

# **Results Presentation The First Half of the Year Ending March 31, 2018**



**Tokyo Broadcasting System Holdings, Inc.**

**November 2, 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-TEX Inc.

Art Communication System, Inc.

Vucast, Inc.

BS-TBS, INC.

Vecte, Inc.

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 (2)

WOWOW INC.

Premium Platform Japan, Inc.

# ● Consolidated Statement of Income (1)



(Unit: million yen)

Consolidated	Year ended March 31, 2017 H1 (Apr. to Sep. 2016)	Year ending March 31, 2018 H1 (Apr. to Sep. 2017)	y/y change	y/y change (%)
Net sales	172,508	177,528	5,019	2.9%
Operating income	7,338	10,119	2,781	37.9%
Ordinary income	10,990	14,813	3,823	34.8%
Profit attributable to owners of parent	6,840	9,291	2,450	35.8%

TBS HD	Year ended March 31, 2017 H1 (Apr. to Sep. 2016)	Year ending March 31, 2018 H1 (Apr. to Sep. 2017)	y/y change	y/y change (%)
Net sales	8,728	8,736	7	0.1%
Operating income	1,901	2,016	114	6.0%
Ordinary income	10,596	13,355	2,758	26.0%
Net income	9,666	12,204	2,537	26.3%

# ● Consolidated Statement of Income (2)



(Unit: million yen)

<b>TBS TV</b>	<b>Year ended March 31, 2017 H1 (Apr. to Sep. 2016)</b>	<b>Year ending March 31, 2018 H1 (Apr. to Sep. 2017)</b>	<b>y/y change</b>	<b>y/y change (%)</b>
Net sales	<b>104,904</b>	<b>107,537</b>	<b>2,632</b>	<b>2.5%</b>
Operating Income	<b>2,218</b>	<b>2,970</b>	<b>752</b>	<b>33.9%</b>
Ordinary income	<b>4,102</b>	<b>4,742</b>	<b>640</b>	<b>15.6%</b>
Net income	<b>2,870</b>	<b>3,312</b>	<b>442</b>	<b>15.4%</b>

## Notes on results of TBS TV

- Operating expense in the Television division: +0.86
  - Cost of program production: +0.26
  - Agency commissions: +0.27 (15.05 for H1)
  - Network expense: +0.19
- Operating expense in the Operations division: +1.28
- Extraordinary income: N/A

