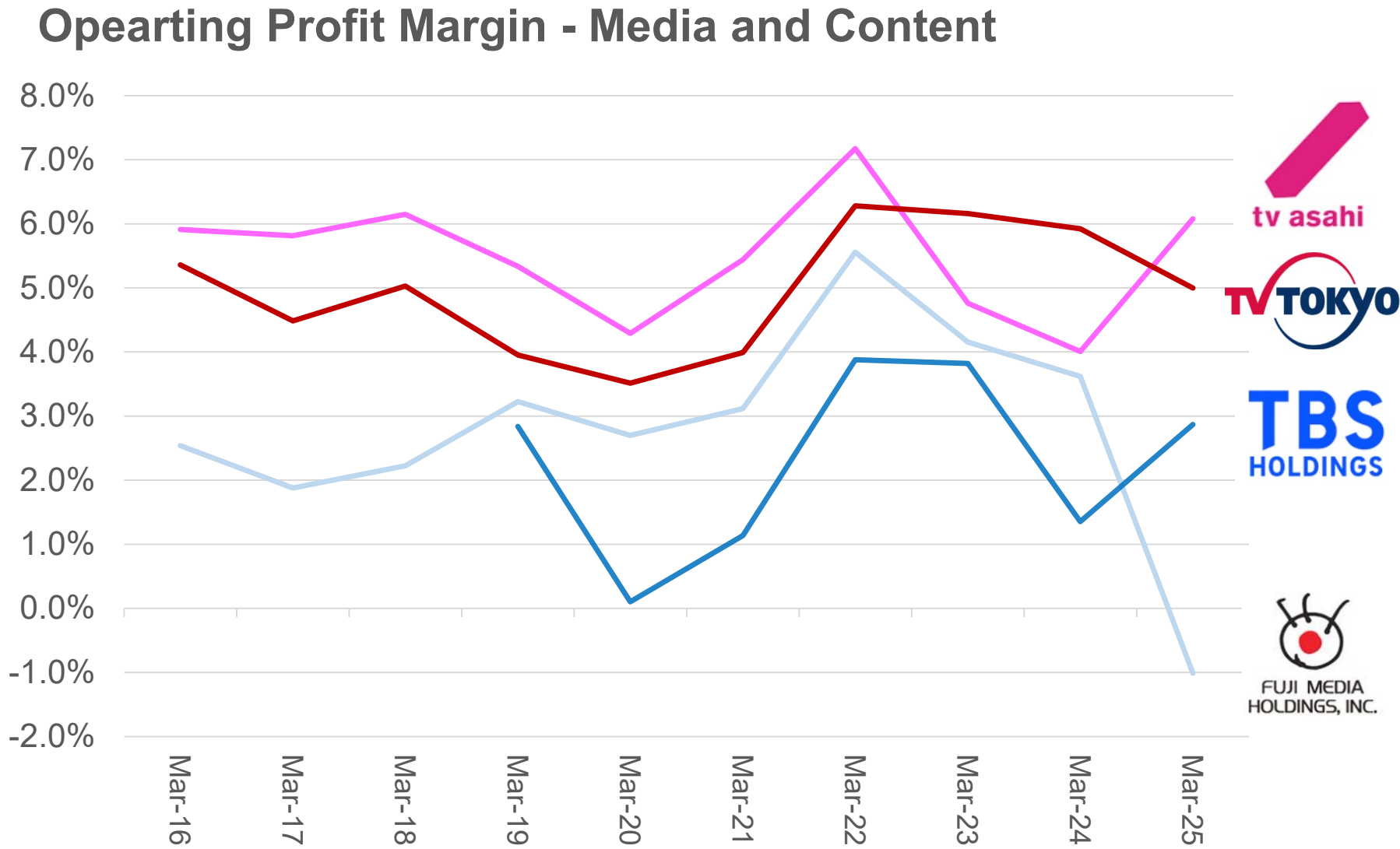
IP and Content have much greater PBR, compared to the Real Estate PBR of sub-1.5x.



Source: Bloomberg, Sep 2025

Real Estate Business has Never Helped the Media and Content Business

The profitability of Fuji Television is the lowest among its peers. Synergies are not evident.



