

# **Results Presentation The First Quarter of the Year Ending March 31, 2017**



**Tokyo Broadcasting System Holdings, Inc.**

**August 4, 2016**



## Tokyo Broadcasting System Holdings, Inc.

### Consolidated company in the broadcasting, multi visual ventures and cultural events businesses and real estate business (1)

TOKYO BROADCASTING SYSTEM TELEVISION, INC.

### Consolidated companies in the broadcasting business (16)

TBS Radio, Inc.

TBS-TEX Inc.

Art Communication System, Inc.

Vucast, Inc.

BS-TBS, INC.

Tomo-Digi Corporation

TBS-VISION, Inc.

DREAMAX TELEVISION, INC.

TBS ProNex Inc

TBS MEDIA RESEARCH INSTITUTE Inc.

Totsu Inc.

FF TOHO Inc.

AKASAKA GRAPHICS ART, INC.

JASC (Japan Artvideo Service Collaborative, Inc.)

TBS International, Inc.

TLC Co., Ltd.

### Consolidated companies in the multi visual ventures and cultural events businesses (10)

NICHION, INC.

TC Entertainment Incorporated

StylingLife Holdings Inc. Two other companies

TBS Service, Inc.

Grand Marche, Inc.

C-TBS, Incorporated

OXYBOT, Inc.

TBS TriMedia, Inc.

### Consolidated companies in the real estate business (4)

Midoriyama Studio City, Inc.

Akasaka Heat Supply, Co., Ltd.

TBS Kikaku Co., Ltd.

TBS Sunwork, Inc.

### Equity method affiliate (1)

WOWOW INC.

# ● Consolidated Statement of Income (1)



(Unit: million yen)

Consolidated	Year ended March 31, 2016 Q1 (Apr. to Jun. 2015)	Year ending March 31, 2017 Q1 (Apr. to Jun. 2016)	y/y change	y/y change (%)
Net sales	83,839	86,993	3,154	3.8%
Operating income	4,159	5,255	1,096	26.3%
Ordinary income	6,446	7,843	1,397	21.7%
Profit attributable to owners of parent	3,962	5,224	1,261	31.8%

TBS HD	Year ended March 31, 2016 Q1 (Apr. to Jun. 2015)	Year ending March 31, 2017 Q1 (Apr. to Jun. 2016)	y/y change	y/y change (%)
Net sales	4,195	4,313	117	2.8%
Operating income	759	978	218	28.7%
Ordinary income	10,785	9,736	-1,049	-9.7%
Net income	10,351	9,076	-1,275	-12.3%

# ● Consolidated Statement of Income (2)



(Unit: million yen)

<b>TBS TV</b>	<b>Year ended March 31, 2016 Q1 (Apr. to Jun. 2015)</b>	<b>Year ending March 31, 2017 Q1 (Apr. to Jun. 2016)</b>	<b>y/y change</b>	<b>y/y change (%)</b>
Net sales	<b>51,259</b>	<b>54,073</b>	<b>2,813</b>	<b>5.5%</b>
Operating income	<b>2,440</b>	<b>3,572</b>	<b>1,132</b>	<b>46.4%</b>
Ordinary income	<b>3,663</b>	<b>4,744</b>	<b>1,080</b>	<b>29.5%</b>
Net income	<b>2,503</b>	<b>3,325</b>	<b>821</b>	<b>32.8%</b>

(Unit: billion yen)

<b>Notes on results of TBS TV</b>	○ <u>Operating expense in the Television division:</u>	<b>+0.3</b>
	• <b>Cost of program production:</b>	<b>+0.19</b>
	• <b>Agency commissions:</b>	<b>+0.23 (6.78 for Q1)</b>
	• <b>Network expense:</b>	<b>+0.06</b>
	○ <u>Operating expense in the Operations division:</u>	<b>+0.95</b>
○ <u>Extraordinary income:</u>	<b>N/A</b>	