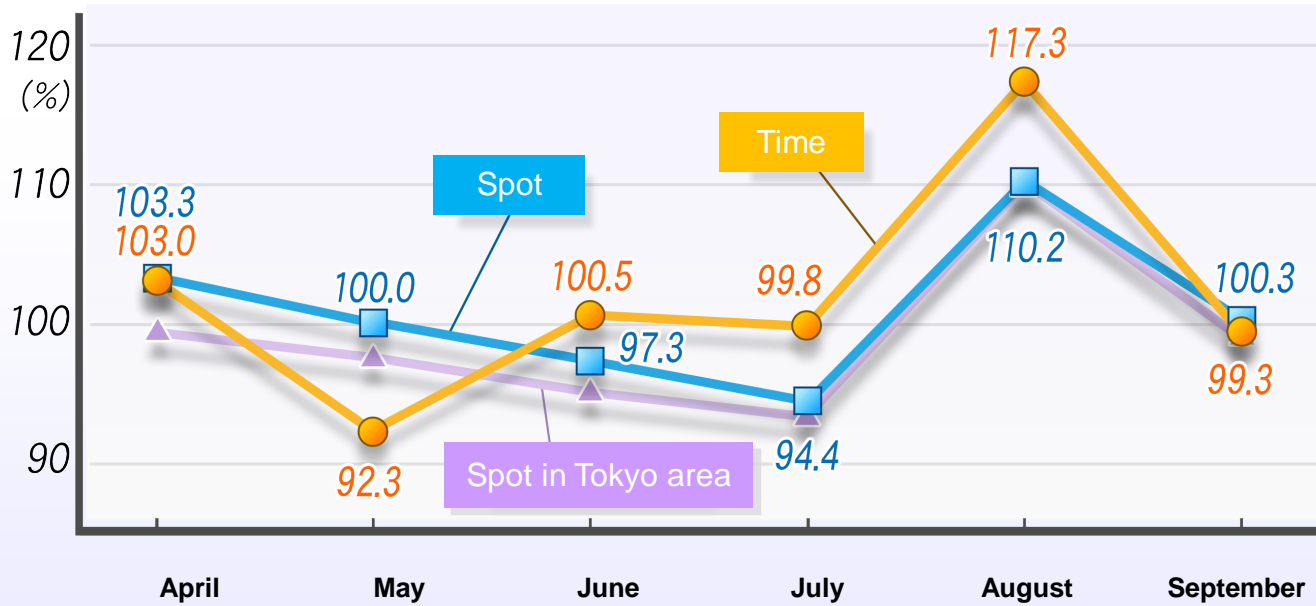
# ● Breakdown of TBS TV Income



(Unit: million yen)

	H1 (Apr. to Sep. 2017)	y/y change
Television	91,118	1,640
(Time advertising)	43,012	950
(Spot advertising)	41,080	170
(Content)	4,959	505
(Others)	2,066	14
Operations	14,868	931
Real estate	1,550	59
<b>Total income</b>	<b>107,537</b>	<b>2,632</b>

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



	April	May	June	July	August	September	H1 (Apr. to Sep. 2017) Average
Spot in Tokyo area	99.3	97.5	95.0	93.3	110.1	99.0	98.5

	1Q (Apr. to Jun. 2017)	2Q (Jun. to Sep. 2017)	H1 (Apr. to Sep. 2017)	H1 (Apr. to Sep. 2016)
Time	98.6	105.8	102.3	99.0
Spot	100.2	100.6	100.4	102.6
TBS share among five key broadcasters	19.2	19.0	19.1	18.8

(Estimates)

# ● Spot Advertising Sales Ranks by Business Category



(Unit: %)

	H1 (Apr. to Sep. 2017)	Growth rate	Share	H1 (Apr. to Sep. 2016)	Growth rate	Share
<b>1</b>	Information, telecommunications, and broadcasting	<b>-5.4</b>	<b>12.5</b>	Information, telecommunications, and broadcasting	<b>10.5</b>	<b>13.3</b>
<b>2</b>	Alcoholic and other beverages	<b>-5.9</b>	<b>12.0</b>	Alcoholic and other beverages	<b>4.9</b>	<b>12.8</b>
<b>3</b>	Foods	<b>4.0</b>	<b>11.2</b>	Foods	<b>-2.7</b>	<b>10.8</b>
<b>4</b>	Cosmetics and toiletry	<b>-11.9</b>	<b>8.3</b>	Cosmetics and toiletry	<b>12.7</b>	<b>9.5</b>
<b>5</b>	Pharmaceuticals	<b>-1.8</b>	<b>8.0</b>	Pharmaceuticals	<b>3.4</b>	<b>8.1</b>
<b>6</b>	Automobiles and transportation equipment	<b>10.5</b>	<b>6.7</b>	Financial services	<b>0.2</b>	<b>6.3</b>
<b>7</b>	Transportation and leisure	<b>29.9</b>	<b>6.4</b>	Automobiles and transportation equipment	<b>-3.2</b>	<b>6.1</b>
<b>8</b>	Real estate and construction	<b>66.9</b>	<b>4.8</b>	Transportation and leisure	<b>1.1</b>	<b>5.0</b>
<b>9</b>	Financial services	<b>-26.4</b>	<b>4.6</b>	Eating-out and services	<b>8.0</b>	<b>4.8</b>
<b>10</b>	Eating-out and services	<b>-8.2</b>	<b>4.4</b>	Precision instruments and office machines	<b>-9.8</b>	<b>4.4</b>

\* Ranked in order of sales proceeds

# ● TV Program Costs (Production Expenses)



(Unit: million yen)

	Year ended March 31, 2017 Results	Year ending March 31, 2018 Results	y/y change
1Q	23,722	23,770	49
2Q	24,932	25,152	221
(Direct expenses)	19,751	19,945	194
(Indirect expenses)	5,182	5,207	25
H1	48,653	48,923	269
3Q	23,805		
4Q	25,718		
H2	49,523		
Fiscal year cumulative	98,176	(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