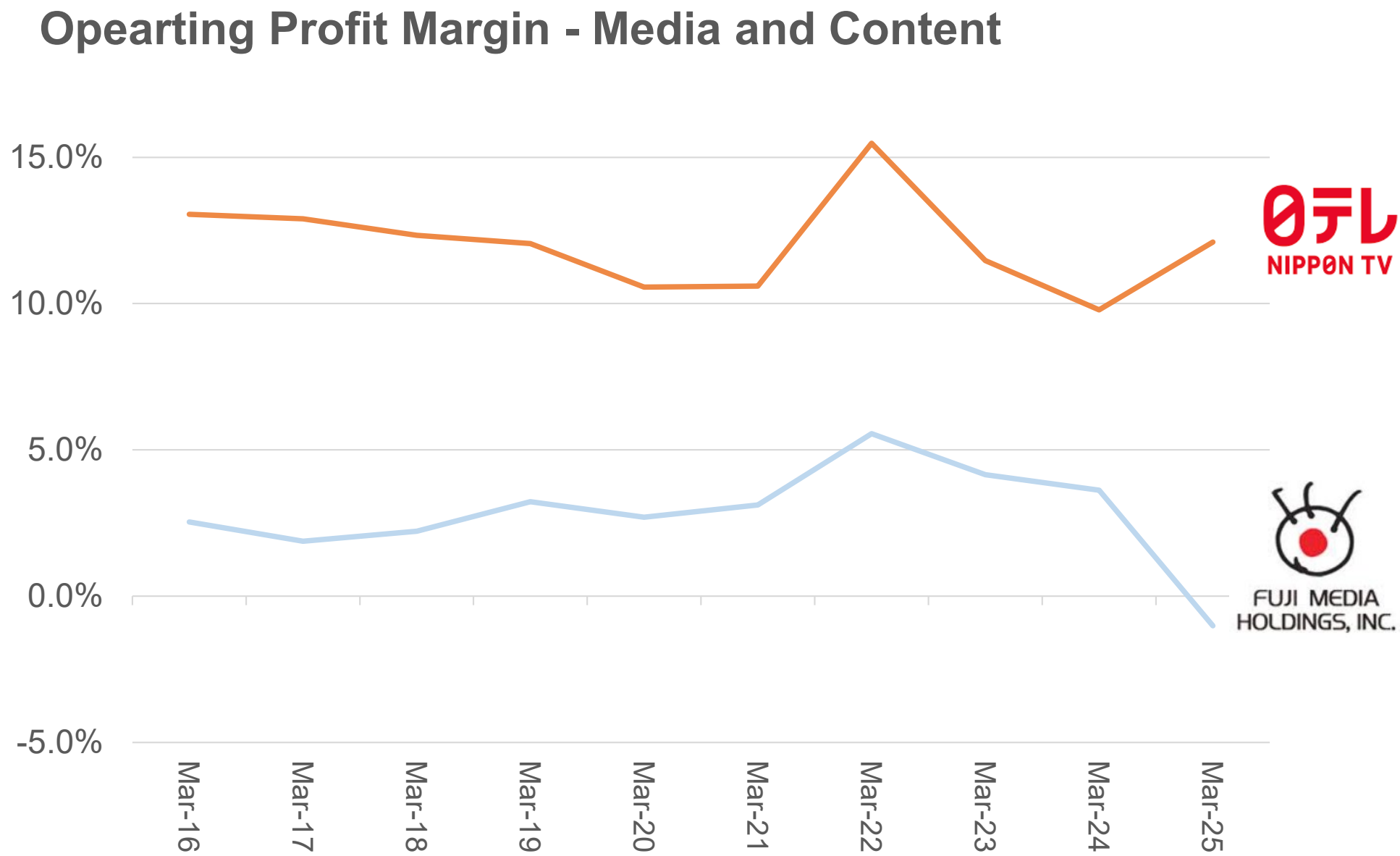
In 2021, FMH fired the most valuable asset, THE EMPLOYEES, at the cost of focusing on the Real Estate business.

FMH management claims that the Real Estate Business enables the TV Business to take risks. It is not evident with these numbers.



2. Your Competition – Nippon Television Holdings (9404 JP)

Nippon TV's Focus on Media and Content Delivers Results



日テレ、開国!

