

Tokyo Broadcasting System, Inc. and Its Subsidiaries
Consolidated Financial Statements for the Fiscal Year Ended March 31, 2007
(Unaudited)

Note: The following results are direct translation of the flash reports issued in Japanese, which is in accordance with the provisions set forth in the Japanese Securities and Exchange Law and accounting principles and practices generally accepted in Japan. U.S. accounting standard is not applied. All figures in the following Statements have been rounded off, and thus, may not coincide with figures on Financial Statements that are in Japanese.

May 15, 2007

(1) Consolidated Balance Sheets as of March 31, 2007

	As of March 31, 2006	As of March 31, 2007	Year on year
	Amount (Millions of yen)	Amount (Millions of yen)	Change (Millions of yen)
ASSETS			
I. Current assets			
1. Cash on hand and in banks	38,859	48,946	10,087
2. Notes and accounts receivable—trade	68,084	43,309	(24,775)
3. Inventories	10,741	10,079	(662)
4. Prepaid expenses	6,707	4,276	(2,430)
5. Deferred tax assets	5,271	5,346	75
6. Other current assets	3,664	3,851	187
Allowance for doubtful accounts	(162)	(130)	32
Total current assets	133,165	115,679	(17,485)
II. Fixed assets			
1. Tangible fixed assets	189,212	199,200	9,988
2. Intangible fixed assets	7,746	7,065	(681)
3. Investments and other assets	225,146	245,775	20,628
(1) Investment securities	213,624	233,800	20,176
(2) Other investments and assets	12,075	12,583	508
Allowance for doubtful accounts	(552)	(610)	(57)
Total fixed assets	422,106	452,042	29,936
Total assets	555,271	567,722	12,450

	As of March 31, 2006	As of March 31, 2007	Year on year
	Amount (Millions of yen)	Amount (Millions of yen)	Change (Millions of yen)
LIABILITIES			
I. Current liabilities			
1. Notes and accounts payable—trade	32,164	33,243	1,078
2. Short-term borrowings	3,289	1,606	(1,683)
3. Current installments of long-term debt	72	10,040	9,967
4. Current installments of bonds	10,000	—	(10,000)
5. Accounts payable-other	21,390	18,522	(2,868)
6. Income taxes payable	6,059	3,552	(2,507)
7. Accrued expenses	4,465	4,735	270
8. Other current liabilities	4,839	4,732	(107)
Total current liabilities	82,282	76,433	(5,848)
II. Long-term liabilities			
1. Bonds	—	30,000	30,000
2. Long-term debt	30,040	20,000	(10,040)
3. Allowance for retirement and severance benefits	9,196	9,293	96
4. Deferred tax liabilities	41,244	39,253	(1,991)
5. Other long-term liabilities	12,821	7,442	(5,378)
Total long-term liabilities	93,303	105,990	12,686
Total liabilities	175,585	182,424	6,838
MINORITY INTERESTS			
Minority interests	1,659	—	(1,659)
SHAREHOLDERS' EQUITY			
I. Common stock	54,685	—	(54,685)
II. Additional paid-in capital	59,953	—	(59,953)
III. Retained earnings	192,297	—	(192,297)
IV. Net unrealized gain on securities	71,116	—	(71,116)
V. Foreign currency translation adjustments	13	—	(13)
VI. Treasury stock at cost	(39)	—	39
Total shareholders' equity	378,026	—	(378,026)
Total liabilities, minority interests and shareholders' equity	555,271	—	(555,271)
NET ASSETS			
I. Owner's equity			
1. Common stock	—	54,857	(54,857)
2. Additional paid-in capital	—	60,125	(60,125)
3. Retained earnings	—	202,094	(202,094)
4. Treasury stock at cost	—	(63)	63
Total owner's equity	—	317,015	(317,015)
II. Valuation and translation adjustments			
1. Net unrealized gain on securities	—	65,154	(65,154)
2. Unrealized gains (losses) on hedging derivatives	—	700	(700)
3. Foreign currency translation adjustments	—	16	(16)
Total valuation and translation adjustments	—	65,871	(65,871)
III. Minority interests	—	2,411	(2,411)
Total net assets	—	385,298	(385,298)
Total liabilities and net assets	—	567,722	(567,722)

