

Results Presentation

The First Nine Months of the Year Ending March 31, 2018



Tokyo Broadcasting System Holdings, Inc.

February 8, 2018



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 Q3 (Apr. to Dec. 2016)	Year ending March 31, 2018 Q3 (Apr. to Dec. 2017)	y/y change	y/y change (%)
Net sales	264,427	271,764	7,336	2.8%
Operating income	16,887	18,593	1,705	10.1%
Ordinary income	22,871	27,054	4,182	18.3%
Profit attributable to owners of parent	14,547	17,903	3,356	23.1%

TBS HD	Year ended March 31, 2017 Q3 (Apr. to Dec. 2016)	Year ending March 31, 2018 Q3 (Apr. to Dec. 2017)	y/y change	y/y change (%)
Net sales	13,255	13,127	-128	-1.0%
Operating income	2,816	2,765	-50	-1.8%
Ordinary income	12,800	16,611	3,811	29.8%
Net income	11,287	14,666	3,378	29.9%

● Consolidated Statement of Income (2)



(Unit: million yen)

TBS TV	Year ended March 31, 2017 Q3 (Apr. to Dec. 2016)	Year ending March 31, 2018 Q3 (Apr. to Dec. 2017)	y/y change	y/y change (%)
Net sales	160,929	163,544	2,614	1.6%
Operating income	7,923	7,067	-856	-10.8%
Ordinary income	10,436	9,651	-785	-7.5%
Net income	7,240	7,293	52	0.7%

Notes on results of TBS TV

- Operating expense in the Television division: +2.33
 - Cost of program production: +1.26
 - Agency commissions: +0.26 (22.22 for Q3)
 - Network expense: +0.21
- Operating expense in the Operations division: +1.23
- Extraordinary income
(Gain on sales of investment securities): +0.84

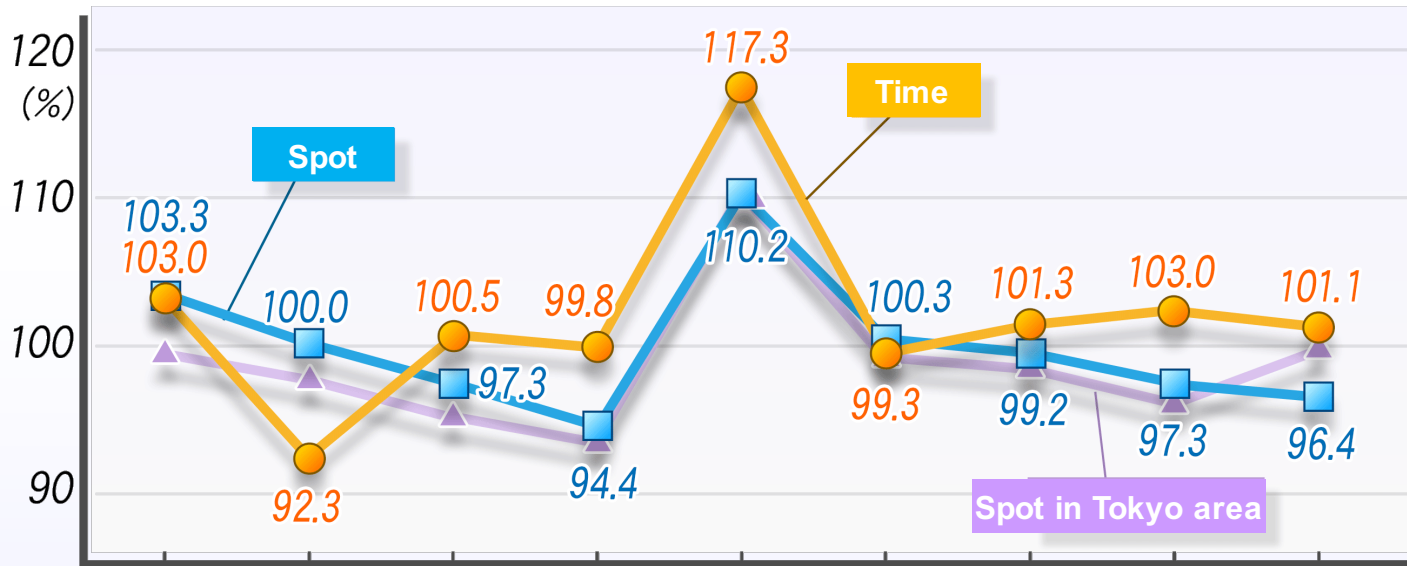
● Breakdown of TBS TV Income



(Unit: million yen)

	Q3 (Apr. to Dec. 2017)	y/y change
Television	139,329	1,842
(Time advertising)	64,759	1,336
(Spot advertising)	63,948	-386
(Content)	7,707	973
(Others)	2,914	-80
Operations	21,904	698
Real estate	2,309	73
Total income	163,544	2,614

Year-on-Year Changes in Time / Spot Earnings



	April	May	June	July	August	September	October	November	December	Average
Spot in Tokyo area	99.3	97.5	95.0	93.3	110.1	99.0	98.3	95.9	99.6	98.3

