Results Presentation The First Half of the Year Ending March 31, 2017



Tokyo Broadcasting System Holdings, Inc.

November 4, 2016

From TBS From TBS From TBS From TBS From TBS

List of Consolidated Companies



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.

Tomo-Digi Corporation

Consolidated companies in the broadcasting business (16)

TBS Radio, Inc.	TBS-VISION, Inc.	FF TOHO Inc.
TBS-TEX Inc.	DREAMAX TELEVISION, INC.	AKASAKA GRAPHICS ART, INC.
Art Communication System, Inc.	TBS ProNex Inc	JASC (Japan Artvideo Service Collaborative, Inc.)
Vucast, Inc.	TBS MEDIA RESEARCH INSTITUTE Inc.	TBS International, Inc.
BS-TBS, INC.	Totsu Inc.	TLC Co., Ltd.

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

NICHION, INC.	TBS Service, Inc.	OXYBOT, Inc.
TC Entertainment Incorporated	Grand Marche, Inc.	TBS TriMedia, Inc.
StylingLife Holdings Inc. Two other companies	C-TBS, Incorporated	

Consolidated companies in the real estate business (4)

Midoriyama Studio City, Inc.

TBS Kikaku Co., Ltd.

TBS Sunwork, Inc.

WOWOW INC.

WOWOW INC.

Consolidated Statement of Income (1)



Consolidated	Year ended March 31, 2016 H1 (Apr. to Sep. 2015)	Year ending March 31, 2017 H1 (Apr. to Sep. 2016)	y/y change	y/y change (%)
Net sales	169,756	172,508	2,752	1.6%
Operating income	5,866	7,338	1,471	25.1%
Ordinary income	8,470	10,990	2,519	29.7%
Profit attributable to owners of parent	4,835	6,840	2,004	41.5%

TBS HD	Year ended March 31, 2016 H1 (Apr. to Sep. 2015)	Year ending March 31, 2017 H1 (Apr. to Sep. 2016)	y/y change	y/y change (%)
Net sales	8,484	8,728	243	2.9%
Operating income	1,635	1,901	266	16.3%
Ordinary income	11,513	10,596	-916	-8.0%
Net income	10,834	9,666	-1,167	-10.8%

Consolidated Statement of Income (2)



(Unit: million yen)

TBS TV	Year ended March 31, 2016 H1 (Apr. to Sep. 2015)	Year ending March 31, 2017 H1 (Apr. to Sep. 2016)	y/y change	y/y change (%)
Net sales	102,160	104,904	2,744	2.7%
Operating income	897	2,218	1,321	147.3%
Ordinary income	2,340	4,102	1,761	75.3%
Net income	1,600	2,870	1,269	79.3%

(Unit: billion yen)

Notes on
results of
TBS TV

Operating expense in the Television division:	<u>-0.09</u>
 Cost of program production: 	+0.39
 Agency commissions: 	+0.12 (14.78 for H1)
 Network expense: 	-0.37

Operating expense in the Operations division: +0.89

O Extraordinary income: N/A

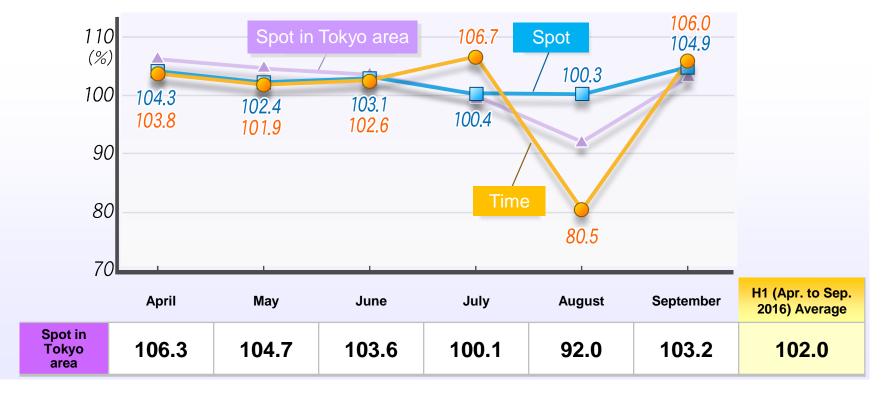
Breakdown of TBS TV Income



	H1 (Apr. to Sep. 2016)	y/y change
Television	89,477	782
(Time advertising)	42,061	-428
(Spot advertising)	40,910	1,045
(Content)	4,453	-66
(Others)	2,052	231
Operations	13,937	1,962
Real estate	1,490	-0
Total income	104,904	2,744

Year-on-Year Changes in Time / Spot Earnings





	1Q (Apr. to Jun. 2016)	2Q (Jun. to Sep. 2016)	H1 (Apr. to Sep. 2016)	H1 (Apr. to Sep. 2015)
Time	102.8	95.5	99.0	97.4
Spot	103.3	101.9	102.6	97.4
TBS share among five key broadcasters	18.7	18.9	18.8	18.7

(Estimates)

Spot Advertising Sales Ranks by Business Category



(Unit: %)

