

# **Results Presentation**

## **The Year Ended March 31, 2017**



**Tokyo Broadcasting System Holdings, Inc.**

**May 11, 2017**



## 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-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.

Vecte, Inc. (former Tomo-Digi Corporation)

- 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.

- Equity method affiliate (1)

Akasaka Heat Supply, Co., Ltd.

TBS Sunwork, Inc.

WOWOW INC.

# ● Consolidated Statement of Income (1)



(Unit: million yen)

Consolidated	Year ended March 31, 2016	Year ended March 31, 2017	y/y change	y/y change (%)
Net sales	348,539	355,363	6,824	2.0%
Operating income	17,179	19,878	2,699	15.7%
Ordinary income	22,678	26,207	3,529	15.6%
Profit attributable to owners of parent	14,497	16,136	1,639	11.3%

TBS HD	Year ended March 31, 2016	Year ended March 31, 2017	y/y change	y/y change (%)
Net sales	17,107	17,911	804	4.7%
Operating income	3,018	3,327	308	10.2%
Ordinary income	13,759	13,133	-625	-4.5%
Net income	13,161	11,635	-1,526	-11.6%

# ● Consolidated Statement of Income (2)



(Unit: million yen)

TBS TV	Year ended March 31, 2016	Year ended March 31, 2017	y/y change	y/y change (%)
Net sales	210,353	216,717	6,364	3.0%
Operating income	6,650	8,725	2,075	31.2%
Ordinary income	9,519	11,703	2,183	22.9%
Net income	6,349	7,745	1,396	22.0%

(Unit: billion yen)

Notes on results of TBS TV	○ <u>Operating expense in the Television division:</u>	+2.30
	• Cost of program production:	+2.05
	• Agency commissions:	+0.60 (30.57 for Q4)
	• Network expense:	-0.29
	○ <u>Operating expense in the Operations division:</u>	+0.78
	○ <u>Extraordinary losses:</u>	0.51 million yen
	<u>(Reversal of allowance for fixed asset removal expenses, etc.)</u>	