	1Q (Apr. to Jun. 2017)	2Q (Jul. to Sep. 2017)	3Q (Oct. to Dec. 2017)	Q3 (Apr. to Dec. 2017)	Q3 (Apr. to Dec. 2017)
Time	98.6	105.8	101.8	102.1	98.8
Spot	100.2	100.6	97.6	99.4	103.3
TBS share among five key broadcasters	19.2	19.0	18.8	19.0	18.8

(Estimates)

● Spot Advertising Sales Ranks by Business Category



(Unit: %)

	Q3 (Apr. to Dec. 2017)	Growth rate	Share	Q3 (Apr. to Dec. 2016)	Growth rate	Share
1	Information, telecommunications, and broadcasting	0.8	13.6	Information, telecommunications, and broadcasting	8.7	13.3
2	Foods	-2.8	10.9	Foods	2.7	11.2
3	Alcoholic and other beverages	-6.7	10.4	Alcoholic and other beverages	6.8	11.1
4	Pharmaceuticals	-7.6	9.3	Pharmaceuticals	7.2	10.0
5	Cosmetics and toiletry	-2.1	9.2	Cosmetics and toiletry	12.9	9.3
6	Automobiles and transportation equipment	8.6	6.4	Financial services	-2.7	6.0
7	Transportation and leisure	32.6	6.1	Automobiles and transportation equipment	6.3	5.9
8	Financial services	-29.2	4.3	Precision instruments and office machines	-15.5	5.0
9	Eating-out and services	-9.9	4.2	Eating-out and services	15.0	4.6
10	Real estate and construction	60.3	4.2	Transportation and leisure	0.4	4.5

* 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
H1	48,653	48,923	269
3Q	23,805	24,797	992
(Direct expenses)	(18,516)	(19,416)	900
(Indirect expenses)	(5,289)	(5,381)	92
Q3 cumulative	72,458	73,720	1,262
4Q	25,718		
H2	49,523		
Fiscal year cumulative	98,176	(forecast) 99,500	

○ 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

● 3Q Viewer Ratings



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

	All day	Golden time	Prime time
TBS	(3) 6.2 [+0.2]	(3) 9.8 [+0.1]	(3) 9.6 [±0]
NTV	(1) 8.0	(1) 12.4	(1) 12.0
TV Asahi	(2) 7.3	(4) 9.5	(2) 9.8
TV Tokyo	(6) 2.8	(6) 6.6	(6) 6.2
Fuji TV	(5) 5.7	(5) 7.9	(5) 7.8
NHK	(3) 6.2	(2) 10.1	(4) 8.9

HUT	40.5	60.3	57.8
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Ratings for April 3, 2017 to December 31, 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		Q3 (Apr. to Dec. 2017)	y/y change	Remarks	
Operations bureau	Cultural business (events)	1,863	-887	The Little Prince Museum in Hakone showed good results, as did Cleopatra and The Nutcracker of K BALLET COMPANY, but revenue declined significantly mainly due to the smaller number of events compared to the previous year.	
	Show business	5,890	2,698	Revenue increased significantly with the strong performance of events such as <i>Billy Elliot</i> and <i>HAIKYU!!</i> , in addition to the continued strong success of <i>Seven Souls in the Skull Castle</i> of IHI Stage of Around Tokyo.	
	Movies and animations business	Movies	1,180	1	Revenue was flat due to the absence of a new DVD launched, although <i>the 8-Year Engagement</i> was a big hit in the third quarter.
		Animations	606	-150	Revenue declined due to the absence of a blockbuster hit.
Content business bureau	Multi-visual content business	1,810	-1,116	Revenue from DVDs declined significantly without a big hit, in addition to the difficult market conditions. Revenue from on-demand declined mainly due to the change in a contract with a customer.	
	Overseas business	2,300	364	Revenue rose significantly, primarily due to continued strong sales in Asian markets, the expansion of SASUKE overseas and strong sales of the rights to remake dramas.	
	Pay-TV business	6,673	-217	Revenue declined mainly due to the effect of a decline in subscribers of SKY PerfecTV!.	
	Licensing business	805	87	Revenue increased, reflecting growth in sales of goods related to <i>Seven Souls in the Skull Castle</i> , <i>RIKUOH</i> and <i>TOMICA Hyper Rescue Police DRIVE HEAD</i> , in addition to the strong performance of special online shopping programs.	
	Digital/new business	772	-80	Revenue declined mainly due to the termination of content production for carriers, but profit increased.	
Total		21,904	698		

● Capital Expenditures and Depreciation



(Unit: million yen)

Consolidated	Q3 (Apr. to Dec. 2017)	y/y change
Capital expenditures	6,097	322
Depreciation	9,990	404

TBS HD	Q3 (Apr. to Dec. 2017)	y/y change
Capital expenditures	137	58
Depreciation	1,997	-95

TBS TV	Q3 (Apr. to Dec. 2017)	y/y change
Capital expenditures	4,612	293
Depreciation	6,219	680

● Consolidated Results by Segment



(Unit: million yen)