# ● First Half Viewer Ratings



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

	All day	Golden time	Prime time
<b>TBS</b>	<b>(4) 6.1 [+0.1]</b>	<b>(3) 9.6 [-0.2]</b>	<b>(2) 9.5 [-0.1]</b>
<b>NTV</b>	<b>(1) 8.0</b>	<b>(1) 12.2</b>	<b>(1) 11.8</b>
<b>TV Asahi</b>	<b>(2) 7.1</b>	<b>(4) 9.1</b>	<b>(3) 9.4</b>
<b>TV Tokyo</b>	<b>(6) 2.8</b>	<b>(6) 6.6</b>	<b>(6) 6.2</b>
<b>Fuji TV</b>	<b>(5) 5.7</b>	<b>(5) 7.7</b>	<b>(5) 7.6</b>
<b>NHK</b>	<b>(3) 6.3</b>	<b>(2) 10.2</b>	<b>(4) 8.9</b>

<b>HUT</b>	<b>40.3</b>	<b>59.9</b>	<b>57.4</b>
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Ratings for April 3, 2017 to October 1, 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		H1 (Apr. to Sep. 2017)	y/y change	Remarks
Operations bureau	Cultural business (events)		1,176	-292	Musee du Petit Prince de Saint-Exupery a Hakone and Ultraman Festival showed good results, but revenue declined significantly due to the smaller number of events compared to the previous year.
	Show business		4,111	1,912	Revenue increased significantly due to the strong performance of events such as <i>Billy Elliot</i> and <i>CHICAGO</i> , in addition to the continued great success of <i>Seven Souls in the Skull Castle</i> of IHI Stage Around Tokyo.
	Movies and animations business	Movies	769	-165	Revenue declined due to the absence of the successful <i>64 Six Four Part 1 and Part 2</i> in the first half of the previous year, although <i>MUMON</i> was a big hit in the second quarter.
		Animations	428	-107	Revenue declined due to the absence of a blockbuster hit.
Content business bureau	Multi-visual content business		1,256	-530	Revenue from DVDs declined significantly without a big hit, in addition to the difficult market conditions. Revenues from on-demand content fell slightly.
	Overseas business		1,568	297	Revenue rose significantly due to continued strong sales in Asian markets, the expansion of SASUKE overseas, and strong sales of animation programs.
	Pay-TV business		4,514	-161	Revenue decreased due to the effects of the absence of J League relay on Channel 1, etc.
	Licensing business		523	47	Revenue increased, reflecting growth in sales of goods related to <i>Seven Souls in the Skull Castle</i> and <i>TOMICA Hyper Rescue Police DRIVE HEAD</i> , in addition to the firm performance of special online shopping programs.
	Digital/new business		519	-68	Revenue declined mainly due to the termination of content production for carriers, but profitability remained.
	Total		14,868	931	

# ● Capital Expenditures and Depreciation



(Unit: million yen)

Consolidated	H1 (Apr. to Sep. 2017)	y/y change
Capital expenditures	4,430	-4
Depreciation	6,403	57

TBS HD	H1 (Apr. to Sep. 2017)	y/y change
Capital expenditures	44	-5
Depreciation	1,330	-69

TBS TV	H1 (Apr. to Sep. 2017)	y/y change
Capital expenditures	3,528	222
Depreciation	3,908	253

# ● Consolidated Results by Segment



(Unit: million yen)

	External sales				Operating income			
	Year ended March 31, 2017 H1 (Apr. to Sep.)	Year ending March 31, 2018 H1 (Apr. to Sep.)	y/y change	y/y change (%)	Year ended March 31, 2017 H1 (Apr. to Sep.)	Year ending March 31, 2018 H1 (Apr. to Sep.)	y/y change	y/y change (%)
Broadcasting	106,148	107,118	969	0.9%	994	2,120	1,126	113.3%
Multi Visual Ventures & Cultural Events	58,808	62,435	3,627	6.2%	2,287	3,593	1,306	57.1%
Real Estate	7,552	7,974	422	5.6%	4,061	4,406	345	8.5%
Consolidated	172,508	177,528	5,019	2.9%	7,338	10,119	2,781	37.9%

(Unit: 100 million yen)

Factors behind changes	External sales	Operating income
Broadcasting	TOKYO BROADCASTING SYSTEM TELEVISION (+17.0) TBS-HD (-3.2) TBS Radio (-3.7)	TOKYO BROADCASTING SYSTEM TELEVISION (+7.7) BS-TBS (+1.3)
Multi Visual Ventures & Cultural Events	TOKYO BROADCASTING SYSTEM TELEVISION (+16.2) SLG (+18.3) Grand Marche (+11.6) TCE (-1.5) OXYBOT (-4.5)	TOKYO BROADCASTING SYSTEM TELEVISION (-3.5) SLG (+10.5) Grand Marche (+2.8) TBS Service, Inc. (+1.5) NICHION, INC. (+1.3)
Real Estate	TBS-HD (+3.7)	TBS-HD (+3.5)