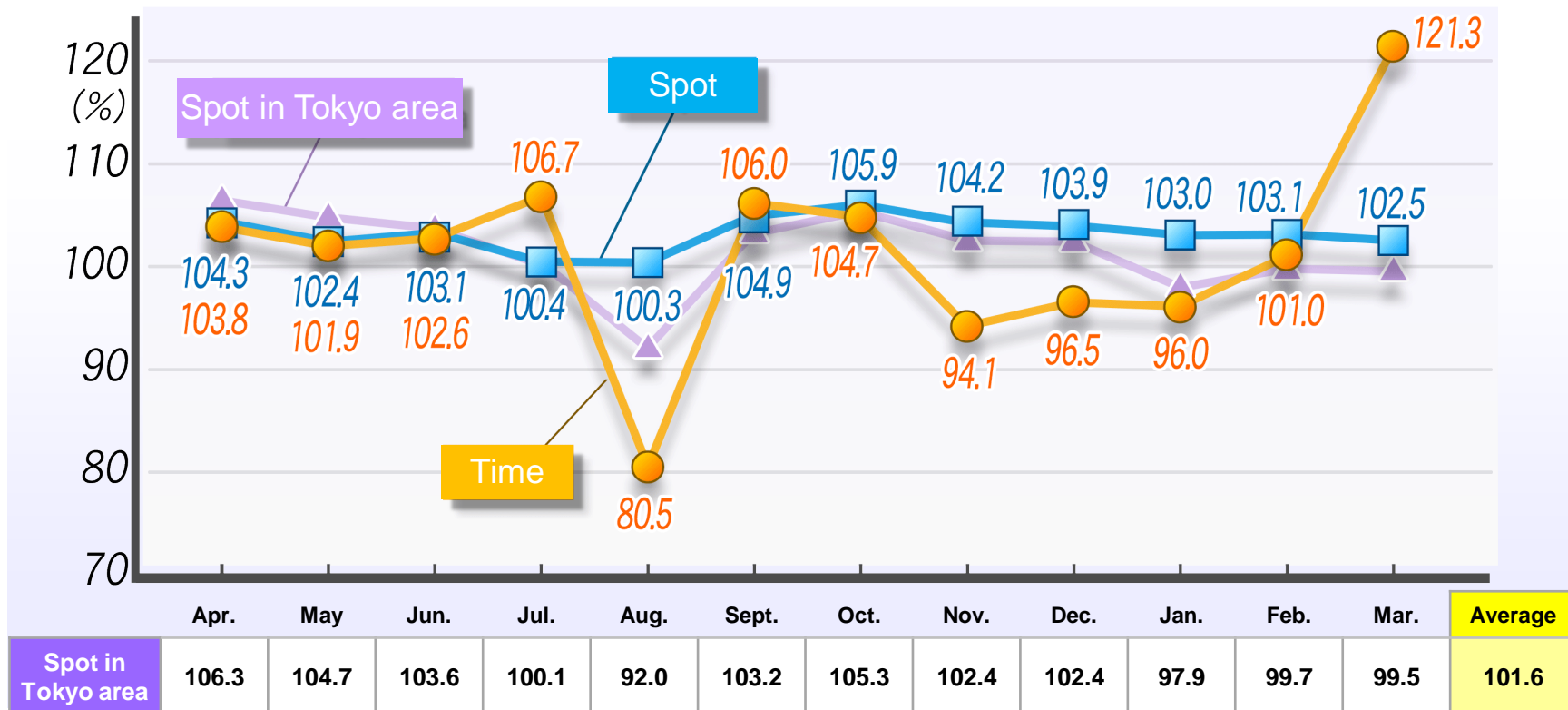
# ● Breakdown of TBS TV Income



(Unit: million yen)

	Year ended March 31, 2017	y/y change
Television	184,654	3,621
(Time advertising)	85,388	457
(Spot advertising)	86,240	2,686
(Content)	8,933	58
(Others)	4,091	418
Operations	28,997	2,647
Real estate	3,065	95
<b>Total income</b>	<b>216,717</b>	<b>6,364</b>

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



	1Q (Apr. to Jun. 2016)	2Q (Jul. to Sep. 2016)	3Q (Oct. to Dec. 2016)	4Q (Jan. to Mar. 2017)	Fiscal year cumulative
Time	102.8	95.5	98.3	106.1	100.5
Spot	103.3	101.9	104.6	102.8	103.2
TBS share among five key broadcasters	18.7	18.9	18.8	19.1	18.9

(Estimates)

# ● Spot Advertising Sales Ranks by Business Category



(Unit: %)

	Year ended March 31, 2017	Growth rate	Share	Q4 (Jan. to Mar. 2017)	Growth rate	Share
<b>1</b>	Information, telecommunications, and broadcasting	<b>4.5</b>	<b>13.6</b>	Information, telecommunications, and broadcasting	<b>-5.6</b>	<b>14.3</b>
<b>2</b>	Foods	<b>5.8</b>	<b>10.9</b>	Foods	<b>16.8</b>	<b>10.1</b>
<b>3</b>	Alcoholic and other beverages	<b>5.9</b>	<b>10.2</b>	Automobiles and transportation equipment	<b>12.2</b>	<b>7.9</b>
<b>4</b>	Pharmaceuticals	<b>4.9</b>	<b>9.4</b>	Pharmaceuticals	<b>-2.8</b>	<b>7.7</b>
<b>5</b>	Cosmetics and toiletry	<b>4.6</b>	<b>8.2</b>	Transportation and leisure	<b>-9.8</b>	<b>7.5</b>
<b>6</b>	Automobiles and transportation equipment	<b>8.6</b>	<b>6.4</b>	Alcoholic and other beverages	<b>1.9</b>	<b>7.4</b>
<b>7</b>	Financial services	<b>-5.0</b>	<b>6.4</b>	Real estate and construction	<b>57.8</b>	<b>5.9</b>
<b>8</b>	Precision instruments and office machines	<b>-13.3</b>	<b>5.0</b>	Transportation and leisure	<b>5.7</b>	<b>5.5</b>
<b>9</b>	Transportation and leisure	<b>2.0</b>	<b>4.8</b>	Precision instruments and office machines	<b>-5.9</b>	<b>5.2</b>
<b>10</b>	Eating-out and services	<b>13.7</b>	<b>4.5</b>	Cosmetics and toiletry	<b>-24.5</b>	<b>5.1</b>

\* 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
1Q	23,528	23,722	193
2Q	24,725	24,932	206
3Q	23,473	23,805	332
4Q	24,398	25,718	1,320
(Direct expenses)	18,928	20,311	1,383
(Indirect expenses)	5,471	5,407	-64
Fiscal year cumulative	96,125	98,176	2,050
Next fiscal year forecast	98,000		

## ○ 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



# ● FY2017 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) 6.1 [+0.2]</b>	<b>(4) 9.8 [<math>\pm 0.0</math>]</b>	<b>(4) 9.7 [-0.1]</b>
<b>NTV</b>	<b>(1) 8.4</b>	<b>(1) 12.2</b>	<b>(1) 11.9</b>
<b>TV Asahi</b>	<b>(2) 7.3</b>	<b>(3) 10.3</b>	<b>(2) 10.6</b>
<b>TV Tokyo</b>	<b>(6) 2.8</b>	<b>(6) 6.5</b>	<b>(6) 6.2</b>
<b>Fuji TV</b>	<b>(5) 5.7</b>	<b>(5) 8.0</b>	<b>(5) 8.0</b>
<b>NHK</b>	<b>(3) 6.9</b>	<b>(2) 11.3</b>	<b>(3) 9.8</b>