(2) Consolidated Statements of Income for the Years Ended March 31, 2007

	FY2006 (April 1, 2005- March 31, 2006)		FY2007 (April 1, 2006- March 31, 2007)		Year on year
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Change (Millions of yen)
I. Net sales	306,041	100.0	318,700	100.0	12,658
II. Cost of sales	218,658	71.4	221,798	69.6	3,139
Gross profit	87,382	28.6	96,901	30.4	9,519
III. Selling, general and administrative expenses	70,977	23.2	71,573	22.5	596
Operating income	16,404	5.4	25,327	7.9	8,923
IV. Non-operating income	1,874	0.6	3,104	1.0	1,229
V. Non-operating expenses	2,890	1.0	2,215	0.7	(674)
Ordinary income	15,388	5.0	26,216	8.2	10,827
VI. Extraordinary gain	16,945	5.5	210	0.1	(16,735)
VII. Extraordinary loss	4,719	1.5	2,616	0.8	(2,103)
Income before income taxes and minority interests	27,615	9.0	23,810	7.5	(3,804)
Income taxes and enterprise taxes	12,136		8,376		
Deferred income taxes	2,001		1,455		
Minority interests	(37)		678		
Net income	13,513	4.4	13,299	4.2	(214)

(3) Consolidated Statements of Cash Flows for the Years Ended March 31, 2007

	FY2006 (April 1, 2005- March 31, 2006)	FY2007 (April 1, 2006- March 31, 2007)
	Amount (Millions of yen)	Amount (Millions of yen)
I. Cash flows from operating activities		
1. Income before income taxes and minority interests	27,615	23,810
2. Depreciation and amortization	14,082	14,698
3. Amortization of long-term prepaid expenses	3,108	786
4. Impairment loss on fixed assets	285	5
5. Amortization of consolidated differences	1,630	—
6. Amortization of negative goodwill	—	(344)
7. Loss on devaluation of investment securities	144	185
8. Retirement and severance benefit expenses	1,036	94
9. Loss on disposal of fixed assets	926	826
10. Increase (△decrease) in allowance for doubtful accounts	142	24
11. Interest income and dividend income	(1,129)	(2,152)
12. Interest expenses	95	634
13. Equity in losses of affiliated companies	1,808	705
14. Gain on sale of investment securities	(16,945)	(168)
15. (△Increase) decrease in notes and accounts receivable—trade	(6,211)	25,195
16. (△Increase) decrease in inventories	696	664
17. Increase (△decrease) in notes and accounts payable	5,865	749
18. (△Increase) decrease in other current assets	12,012	—
19. Increase (△decrease) in other long-term liabilities	(5,367)	(4,991)
20. Others	(2,561)	(1,230)
Subtotal	37,235	59,493
21. Interest and dividends received	1,139	2,113
22. Interest paid	(95)	(446)
23. Income taxes paid	(15,018)	(10,274)
Net cash provided by operating activities	23,261	50,886
II. Cash flows from investing activities		
1. Net proceeds from sale of marketable securities	19,999	—
2. Payment for purchase of tangible fixed assets	(23,491)	(23,060)
3. Proceeds from sales of tangible fixed assets	10	85
4. Payment for purchase of intangible fixed assets	(3,270)	(1,544)
5. Payment from purchase of investment securities	(60,113)	(32,473)
6. Proceeds from sale of investment securities	17,019	1,229
7. Proceeds from merger of subsidiaries	—	231
8. Others	28	(11)
Net cash used in investing activities	(49,817)	(55,543)
III. Cash flows from financing activities		
1. Proceeds from short-term borrowings	542	420
2. Net repayment of short-term borrowings	(2,838)	(2,104)
3. Repayment of long-term borrowings	(72)	(72)
4. Proceeds from the issuance of bonds	—	29,834
5. Redemption of bonds	(10,000)	(10,000)
6. Proceeds from the issuance of stock	22,588	344
7. Payment for purchase of treasury stock	(21)	(23)
8. Proceeds from sale of treasury stock	5,632	—
9. Dividends paid	(3,855)	(3,232)
10. Dividends paid to minority shareholders	(16)	(75)
11. Others	660	(600)
Net cash provided by financing activities	12,619	14,490