						(01111. 70)
	H1 (Apr. to Sep. 2016)	Growth rate	Share	H1 (Apr. to Sep. 2015)	Growth rate	Share
1	Information, telecommunications, and broadcasting	10.5	13.3	Alcoholic and other beverages	-9.9	12.6
2	Alcoholic and other beverages	4.9	12.8	Information, telecommunications, and broadcasting	2.4	12.3
3	Foods	-2.7	10.8	Foods	4.2	11.4
4	Cosmetics and toiletry	12.7	9.5	Cosmetics and toiletry	-1.1	8.6
5	Pharmaceuticals	3.4	8.1	Pharmaceuticals	1.6	8.1
6	Financial services	0.2	6.3	Automobiles and transportation equipment	-21.5	6.5
7	Automobiles and transportation equipment	-3.2	6.1	Financial services	-1.2	6.5
8	Transportation and leisure	1.1	5.0	Precision instruments and office machines	-11.9	5.1
9	Eating-out and services	8.0	4.8	Transportation and leisure	12.0	5.0
10	Precision instruments and office machines	-9.8	4.4	Eating-out and services	2.6	4.5

^{*} 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
2 Q	24,725	24,932	206
(Direct expenses)	19,661	19,751	88
(Indirect expenses)	5,064	5,182	118
H1	48,254	48,653	399
3 Q	23,473		
4 Q	24,398		
H 2	47,871		
Fiscal year cumulative	96,125	(forecast) 99,200	

O 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

First Half Viewer Ratings



* Unit: %; Figures in [] indicate year-on-year changes

	All day	Golden time	Prime time
TBS	(4) 6.0 [+0.2]	(3) 9.8 [+0.2]	(4) 9.6 [±0]
NTV	(1) 8.2	(2) 11.6	(1) 11.5
TV Asahi	(3) 7.1	(3) 9.8	(3) 10.3
TV Tokyo	(6) 2.8	(6) 6.4	(6) 6.2
Fuji TV	(5) 5.7	(5) 7.8	(5) 7.8
NHK	(2) 7.3	(1) 11.8	(2) 10.4

HUT 41.0 60.9 58.7

Ratings for April 4, 2016 to October 2, 2016, on a weekly basis

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

TBS TV Business Segment Income



	Segment		H1 (Apr. to Sep. 2016)	y/y change	Remarks
ဝှ	Cultural business (events)		1,469	480	The number of events increased and the Ultraman Festival showed good results. Musée du Petit Prince de Saint-Exupéry à Hakone showed a revenue increase, recovering from the impact of the eruption of Mount Hakone.
Operations bureau	Show business		2,198	875	Individual events showed good results in general. For the second quarter, revenue increased substantially due to the good results of Takarazuka Snow Troupe Roman Holiday, Chicago Takarazuka OG version, etc.
	Movies and animations business	Movies	935	203	Flying Colors was a big hit last year, and 64 Rokuyon Part 1 and Part 2 were big hits in this period. Overseas sales were good as well.
		Animations	536	109	Revenue climbed, reflecting strong sales of programs overseas, primarily in Asia.
C	Multi-visual content business		1,786	-44	Revenue from DVDs declined, reflecting unfavorable market conditions despite the good results of <i>PLEASE LOVE ME!</i> , <i>THE STATE OF UNION</i> , etc. Revenue from on-demand content was steady.
Content	Overseas business		1,270	243	Revenue rose significantly due to continued strong sales in Asian markets, the expansion of SASUKE overseas, and strong sales of animation programs.
business	Pay-TV business		4,675	252	Revenue in the CS business increased as market share was built thanks to innovation efforts in programming and promotions. Overall revenue increased due to the success of the two professional baseball teams for which the broadcasting rights are available.
bureau	Licensing business		475	68	Revenue increased due to strong sales of goods associated with <i>Gudetama</i> , etc.
	Digital/new business		588	-227	Revenue decreased substantially because the mobile phone billing business was nearly closed, in addition to the contraction of the gaming business.
		Total	13,937	1,962	

Capital Expenditures and Depreciation



Consolidated	H1 (Apr. to Sep. 2016)	y/y change
Capital expenditures	4,435	222
Depreciation	6,345	85

TBS HD	TBS HD H1 (Apr. to Sep. 2016)	
Capital expenditures	50	-434
Depreciation	1,399	-65

TBS TV	H1 (Apr. to Sep. 2016)	y/y change	
Capital expenditures	3,306	684	
Depreciation	3,655	236	

Consolidated Results by Segment



(Unit: million yen)

	External sales					Operating i	income	
	Year ended March 31, 2016 H1 (Apr. to Sep.)	Year ending March 31, 2017 H1 (Apr. to Sep.)	y/y change	y/y change (%)	Year ended March 31, 2016 H1 (Apr. to Sep.)	Year ending March 31, 2017 H1 (Apr. to Sep.)	y/y change	y/y change (%)
Broadcasting	104,396	106,148	1,752	1.7%	355	994	638	179.4%
Multi Visual Ventures & Cultural Events	57,581	58,808	1,226	2.1%	1,603	2,287	683	42.6%
Real Estate	7,778	7,552	-225	-2.9%	3,899	4,061	161	4.1%
Consolidated	169,756	172,508	2,752	1.6%	5,866	7,338	1,471	25.1%