<b>HUT</b>	<b>41.0</b>	<b>60.9</b>	<b>58.7</b>
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Ratings for April 4, 2016 to April 2, 2017, on a weekly basis

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

# ● TBS TV Business Segment Income



(Unit: million yen)

	Segment		Full year	y/y change	Remarks
Operations bureau	Cultural business (events)		3,440	950	The number of events increased from the previous year. Revenue rose due to <i>Musée du Petit Prince de Saint-Exupéry à Hakone</i> , which achieved good results throughout the year, as well as well-received exhibitions such as <i>Van Gogh and Gauguin, Reality and Imagination</i> and <i>Hiroshige Vivid</i> .
	Show business		4,041	395	Revenue increased due to successful <i>HAIKYU!! Winners and Losers</i> and <i>Romeo and Juliet</i> in the fourth quarter, in addition to a number of events including <i>TAKE FIVE2</i> that achieved good results for the full year.
	Movies and animations business	Movies	1,548	-165	Revenue decreased due to a decline in the number of movies released from the previous year, although <i>64 Six Four Part 1 and Part 2</i> , including their DVD versions, were big hits.
		Animations	977	2	Revenue edged up, reflecting strong sales of programs overseas, primarily in Asia.
Content business bureau	Multi-visual content business		4,945	912	Revenues from DVDs increased significantly despite the contraction of the market, reflecting the record hit " <i>The Full-Time Wife Escapist</i> " in the fourth quarter as well as <i>99.9</i> , which achieved good results for the full year. On-demand content remained firm.
	Overseas business		2,892	705	Revenue rose due to very strong sales in Asian markets throughout the year, as well as the expansion of <i>SASUKE</i> overseas and strong sales of animation programs in China.
	Pay-TV business		9,044	332	Market share expanded thanks to efforts to improve programming and promotions. Revenue increased thanks to the success of two baseball teams for which the broadcasting rights are available.
	Licensing business		934	-27	Revenue declined, reflecting the effects of revisions to online shopping programs, although <i>Gudetama</i> continued to achieve good results.
	Digital/new business		1,172	-458	Revenue decreased substantially because the mobile phone billing business was nearly closed, in addition to the termination of the gaming business.
	Total		28,997	2,647	

# ● Capital Expenditures and Depreciation



(Unit: million yen)

Consolidated	Year ended March 31, 2017	y/y change	Forecasts for the year ending March 31, 2018
Capital expenditures	10,627	-423	11,407
Depreciation	13,009	-67	13,994

TBS HD	Year ended March 31, 2017	y/y change	Forecasts for the year ending March 31, 2018
Capital expenditures	233	-538	699
Depreciation	2,784	-336	2,538

TBS TV	Year ended March 31, 2017	y/y change	Forecasts for the year ending March 31, 2018
Capital expenditures	8,223	508	8,849
Depreciation	7,596	297	8,839

# ● Consolidated Results by Segment



(Unit: million yen)

	External sales				Operating income			
	Year ended March 31, 2016	Year ended March 31, 2017	y/y change	y/y change (%)	Year ended March 31, 2016	Year ended March 31, 2017	y/y change	y/y change (%)
Broadcasting	213,878	219,175	5,297	2.5%	4,800	5,973	1,172	24.4%
Multi Visual Ventures & Cultural Events	119,181	120,986	1,804	1.5%	4,842	6,168	1,326	27.4%
Real Estate	15,479	15,202	-277	-1.8%	7,532	7,736	204	2.7%
Consolidated	348,539	355,363	6,824	2.0%	17,179	19,878	2,699	15.7%

(Unit: 100 million yen)

Factors behind changes	External sales	Operating income
Broadcasting	TOKYO BROADCASTING SYSTEM TELEVISION (+32.0) BS-TBS (+7.9) TBS HD (+6.9) TBS-VISION (+4.4) Totsu Inc. (+2.1) Art Communication System (-2.7)	TOKYO BROADCASTING SYSTEM TELEVISION (+13.1) Totsu Inc. (+3.0) BS-TBS (+1.9)
Multi Visual Ventures & Cultural Events	TOKYO BROADCASTING SYSTEM TELEVISION (-22.9) C-TBS (+45.7) TC Entertainment (+9.9) OXYBOT (+5.0) TBS Service (-7.1) Grand Marche (-13.4)	TOKYO BROADCASTING SYSTEM TELEVISION (+18.6) StylingLife Holdings (+2.5) Grand Marche (+1.5) NICHION (-1.9)
Real Estate	TBS HD (-1.5)	TBS HD (+1.3) Akasaka Heat Supply, Co., Ltd. (+1.3)