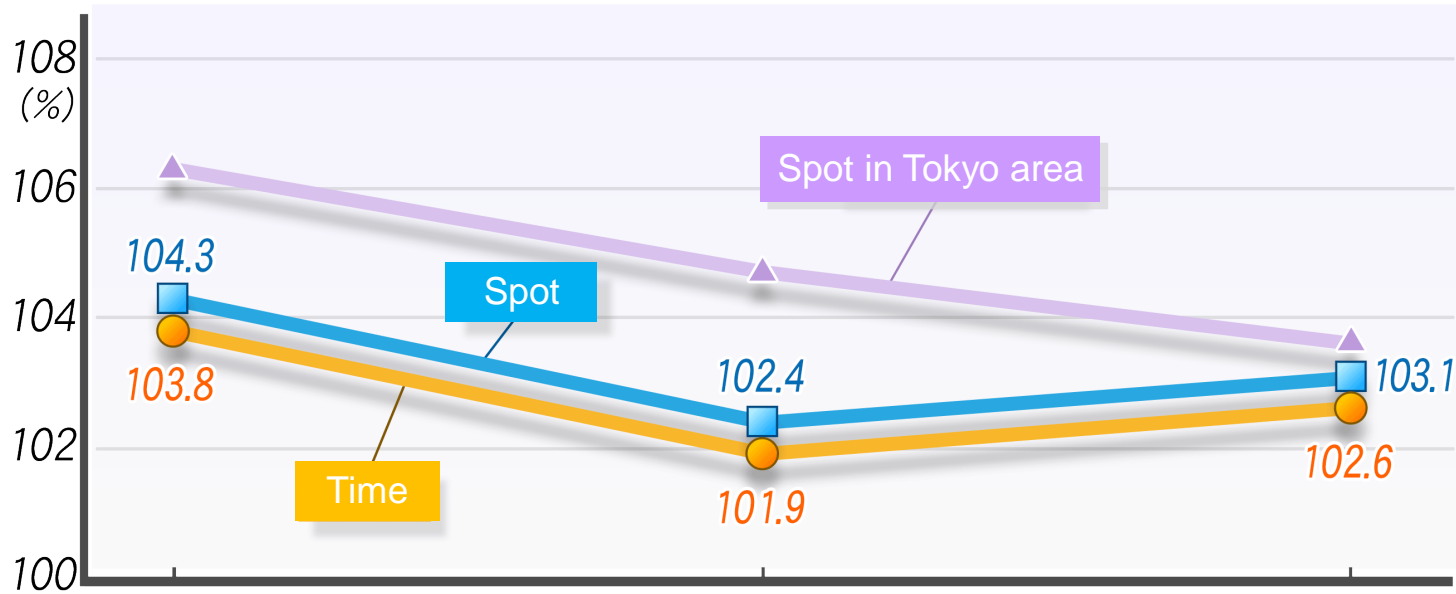
# ● Breakdown of TBS TV Income



(Unit: million yen)

	Q1 (Apr. to Jun. 2016)	y/y change
Television	45,767	1,348
(Time advertising)	20,804	566
(Spot advertising)	21,909	694
(Content)	2,140	37
(Others)	913	49
Operations	7,562	1,465
Real estate	743	-0
<b>Total income</b>	<b>54,073</b>	<b>2,813</b>

# ● Year-on-Year Changes in Time / Spot Earnings



	April	May	June	Average
Spot in Tokyo area	106.3	104.7	103.6	104.9

	1Q (Apr. to Jun. 2016)	1Q (Apr. to Jun. 2015)
Time	102.8	93.4
Spot	103.3	97.0
TBS share among five key broadcasters	18.7	19.0

(Estimates)

# ● Spot Advertising Sales Ranks by Business Category



(Unit: %)

	Q1 (Apr. to Jun. 2016)	Growth rate	Share	Q1 (Apr. to Jun. 2015)	Growth rate	Share
1	Alcoholic and other beverages	8.1	14.3	Alcoholic and other beverages	-10.6	13.7
2	Information, telecommunications, and broadcasting	24.5	13.0	Foods	-2.0	12.6
3	Foods	-6.7	11.4	Information, telecommunications, and broadcasting	-9.2	10.8
4	Cosmetics and toiletry	3.7	9.8	Cosmetics and toiletry	3.5	9.8
5	Pharmaceuticals	-4.2	7.3	Pharmaceuticals	-3.8	7.9
6	Financial services	4.7	6.9	Financial services	10.5	6.8
7	Transportation and leisure	-5.3	5.1	Automobiles and transportation equipment	0.3	6.4
8	Automobiles and transportation equipment	-24.8	4.7	Transportation and leisure	26.8	5.5
9	Precision instruments and office machines	17.7	4.5	Distribution	6.1	4.7
10	Eating-out and services	18.4	4.3	Precision instruments and office machines	-13.4	4.0

\* Ranked in order of sales proceeds

# ● TV Program Costs (Production Expenses)



(Unit: million yen)

	Year ended March 31, 2016 Results	Year ending March 31, 2017 Results	y/y change
1 Q	23,528	23,722	193
(Direct expenses)	(18,548)	(18,508)	-40
(Indirect expenses)	(4,980)	(5,213)	233
2 Q	24,725		
H 1	48,254		
3 Q	23,473		
4 Q	24,398		
H 2	47,871		
<b>Fiscal year cumulative</b>	<b>96,125</b>	<b>(forecast) 99,200</b>	