(Unit: 100 million ven)

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Factors behind changes	External sales	Operating income
Broadcasting	TOKYO BROADCASTING SYSTEM TELEVISION (+5.2) BS-TBS (+3.2) TBS Radio & Communications, Inc. (+2.0) TBS-HD (+2.7) Totsu Inc. (+2.1)	TOKYO BROADCASTING SYSTEM TELEVISION (+8.7) Totsu Inc. (+1.7)
Multi Visual Ventures & Cultural Events	TOKYO BROADCASTING SYSTEM TELEVISION (-3.4) Grand Marche (-7.5) C-TBS, Incorporated (+24.1) SLG (-3.4) OXYBOT (+5.5)	TOKYO BROADCASTING SYSTEM TELEVISION (+10.7) StylingLife Holdings (+1.1) NICHION, INC. (-1.8)
Real Estate	TBS-HD (-1.7)	TBS-HD (+1.0) Akasaka Heat Supply, Co., Ltd. (+0.8)

Consolidated Balance Sheets



(Unit: million yen)

	As of Mar. 2016	As of Sep. 2016	Change		As of Mar. 2016	As of Sep. 2016	Change
		149,478 121,648 -2		Current liabilities	95,278	64,385	-30,893
Current assets	149,478		-27,830	Long-term liabilities	96,483	94,960	-1,522
					Total liabilities	191,762	159,345
	500,492 508,95		8,460	Total net assets	458,208	471,254	13,045
Fixed assets		508,952		Shareholders' equity	444,087	456,726	12,638
					Non-controlling interests	14,121	14,528
Total assets	649,970	630,600	-19,370	Total liabilities and net assets	649,970	630,600	-19,370

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

* Excluding lease obligations

Consolidated Statements of Cash Flows



	H1 (Apr. to Sep. 2015)	H1 (Apr. to Sep. 2016)	y/y change
Cash flows from operating activities	12,342	16,555	4,212
Cash flows from investing activities	-13,393	-7,298	6,095
Cash flows from financing activities	-2,812	-34,899	-32,087
Net increase (decrease) in cash and cash equivalents	-3,864	-22,747	-18,882
Cash and cash equivalents at beginning of term	56,728	74,734	18,005
Cash and cash equivalents at end of term	52,863	51,986	-876

● TBS Radio & Communications / BS – TBS



TBS R&C	Year ended March 31, 2016 H1 (Apr. to Sep. 2015)	Year ending March 31, 2017 H1 (Apr. to Sep. 2016)	y/y change	y/y change (%)
Net sales	5,213	5,449	235	4.5%
Operating income	201	109	-91	-45.4%
Ordinary income	205	114	-91	-44.4%
Net income	123	66	-57	-46.0%

BS-TBS	Year ended March 31, 2016 H1 (Apr. to Sep. 2015)	Year ending March 31, 2017 H1 (Apr. to Sep. 2016)	y/y change	y/y change (%)
Net sales	7,930	8,312	381	4.8%
Operating income	909	955	45	5.0%
Ordinary income	925	973	47	5.2%
Net income	602	659	57	9.5%

StylingLife Group / Grand Marche

StylingLife Group (Consolidated)	Year ended March 31, 2016 H1 (Apr. to Sep. 2015)	Year ending March 31, 2017 H1 (Apr. to Sep. 2016)	y/y change	y/y change (%)
Net sales	32,285	31,937	-349	-1.1%
Operating income	939	1,052	113	12.1%
Ordinary income	1,382	1,000	-381	-27.6%
Net income	646	331	-315	-48.7%

Grand Marche	Year ended March 31, 2016 H1 (Apr. to Sep. 2015)	Year ending March 31, 2017 H1 (Apr. to Sep. 2016)	y/y change	y/y change (%)
Net sales	6,705	5,945	-759	-11.3%
Operating income	52	104	51	98.2%
Ordinary income	60	113	53	89.5%
Net income	35	74	38	110.9%

Revision to Results Forecasts for Year Ending March 31, 2017 (TBS TV) 🌊

(Unit: million yen)

TBS TV	Previous forecast	Revised forecast	Change	Previous year
Net sales	214,000	214,000	-	210,353
Operating income	5,000	6,200	1,200	6,650
Ordinary income	7,600	9,000	1,400	9,519
Net income	5,300	6,200	900	6,349

Forecast TV earnings

	H1 (results)	H2	Full year
Time	-1.0%	+0.8% → +0.8%	+0.1% → -0.1%
Spot	+2.6%	+2.7% → +3.3%	+3.5% → +3.0%

Revision to Results Forecasts for Year Ending March 31, 2017 (Consolidated)

Consolidated	Previous forecast	Revised forecast	Change	Previous year
Net sales	354,000	352,000	-2,000	348,539
Operating income	15,000	17,000	2,000	17,179
Ordinary income	20,500	22,500	2,000	22,678
Profit attributable to owners of parent	12,500	13,800	1,300	14,497

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.

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