Gear up, go global

日テレ

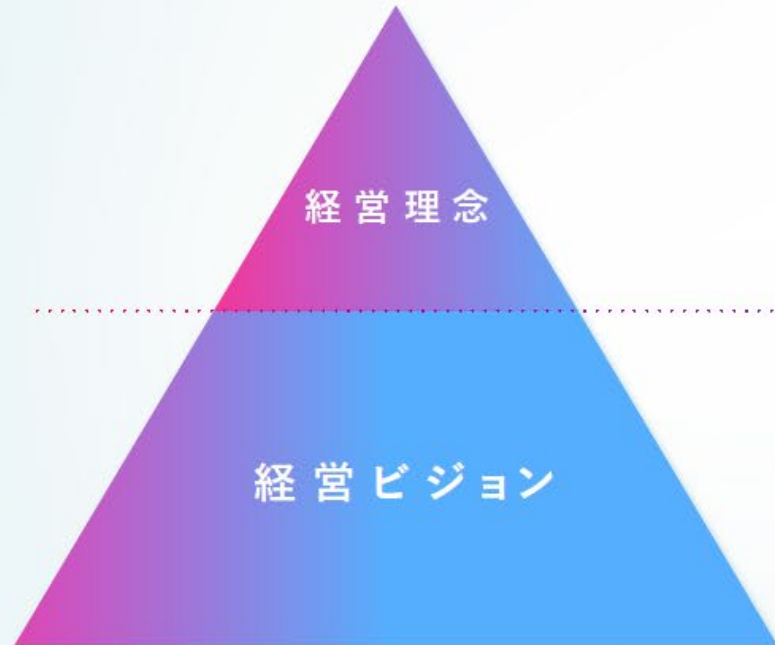
NIPPON TV HOLDINGS

日本発グローバルコンテンツメーカーへ

Nippon TV's Mid-Term Plan Provides Firm-Wide Clarity

経営理念・経営ビジョン

人々のライフスタイルの多様化とテクノロジーの進化とともに、めまぐるしく変化する事業環境・競争環境を踏まえ、経営理念を改定し、新たに経営ビジョンを策定しました。



正確で速やかな報道、良質なコンテンツの提供と、
多彩な文化の創造により、人々の生活を豊かなものにする。

コンテンツの力で、“世界”を変える。 Change the 'World' Through
the Power of Content

日本テレビグループが「感動×信頼のNo.1企業」として実現したいのは、
私たち1人1人が紡ぎ出す様々なサービス、プロダクトを含めた「コンテンツ」を通じて、豊かな未来を創り出すこと。
よりよい未来が広がる“世界”に向けて、
私たちはこれからも「コンテンツ」を生み出し、作り、そして届けていきます。

Under the New Slogan, NTV Aims to become a Global Content Provider

日本発グローバルコンテンツメーカーへ

「日テレ、開国!」をスローガンに、巨大なグローバル市場への扉を本格的に開きます。
IP創出と製作機能を基軸に、文化や価値観の違いを超えて愛されるコンテンツを生み出し、
世界での競争力を持つ日本発グローバルコンテンツメーカーへ進化します。