# ● Consolidated Balance Sheets



(Unit: million yen)

	As of Mar. 2016	As of Mar. 2017	Change		As of Mar. 2016	As of Mar. 2017	Change
Current assets	149,478	145,479	-3,999	Current liabilities	95,278	77,231	-18,047
				Long-term liabilities	96,483	112,402	15,918
				Total liabilities	191,762	189,633	-2,129
Fixed assets	500,492	561,583	61,091	Total net assets	458,208	517,430	59,222
				Shareholders' equity	444,087	502,444	58,357
				Non-controlling interests	14,121	14,985	864
Current assets	649,970	707,063	57,092	Total liabilities and net assets	649,970	707,063	57,092

**Interest-bearing liabilities at the end of the year:  
23,100 million yen (down 30,400 million yen from the end of the previous year)**

\* Excluding lease obligations



(Unit: million yen)

	Year ended March 31, 2016	Year ended March 31, 2017	y/y change
Cash flows from operating activities	32,337	36,485	4,147
Cash flows from investing activities	-8,956	-10,078	-1,121
Cash flows from financing activities	-5,326	-36,718	-31,391
Net increase (decrease) in cash and cash equivalents	18,005	-10,314	-28,320
Cash and cash equivalents at beginning of year	56,728	74,734	18,005
Cash and cash equivalents at end of year	74,734	67,391	-7,342



(Unit: million yen)

<b>TBS R&amp;C</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2017</b>	<b>y/y change</b>	<b>Forecasts for the year ending March 31, 2018</b>
Net sales	10,674	10,825	150	10,500
Operating income	346	357	10	448
Ordinary income	352	364	12	454
Net income	210	239	29	287

<b>BS-TBS</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2017</b>	<b>y/y change</b>	<b>Forecasts for the year ending March 31, 2018</b>
Net sales	16,102	17,031	928	17,570
Operating income	2,361	2,557	196	2,567
Ordinary income	2,394	2,595	201	2,603
Net income	1,561	1,781	220	1,786



(Unit: million yen)

StylingLife Group (Consolidated)	Year ended March 31, 2016	Year ended March 31, 2017	y/y change	Forecasts for the year ending March 31, 2018
Net sales	65,379	65,664	284	66,000
Operating income	2,314	2,572	257	2,700
Ordinary income	2,735	2,434	-300	2,515
Net income	1,539	1,062	-477	1,050

Grand Marche	Year ended March 31, 2016	Year ended March 31, 2017	y/y change	Forecasts for the year ending March 31, 2018
Net sales	13,939	12,582	-1,356	13,211
Operating income	155	312	157	160
Ordinary income	172	326	153	166
Net income	84	221	136	103



# ● Results Forecasts for Year Ending March 31, 2018 (TBS TV)

(Unit: million yen)

<b>TBS TV</b>	<b>Forecasts for the year ending March 31, 2018</b>	<b>y/y change</b>
<b>Net sales</b>	<b>218,000</b>	<b>1,283</b>
<b>Operating income</b>	<b>9,200</b>	<b>475</b>
<b>Ordinary income</b>	<b>11,700</b>	<b>-3</b>
<b>Net income</b>	<b>8,000</b>	<b>255</b>

## Time/Spot, Program Cost Forecasts

	<b>H1</b>	<b>H2</b>	<b>Full year</b>	<b>y/y change</b>
<b>Time</b>	<b>+2.1%</b>	<b>-1.8%</b>	<b>+0.1%</b>	<b>+0.1 billion yen</b>
<b>Spot</b>	<b>+1.9%</b>	<b>+1.7%</b>	<b>+1.8%</b>	<b>+1.5 billion yen</b>
<b>Program cost</b>	<b>—</b>	<b>—</b>	<b>98.0 billion yen</b>	<b>-0.1 billion yen</b>

# ● Results Forecasts for Year Ending March 31, 2018 (Consolidated)

(Unit: million yen)

Consolidated	Forecasts for the year ending March 31, 2018	y/y change
Net sales	357,000	1,637
Operating income	20,000	122
Ordinary income	27,300	1,093
Profit attributable to owners of parent	17,000	864

## Business Results Forecast by Segment

(Unit: 100 million yen)

	Net sales		Operating income	
	Forecasts for the year ending March 31, 2018	y/y change	Forecasts for the year ending March 31, 2018	y/y change
Broadcasting	2,200	8	61	1
Multi Visual Ventures & Cultural Events	1,213	3	59	-2
Real Estate	157	5	80	2
Consolidated	3,570	16	200	1



**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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