## ○ Major expenses included in TV program cost:

**Direct expenses:** Program production expenses, fees for broadcasting rights, fine arts production expenses, technical production expenses

**Indirect expenses:** Absorbed cost including depreciation and personnel cost for employees



# ● 1Q Viewer Ratings



\* Figures in parentheses denote the difference from the same period in the previous year. Percentage (%)

	All day	Golden time	Prime time
<b>TBS</b>	<b>(4) 6.0 [+0.3]</b>	<b>(3) 10.1 [+0.4]</b>	<b>(4) 10.0 [+0.3]</b>
<b>NTV</b>	<b>(1) 8.2</b>	<b>(2) 11.7</b>	<b>(1) 11.5</b>
<b>TV Asahi</b>	<b>(2) 7.2</b>	<b>(3) 10.1</b>	<b>(2) 10.5</b>
<b>TV Tokyo</b>	<b>(6) 2.8</b>	<b>(6) 6.3</b>	<b>(6) 6.0</b>
<b>Fuji TV</b>	<b>(5) 5.7</b>	<b>(5) 7.9</b>	<b>(5) 7.9</b>
<b>NHK</b>	<b>(3) 6.8</b>	<b>(1) 11.8</b>	<b>(3) 10.2</b>

<b>HUT</b>	<b>40.5</b>	<b>61.1</b>	<b>59.0</b>
------------	-------------	-------------	-------------

Ratings for April 4, 2016 to July 3, 2016, on a weekly basis

(According to research by Video Research Ltd. in the Kanto region)

# ● TBS TV Business Segment Income



(Unit: million yen)

	Segment	Q1 (Apr. to Jun. 2015)	y/y change	Remarks	
Operations bureau	Cultural business (events)	823	141	Revenue increased due to the Pixar exhibition and Hiroshige Vivid exhibition, which were extremely well received, and other large events, including Disney on Classic.	
	Show business	1,500	903	Revenue rose significantly due to the great success of <i>TAKE FIVE 2</i> and <i>Haikyuu!! Itadaki no Keshiki</i> and the good performance of <i>Stars on Ice</i> .	
	Movies and animations business	Movies	736	257	Revenue rose from a year ago. In the previous year, <i>Flying Colors</i> was a big hit, and this year, <i>64 Rokuyon Part 1 and Part 2</i> have sold well.
		Animations	241	43	Revenue climbed, reflecting strong sales of programs overseas, primarily in China.
Content business bureau	Multi-visual content business	775	-127	Revenue from DVDs declined significantly, reflecting unfavorable market conditions and the excellent performance of <i>Saving My Stupid Youth</i> last year. Revenue from on-demand content fell slightly.	
	Overseas business	580	146	Revenue rose significantly due to continued strong sales in Asian markets, the expansion of <i>SASUKE</i> overseas, and strong sales of animation programs.	
	Pay-TV business	2,319	113	Revenue in the CS business increased as market share was built thanks to innovations attempts in programing and promotions.	
	Licensing business	257	52	Revenue increased due to strong sales of goods associated with <i>Gudetama</i> and <i>99.9</i> , which offset sluggish sales from regular TV infomercials.	
	Smart Media business	326	-64	Revenue decreased because the mobile phone billing business was nearly closed, in addition to the contraction of the gaming business.	
	<b>Total</b>	<b>7,562</b>	<b>1,465</b>		

# ● Capital Expenditures and Depreciation



(Unit: million yen)

Consolidated	Q1 (Apr. to Jun. 2016)	y/y change
Capital expenditures	2,096	43
Depreciation	3,137	58

TBS HD	Q1 (Apr. to Jun. 2016)	y/y change
Capital expenditures	20	-252
Depreciation	701	-72

TBS TV	Q1 (Apr. to Jun. 2016)	y/y change
Capital expenditures	1,476	-64
Depreciation	1,806	137

# ● Consolidated Results by Segment



(Unit: million yen)

	External sales				Operating income			
	Year ended March 31, 2016 Q1 (Apr. to Jun.)	Year ending March 31, 2017 Q1 (Apr. to Jun.)	y/y change	y/y change (%)	Year ended March 31, 2016 Q1 (Apr. to Jun.)	Year ending March 31, 2017 Q1 (Apr. to Jun.)	y/y change	y/y change (%)
Broadcasting	51,588	53,561	1,972	3.8%	1,729	2,800	1,070	61.9%
Multi Visual Ventures & Cultural Events	28,390	29,670	1,280	4.5%	491	431	-60	-12.3%
Real Estate	3,859	3,760	-99	-2.6%	1,934	2,022	87	4.5%
Consolidated	83,839	86,993	3,154	3.8%	4,159	5,255	1,096	26.3%