コンテンツビジネス

IP連携/創出

コンテンツ製作

コンテンツ販売

外部の有力IPとの連携

自社IPの開発

ドラマ、映画、アニメ、バラエティなど
グローバル志向のIP開発

コンテンツ
製作体制の強化

グローバル対応の組織変革と
出資や提携を通じた製作体制の拡充

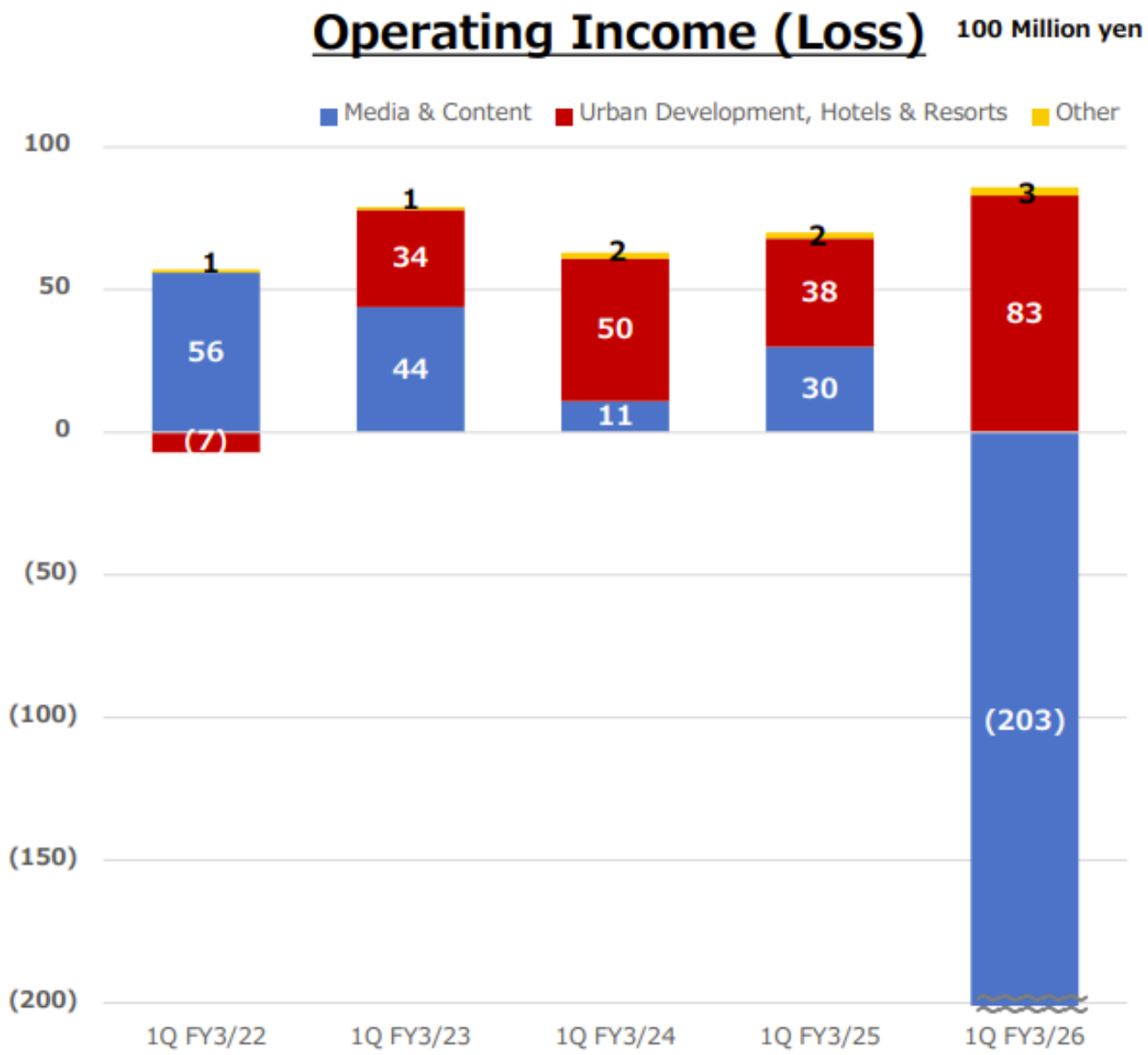
グローバル配信プラットフォーム、他

地上波など自社チャンネル

新規メディア領域

3. The Solution – Optimize the Balance Sheet for Media and Content

There is No Better Time to Sell Real Estate Holdings



With Fuji Television’s revenue down 80-85%, the Media and Content Business has an annualized operating loss of 80 billion yen.