# ● Consolidated Balance Sheets



(Unit: million yen)

	As of Mar. 2017	As of Sep. 2017	Change		As of Mar. 2017	As of Sep. 2017	Change
Current assets	145,479	145,177	-302	Current liabilities	77,231	66,862	-10,368
				Long-term liabilities	112,402	138,034	25,632
				Total liabilities	189,633	204,896	15,263
Fixed assets	561,583	635,153	73,569	Total net assets	517,430	575,434	58,003
				Shareholders' equity	502,444	559,749	57,304
				Non-controlling interests	14,985	15,684	698
Total assets	707,063	780,330	73,267	Total liabilities and net assets	707,063	780,330	73,267

**Interest-bearing liabilities at the end of the quarter:  
21,800 million yen (-1,300 million yen from the end of the previous quarter)**

\* Excluding lease obligations



(Unit: million yen)

	H1 (Apr. to Sep. 2016)	H1 (Apr. to Sep. 2017)	y/y change
Cash flows from operating activities	16,555	15,530	-1,025
Cash flows from investing activities	-7,298	-8,251	-952
Cash flows from financing activities	-34,899	-4,305	30,594
Net increase (decrease) in cash and cash equivalents	-22,747	2,977	25,724
Cash and cash equivalents at beginning of term	74,734	67,391	-7,342
Cash and cash equivalents at end of term	51,986	70,368	18,381



(Unit: million yen)

<b>TBS R&amp;C</b>	<b>Year ended March 31, 2017 H1 (Apr. to Sep. 2016)</b>	<b>Year ending March 31, 2018 H1 (Apr. to Sep. 2017)</b>	<b>y/y change</b>	<b>y/y change (%)</b>
Net sales	5,449	5,065	-384	-7.0%
Operating income	109	152	43	39.2%
Ordinary income	114	157	43	37.8%
Net income	66	96	29	44.8%

<b>BS-TBS</b>	<b>Year ended March 31, 2017 H1 (Apr. to Sep. 2016)</b>	<b>Year ending March 31, 2018 H1 (Apr. to Sep. 2017)</b>	<b>y/y change</b>	<b>y/y change (%)</b>
Net sales	8,312	8,261	-50	-0.6%
Operating income	955	1,094	139	14.6%
Ordinary income	973	1,119	146	15.1%
Net income	659	762	103	15.6%



(Unit: million yen)

StylingLife Group (Consolidated)	Year ended March 31, 2017 H1 (Apr. to Sep. 2016)	Year ending March 31, 2018 H1 (Apr. to Sep. 2017)	y/y change	y/y change (%)
Net sales	31,937	33,767	1,830	5.7%
Operating income	1,052	2,104	1,052	100.0%
Ordinary income	1,000	2,070	1,069	106.9%
Net income	331	1,042	710	214.6%

Grand Marche	Year ended March 31, 2017 H1 (Apr. to Sep. 2016)	Year ending March 31, 2018 H1 (Apr. to Sep. 2017)	y/y change	y/y change (%)
Net sales	5,945	7,114	1,168	19.7%
Operating income	104	391	287	275.4%
Ordinary income	113	394	280	246.1%
Net income	74	265	191	258.2%

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

(Unit: million yen)

TBS TV	Previous forecast	Revised forecast	Change	Previous year
Net sales	218,000	218,000	-	216,717
Operating income	9,200	9,200	-	8,725
Ordinary income	11,700	11,700	-	11,703
Net income	8,000	8,000	-	7,745

## Forecast TV earnings

	H1 (results)	H2	Full year
Time	+2.3%	-1.8% → -1.8%	+0.1% → +0.2%
Spot	+0.4%	+1.7% → +1.3%	+1.8% → +0.9%

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

(Unit: million yen)

Consolidated	Previous forecast	Revised forecast	Change	Previous year
Net sales	357,000	361,000	4,000	355,363
Operating income	20,000	22,000	2,000	19,878
Ordinary income	27,300	29,500	2,200	26,207
Profit attributable to owners of parent	17,000	18,600	1,600	16,136



**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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