(Unit: 100 million yen)

Factors behind changes	External sales	Operating income
Broadcasting	TOKYO BROADCASTING SYSTEM TELEVISION (+12.6) BS-TBS (+3.0) TBS Radio & Communications, Inc. (+1.3) TBS-HD (+1.1)	TOKYO BROADCASTING SYSTEM TELEVISION (+10.3) BS-TBS (+2.3)
Multi Visual Ventures & Cultural Events	TOKYO BROADCASTING SYSTEM TELEVISION (+1.6) Grand Marche (-4.4) C-TBS, Incorporated (+11.9) SLG (-0.3) TC Entertainment (+1.1) OXYBOT (+2.4)	TOKYO BROADCASTING SYSTEM TELEVISION (+5.0) StylingLife Holdings (-0.4) NICHION, INC. (-1.7)
Real Estate	TBS-HD(-0.8)	TBS-HD (+0.6) Akasaka Heat Supply, Co., Ltd. (+0.3)

# ● Consolidated Balance Sheets



(Unit: million yen)

	As of Mar. 2016	As of Jun. 2016	Change		As of Mar. 2016	As of Jun. 2016	Change
Current assets	149,478	119,946	-29,532	Current liabilities	95,278	60,172	-35,105
				Long-term liabilities	96,483	97,115	631
				Total liabilities	191,762	157,287	-34,474
Fixed assets	500,492	499,445	-1,046	Total net assets	458,208	462,103	3,895
				Shareholders' equity	444,087	447,996	3,908
				Non-controlling interests	14,121	14,107	-13
<b>Total assets</b>	<b>649,970</b>	<b>619,391</b>	<b>-30,579</b>	<b>Total liabilities and net assets</b>	<b>649,970</b>	<b>619,391</b>	<b>-30,579</b>

**Interest-bearing liabilities at the end of the quarter:  
23,600 million yen (-30,000 million yen from the end of the previous quarter)**

\* Excluding lease obligations



(Unit: million yen)

<b>TBS R&amp;C</b>	<b>Year ended March 31, 2016 Q1 (Apr. to Jun. 2015)</b>	<b>Year ending March 31, 2017 Q1 (Apr. to Jun. 2016)</b>	<b>y/y change</b>	<b>y/y change (%)</b>
Net sales	2,452	2,617	165	6.7%
Operating income	88	42	-45	-51.9%
Ordinary income	90	45	-45	-50.3%
Net income	52	23	-28	-54.4%

<b>BS-TBS</b>	<b>Year ended March 31, 2016 Q1 (Apr. to Jun. 2015)</b>	<b>Year ending March 31, 2017 Q1 (Apr. to Jun. 2016)</b>	<b>y/y change</b>	<b>y/y change (%)</b>
Net sales	3,712	4,073	360	9.7%
Operating income	288	520	231	80.4%
Ordinary income	296	529	232	78.5%
Net income	188	356	168	89.6%



(Unit: million yen)

StylingLife Group (Consolidated)	Year ended March 31, 2016 Q1 (Apr. to Jun. 2015)	Year ending March 31, 2017 Q1 (Apr. to Jun. 2016)	y/y change	y/y change (%)
Net sales	15,548	15,514	-33	-0.2%
Operating income	-88	-134	-46	-
Ordinary income	246	-161	-407	-
Net income	61	-271	-332	-

Grand Marche	Year ended March 31, 2016 Q1 (Apr. to Jun. 2015)	Year ending March 31, 2017 Q1 (Apr. to Jun. 2016)	y/y change	y/y change (%)
Net sales	3,470	3,024	-445	-12.8%
Operating income	39	33	-5	-15.2%
Ordinary income	44	35	-9	-20.8%
Net income	27	19	-8	-29.5%



**Forward-looking statements on future results and all other content in this document are based on the Company's judgment at the time of publication. This document does not assure or guarantee that the stated numerical plans and measures will be achieved. Risks and uncertainties are inherent in this document.**

**Please note that future results may differ materially from statements herein, depending on changes in factors, including economic circumstances, market trends and business conditions.**

---

**● For inquiries:**

**IR Promotion Department, Group Management Planning Division  
Tokyo Broadcasting System Holdings, Inc.  
5-3-6 Akasaka, Minato-ku, Tokyo 107-8006**

**Telephone: 03-3746-1111 (switchboard)**

**HP: <http://www.tbsholdings.co.jp/ir/>**