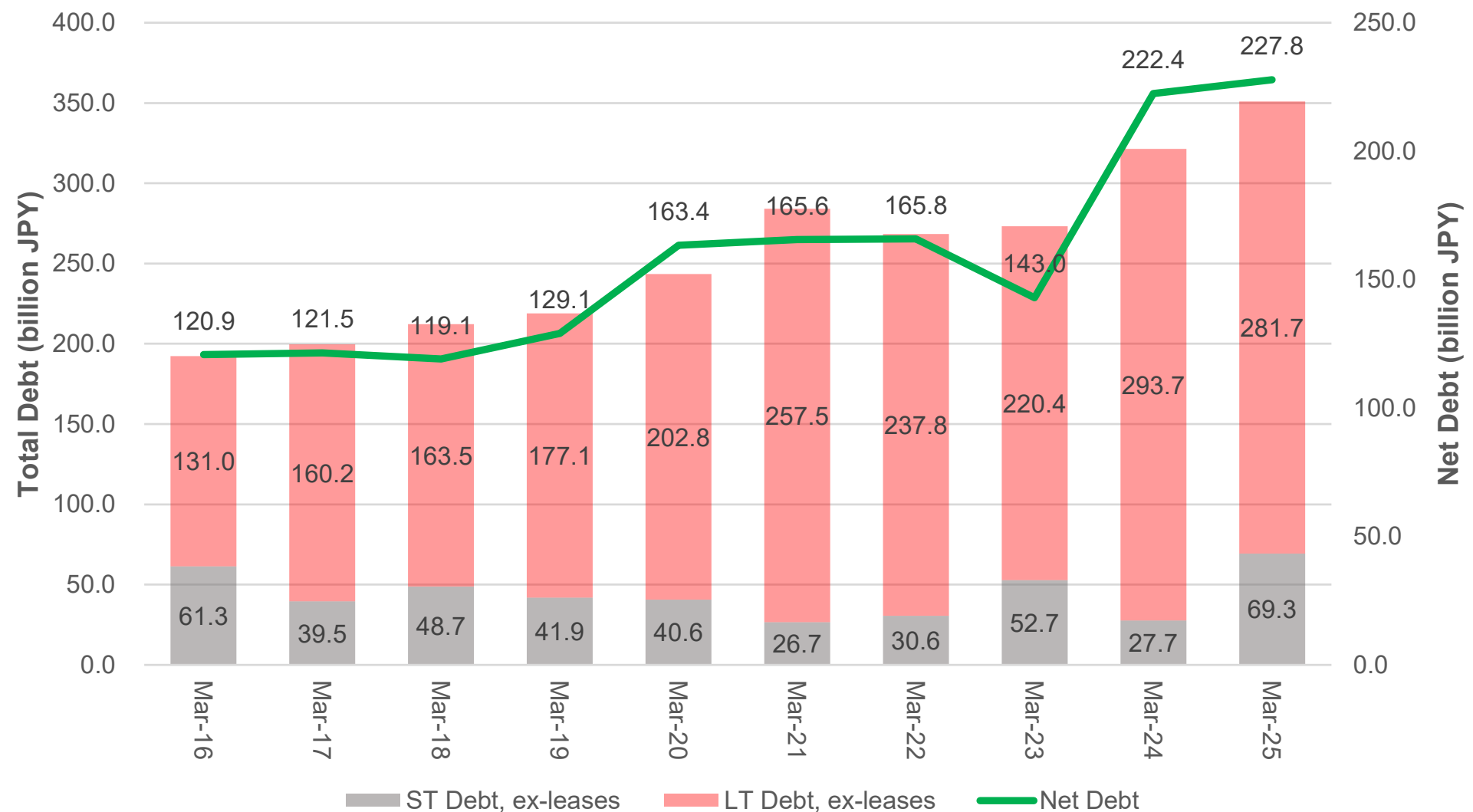
FMH is in no position to invest in real estate today.

FMH should continue selling real estate to shore up its balance sheet.