IV. Effect of exchange rate changes on cash and cash equivalents	90	6
V. Increase (Δ decrease) in cash and cash equivalents	(13,845)	9,840
VI. Cash and cash equivalents at beginning of year	52,612	38,767
VII. Increase in cash and cash equivalents of new consolidated subsidiaries	—	259
VII. Cash and cash equivalents at end of term	38,767	48,866

(4) Consolidated Segment Information

Financial information by business segment for the years ended March 31, 2006 and 2007 are summarized as follows.

Year ended March 31, 2007

	Broadcasting	MVV & CE	Real estate	Others	Total	Elimination / Corporate	Consolidated
Operating revenues and operating income							
Operating revenues							
(1) Outside customers	262,762	53,181	2,475	281	318,700	—	318,700
(2) Inter-segment	1,935	7,119	4,918	1,512	15,486	(15,486)	—
Total operating revenues	264,698	60,301	7,394	1,793	334,187	(15,486)	318,700
Operating expenses	248,792	51,664	6,698	1,709	308,864	(15,492)	293,372
Operating income	15,905	8,637	695	84	25,322	5	25,327

Year ended March 31, 2006

	Broadcasting	MVV & CE	Real estate	Others	Total	Elimination / Corporate	Consolidated
Operating revenues and operating income							
Operating revenues							
(1) Outside customers	254,469	48,708	2,545	318	306,041	—	306,041
(2) Inter-segment	2,404	6,263	4,971	1,455	15,095	(15,095)	—
Total operating revenues	256,873	54,972	7,517	1,773	321,136	(15,095)	306,041
Operating expenses	247,837	48,326	6,894	1,662	304,720	(15,084)	289,636
Operating income	9,036	6,645	623	110	16,416	(11)	16,404

Major Businesses of Each Segment

Segment	Business
Broadcasting	Television and radio broadcasting and related businesses
Multi visual ventures & Cultural Events	Planning and production of events and video software, management of a professional baseball club, etc.
Real estate	Leasing of land and buildings, and related businesses
Others	Etc.

(5) Non-consolidated Balance Sheets as of March 31, 2007

	As of March 31, 2006	As of March 31, 2007	Year on year
	Amount (Millions of yen)	Amount (Millions of yen)	Change (Millions of yen)
ASSETS			
I. Current assets			
1. Cash on hand and in banks	34,676	44,421	9,744
2. Notes receivable	567	706	139
3. Accounts receivable	64,921	38,982	(25,939)
4. Inventories	7,149	6,328	(820)
5. Prepaid expenses	6,960	3,452	(3,507)
6. Deferred tax assets	3,113	3,210	97
7. Other current assets	1,857	2,973	1,117
Allowance for doubtful accounts	(32)	(8)	24
Total current assets	119,214	100,068	(19,145)
II. Fixed assets			
1. Tangible fixed assets	183,760	192,265	8,505
2. Intangible fixed assets	6,258	5,618	(639)
3. Investments and other assets	215,139	236,370	21,230
(1) Investment securities	198,172	219,268	21,096
(2) Other investments	27,570	28,115	545
Allowance for doubtful accounts	(298)	(274)	23
Valuation allowance for investments	(10,304)	(10,739)	(435)
Total fixed assets	405,158	434,253	29,095
Total assets	524,372	534,322	9,950