	External sales				Operating income			
	Year ended March 31, 2017 Q3 (Apr. to Dec.)	Year ending March 31, 2018 Q3 (Apr. to Dec.)	y/y change	y/y change (%)	Year ended March 31, 2017 Q3 (Apr. to Dec.)	Year ending March 31, 2018 Q3 (Apr. to Dec.)	y/y change	y/y change (%)
Broadcasting	162,830	164,145	1,315	0.8%	6,120	5,846	-274	-4.5%
Multi Visual Ventures & Cultural Events	90,230	95,703	5,472	6.1%	4,699	6,391	1,692	36.0%
Real Estate	11,366	11,914	548	4.8%	6,069	6,400	331	5.5%
Consolidated	264,427	271,764	7,336	2.8%	16,887	18,593	1,705	10.1%

(Unit: 100 million yen)

Factors behind changes	External sales	Operating income
Broadcasting	TOKYO BROADCASTING SYSTEM TELEVISION (+19.7) TBS-HD (-6.1) DREAMAX TELEVISION, INC. (+5.3) TBS Radio (-4.0)	TOKYO BROADCASTING SYSTEM TELEVISION (-4.9) TBS Radio & Communications, Inc. (+1.4) Vecte, Inc. (+0.9) FF TOHO Inc. (+0.9) Totsu Inc. (+0.8)
Multi Visual Ventures & Cultural Events	TOKYO BROADCASTING SYSTEM TELEVISION (+21.6) SLG (+31.2) Grand Marche (+15.7) TC Entertainment (-3.7) TBS Service (-3.5) OXYBOT (-4.9)	TOKYO BROADCASTING SYSTEM TELEVISION (-5.3) SLG (+13.1) Grand Marche (+2.8) NICHION, INC. (+2.8) TBS Service (+2.3)
Real Estate	TBS-HD (+5.5)	TBS-HD (+5.1)

● Consolidated Balance Sheets



(Unit: million yen)

	As of Mar. 2017	As of Dec. 2017	Change		As of Mar. 2017	As of Dec. 2017	Change
Current assets	145,479	153,850	8,370	Current liabilities	77,231	83,762	6,531
				Long-term liabilities	112,402	134,068	21,666
				Total liabilities	189,633	217,830	28,197
Fixed assets	561,583	675,774	114,190	Total net assets	517,430	611,794	94,363
				Shareholders' equity	502,444	595,652	93,207
				Non-controlling interests	14,985	16,141	1,155
Current assets	707,063	829,624	122,561	Total liabilities and net assets	707,063	829,624	122,561

**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)

TBS R&C	Year ended March 31, 2017 Q3 (Apr. to Dec. 2016)	Year ending March 31, 2018 Q3 (Apr. to Dec. 2017)	y/y change	y/y change (%)
Net sales	8,112	7,692	-419	-5.2%
Operating income	213	358	144	67.6%
Ordinary income	220	364	144	65.7%
Net income	135	236	100	74.6%

BS-TBS	Year ended March 31, 2017 Q3 (Apr. to Dec. 2016)	Year ending March 31, 2018 Q3 (Apr. to Dec. 2017)	y/y change	y/y change (%)
Net sales	12,710	12,645	-65	-0.5%
Operating income	1,819	1,874	55	3.0%
Ordinary income	1,847	1,911	63	3.5%
Net income	1,250	1,301	51	4.1%



(Unit: million yen)

StylingLife Group (Consolidated)	Year ended March 31, 2017 Q3 (Apr. to Dec. 2016)	Year ending March 31, 2018 Q3 (Apr. to Dec. 2017)	y/y change	y/y change (%)
Net sales	49,196	52,318	3,122	6.3%
Operating income	2,095	3,411	1,316	62.8%
Ordinary income	2,000	3,370	1,370	68.5%
Net income	885	1,776	890	100.6%

Grand Marche	Year ended March 31, 2017 Q3 (Apr. to Dec. 2016)	Year ending March 31, 2018 Q3 (Apr. to Dec. 2017)	y/y change	y/y change (%)
Net sales	9,511	11,088	1,577	16.6%
Operating income	305	587	282	92.5%
Ordinary income	316	574	257	81.3%
Net income	201	387	185	92.2%

(Unit: million yen)

TBS TV	Previous forecast	Revised forecast	Change	Previous year
Net sales	218,000	216,000	-2,000	216,717
Operating income	9,200	6,000	-3,200	8,725
Ordinary income	11,700	8,500	-3,200	11,703
Net income	8,000	6,500	-1,500	7,745

Forecast TV earnings

	H1 (results)	H2	Full year
Time	+2.3%	-1.8% → -0.7%	+0.2% → +0.7%
Spot	+0.4%	+1.3% → -5.0%	+0.9% → -2.4%

(Unit: million yen)

Consolidated	Previous forecast	Revised forecast	Change	Previous year
Net sales	361,000	360,000	-1,000	355,363
Operating income	22,000	19,000	-3,000	19,878
Ordinary income	29,500	27,500	-2,000	26,207
Profit attributable to owners of parent	18,600	18,000	-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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