The Real Estate Business is killing FMH's Balance Sheet

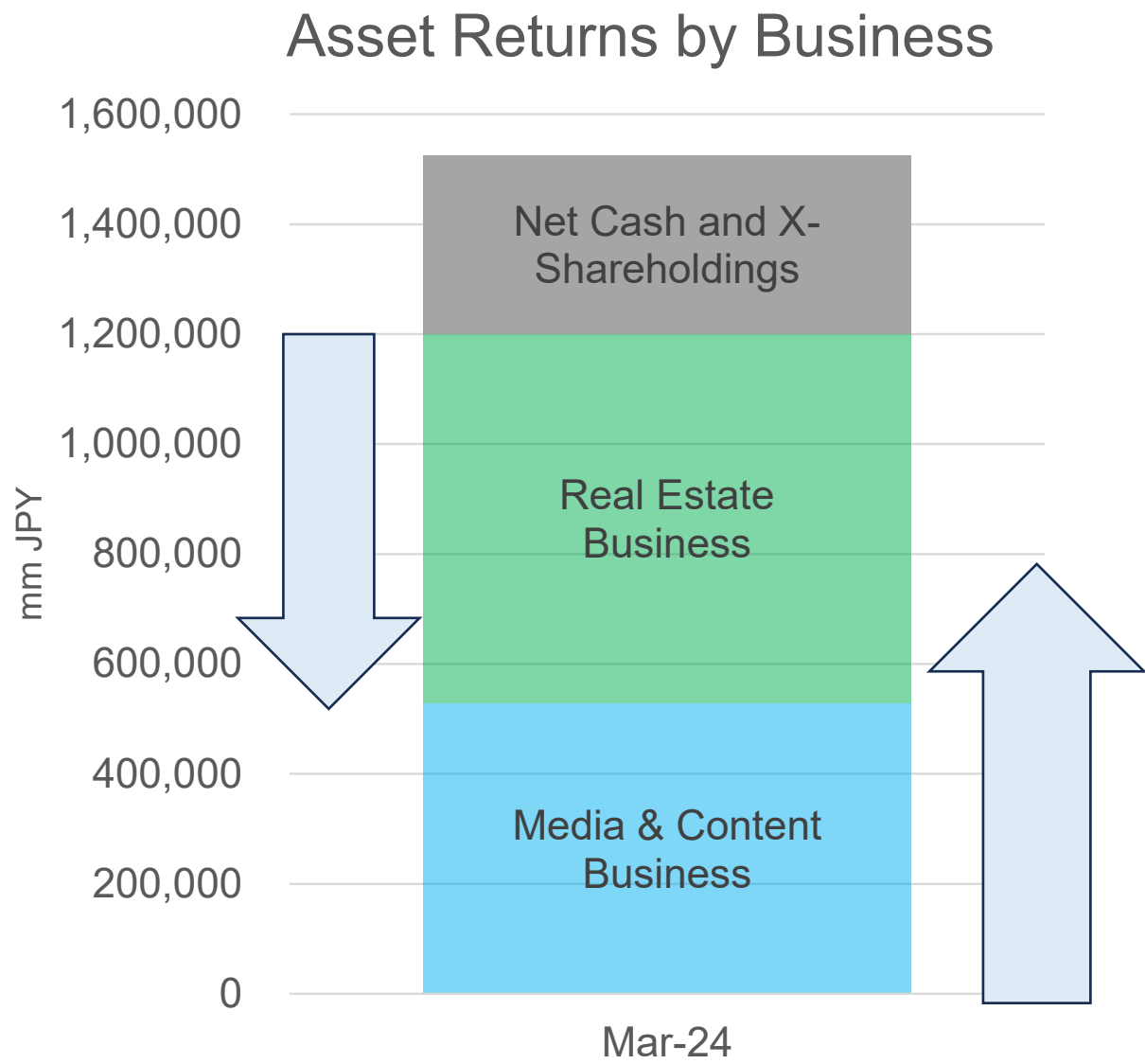
Net Debt at FMH has almost doubled over the last 10 years. Return of 4% with leverage is insufficient.

Short Term and Long Term Debt



All Capital Allocation should be Measured by Returns (ROIC)

Real Estate ROA of 4% is Too Low for FMH. Focus on Media and Content Business is Key