	As of March 31, 2006	As of March 31, 2007	Year on year
	Amount (Millions of yen)	Amount (Millions of yen)	Change (Millions of yen)
LIABILITIES			
I. Current liabilities			
1. Trade accounts payable	30,205	32,432	2,226
2. Current installments of long-term debt	—	10,000	10,000
3. Current installments of bonds	10,000	—	(10,000)
4. Short-term borrowings	22,340	21,933	(406)
5. Accounts payable-other	19,251	16,939	(2,311)
6. Income taxes payable	4,781	1,453	(3,328)
7. Accrued expenses	996	1,176	180
8. Other current liabilities	2,397	997	(1,400)
Total current liabilities	89,974	84,930	(5,043)
II. Long-term liabilities			
1. Bonds	—	30,000	30,000
2. Long-term debt	30,000	20,000	(10,000)
3. Allowance for retirement and severance benefits	7,799	8,022	223
4. Deferred tax liabilities	34,445	31,907	(2,538)
5. Other long-term liabilities	10,411	6,034	(4,376)
Total long-term liabilities	82,657	95,965	13,308
Total liabilities	172,632	180,896	8,264
SHAREHOLDERS' EQUITY			
I. Common stock	54,685	—	(54,685)
II. Additional paid-in capital	56,392	—	(56,392)
III. Retained earnings	173,368	—	(173,368)
IV. Net unrealized gain on securities	67,315	—	(67,315)
V. Treasury stock at cost	(22)	—	22
Total shareholders' equity	351,739	—	(351,739)
Total liabilities and shareholders' equity	524,372	—	(524,372)
NET ASSETS			
I. Owner's equity			
1. Common stock	—	54,857	54,857
2. Additional paid-in capital	—	56,564	56,564
3. Retained earnings	—	180,424	180,424
4. Treasury stock at cost	—	(45)	(45)
Total owner's equity	—	291,800	291,800
II. Valuation and translation adjustments			
1. Net unrealized gain on securities	—	61,365	61,365
2. Unrealized gains (losses) on hedging derivatives	—	260	260
Total valuation and translation adjustments	—	61,625	61,625
Total net assets	—	353,425	353,425
Total liabilities and net assets	—	534,322	534,322

(6) Non-consolidated Statements of Income for the Years Ended March 31, 2007

	FY2006 (April 1, 2005- March 31, 2006)		FY2007 (April 1, 2006- March 31, 2007)		Year on year
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Change (Millions of yen)
I . Operating revenues	265,695	100.0	277,400	100.0	11,705
II . Operating costs	191,006	71.9	194,770	70.2	3,764
III. Selling expenses	47,057	17.7	48,060	17.3	1,002
IV. General and administrative expenses	16,848	6.3	16,340	5.9	(507)
Operating income	10,783	4.1	18,229	6.6	7,446
V . Non-operating income	1,808	0.7	2,951	1.1	1,142
VI. Non-operating expenses	942	0.4	1,448	0.6	505
Ordinary income	11,649	4.4	19,732	7.1	8,083
VII. Extraordinary gain	16,891	6.3	165	0.1	(16,726)
VIII. Extraordinary loss	6,480	2.4	2,915	1.1	(3,565)
Income before income taxes	22,060	8.3	16,982	6.1	(5,077)
Income taxes-current	9,353		5,346		
Income taxes-deferred	1,555		1,269		
Net income	11,152	4.2	10,367	3.7	(784)

(7) Breakdown of Non-consolidated Operating Revenues

	FY2006	FY2007	Comparison	Change (%)
Television	235,227	244,900	9,673	4.1
Time sales and programming	120,499	130,167	9,668	8.0
Time sales	57,601	64,588	6,987	12.1
Programming	62,898	65,579	2,681	4.3
Spot sales	103,019	103,048	29	0.0
Others	11,708	11,684	(24)	(0.2)
Operations	25,833	27,849	2,016	7.8
Real estate	4,635	4,650	15	0.3
Total	265,695	277,400	11,705	4.4