Cash delivers
NO RETURN

Return potential
LOW

Return potential
HIGH



As a Listed Company, All Businesses Must Exceed WACC

Real estate gives you the false impression that you are creating value

ROIC > WACC

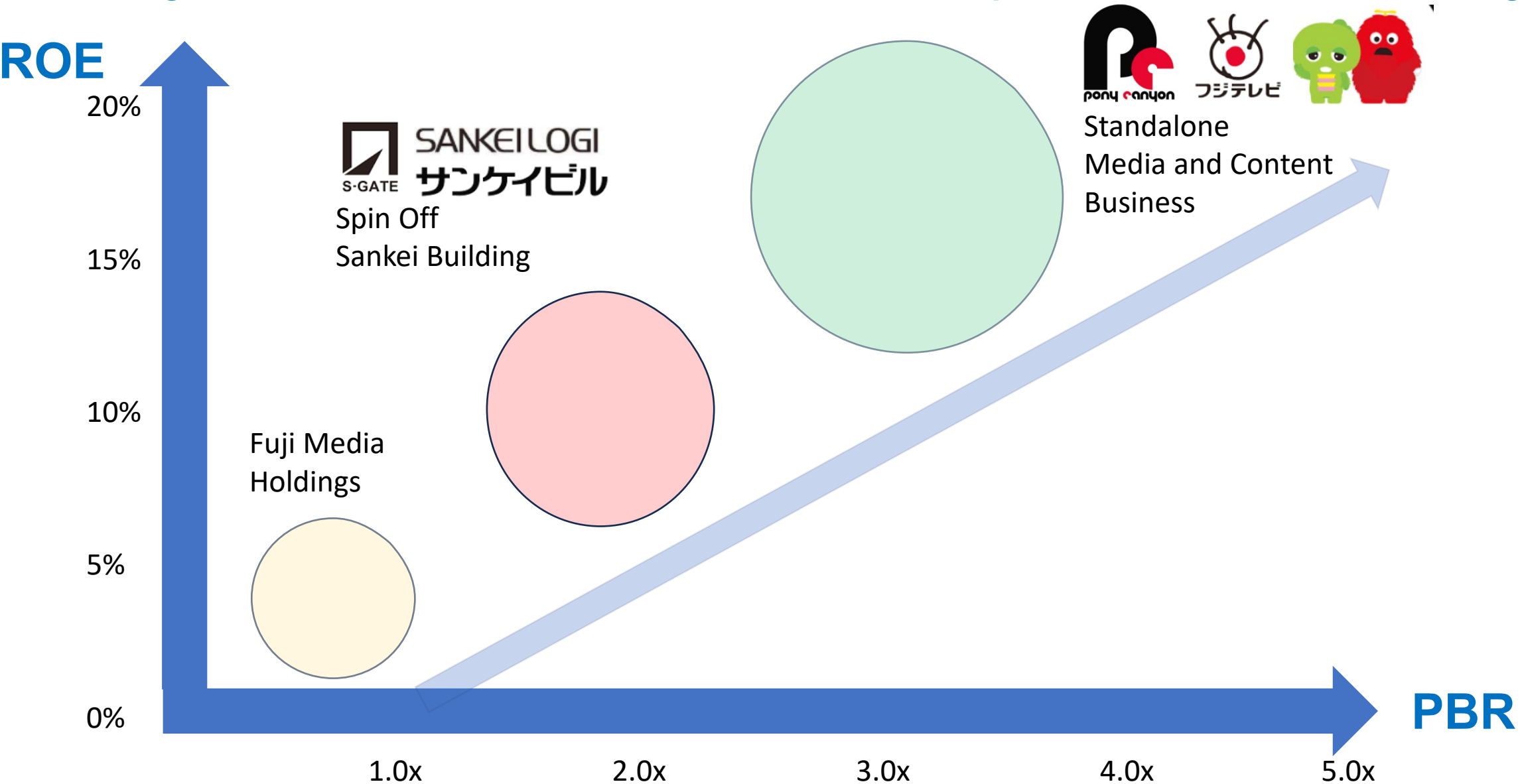
= Value creation for shareholders

ROIC < WACC

= Value destruction for shareholders

FMH Needs to Unlock the Conglomerate Discount

Focus on global content and IP, allows FMH to unlock its true potential without the Sankei Bldg



4. The Conclusion –
Fuji Television, your creators,
don't need real estate.

Don't invest in buildings.
Invest in the “people”.

Dear Shimizu-san,

As the CEO of a listed company, we request that you show a clear path for FMH to become a “global content company” and a strong “FMH”.

At the AGM, shareholders voted and trusted management to execute the Reform Plan.

Please show us a path to becoming a global content company.

Please show us why you deserve to remain in the seat of a listed company with more than Y1 trillion yen of assets.

Your responsibility is to maximize the capital, assets, and people at FMH. The life and death of FMH’s media business depends on you.

Real Estate is not the future for FMH, nor the future of Japanese Content and IP.

It is time to focus on the content.

Key Takeaways

1. Please respond to the TSE Request

Please provide WACC, ROIC by Business, and ROE Goal with a timeline

2. Media and Content Companies trade at 3-5x PBR

Fuji Media Holdings remains cheap at sub-1.0x PBR

3. Real Estate Companies trade with limited upside for FMH

PBR of 3-5x is better than Real Estate companies trading at 1-1.5x PBR

4. Without Content, an increase in ROE can only be achieved with leverage. However, leverage is not optimal for FMH.

Management is mismanaging the balance sheet by investing in real estate. Your employees, your creators, don't need real estate

5. Real Estate business does not lead to stability and gives you the false impression that you are creating value

Real estate and leverage have historically killed Japanese companies

6. ROIC must exceed WACC

No excuses

7. Spin-Off Real Estate or Significantly Reduce Real Estate Holdings

Time to focus on the next Bluey, Demon Slayer, or Pokemon

8. Content, content, content

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