

# **Results Presentation The First Quarter of the Year Ending March 31, 2019**



**Tokyo Broadcasting System Holdings, Inc.**

**August 2, 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-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.

- Consolidated companies in the multi visual ventures and cultural events businesses (14)

NICHION, INC.

TBS Service, Inc.

OXYBOT, Inc.

TC Entertainment Incorporated

Grand Marche, Inc.

TBS TriMedia, Inc.

StylingLife Holdings Inc.  
(with two other group companies)

C-TBS, Incorporated

Golf Network Plus Inc.

SEVEN·ARCS Co., Ltd.  
(with two other group companies)

- Consolidated companies in the real estate business (4)

Midoriyama Studio City, Inc.

TBS Kikaku Co., Ltd.

Akasaka Heat Supply, Co., Ltd.

TBS Sunwork, Inc.

- Equity method affiliate (3)

WOWOW INC.

Premium Platform Japan, Inc.

Place Holder, Inc.

# ● Consolidated Statement of Income (1)



(Unit: million yen)

<b>Consolidated</b>	<b>Year ended March 31, 2018 Q1 (Apr. to Jun. 2017)</b>	<b>Year ending March 31, 2019 Q1 (Apr. to Jun. 2018)</b>	<b>y/y change</b>	<b>y/y change (%)</b>
<b>Net sales</b>	<b>88,002</b>	<b>88,783</b>	<b>781</b>	<b>0.9%</b>
<b>Operating income</b>	<b>6,565</b>	<b>4,868</b>	<b>-1,697</b>	<b>-25.9%</b>
<b>Ordinary income</b>	<b>10,857</b>	<b>9,994</b>	<b>-863</b>	<b>-7.9%</b>
<b>Profit attributable to owners of parent</b>	<b>7,366</b>	<b>6,704</b>	<b>-661</b>	<b>-9.0%</b>

# ● Consolidated Statement of Income (2)



(Unit: million yen)

TBS TV	Year ended March 31, 2018 Q1 (Apr. to Jun. 2017)	Year ending March 31, 2019 Q1 (Apr. to Jun. 2018)	y/y change	y/y change (%)
Net sales	54,015	53,811	-203	-0.4%
Operating income	3,728	2,359	-1,368	-36.7%
Ordinary income	5,190	3,500	-1,690	-32.6%
Net income	3,635	2,469	-1,166	-32.1%

(Unit: billion yen)

<b>Notes on results of TBS TV</b>	○ Operating expense in the Television division:	+1.79
	• Cost of program production:	+1.47
	• Agency commissions:	+0.00 (6.75 for Q1)
	• Network expense:	+0.02
	○ Operating expense in the Operations division:	-0.71
○ Extraordinary income:	N/A	

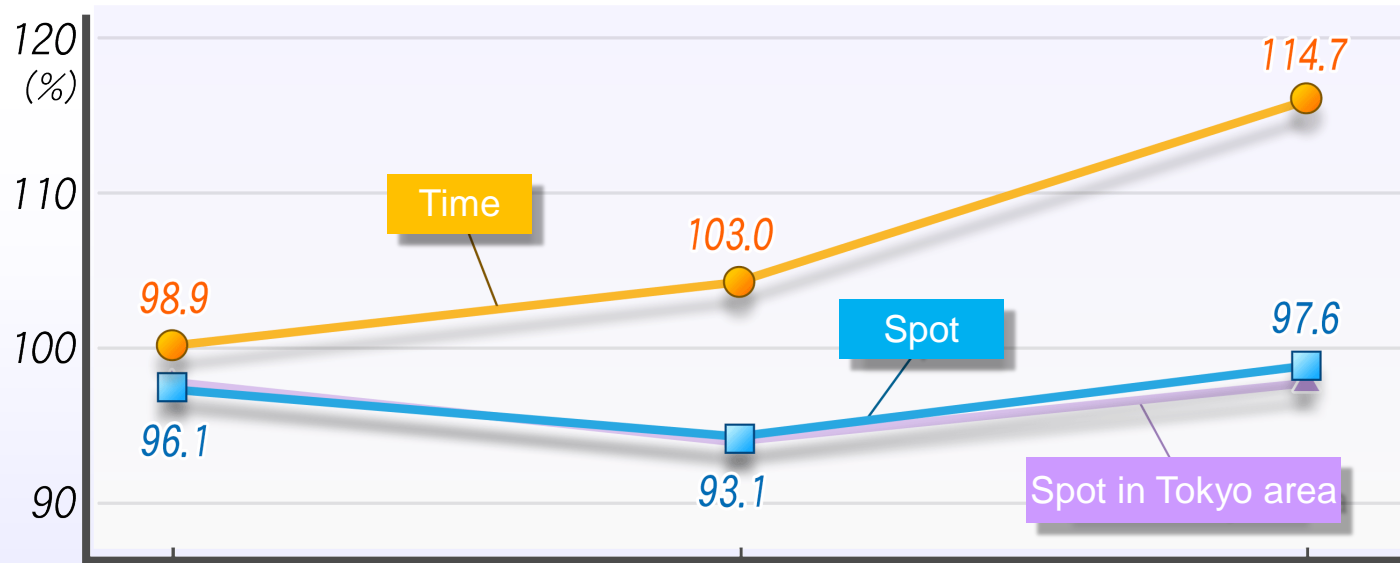
# ● Breakdown of TBS TV Income



(Unit: million yen)

	Q1 (Apr. to Jun. 2018)	y/y change
Television	46,264	398
(Time advertising)	21,570	1,048
(Spot advertising)	20,984	-976
(Content)	2,664	190
(Others)	1,045	135
Operations	6,806	-569
Real estate	740	-32
<b>Total income</b>	<b>53,811</b>	<b>-203</b>

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



	April	May	June	Average
Spot in Tokyo area	96.5	92.7	96.5	95.2

	Q1 (Apr. to Jun. 2018)	Q1 (Apr. to Jun. 2017)
Time	105.1	98.6
Spot	95.6	100.2
TBS share among five key broadcasters	19.3	19.2

(Estimates)

# ● Spot Advertising Sales Ranks by Business Category



(Unit: %)

	Q1 (Apr. to Jun. 2018)	Growth rate	Share	Q1 (Apr. to Jun. 2017)	Growth rate	Share
1	Alcoholic and other beverages	5.5	14.4	Alcoholic and other beverages	-9.0	13.1
2	Information, telecommunications, and broadcasting	10.4	11.7	Foods	5.1	12.0
3	Foods	-8.9	11.4	Information, telecommunications, and broadcasting	-22.1	10.2
4	Cosmetics and toiletry	6.0	9.6	Cosmetics and toiletry	-11.2	8.7
5	Transportation and leisure	14.6	8.0	Pharmaceuticals	1.6	7.4
6	Pharmaceuticals	-9.0	7.0	Transportation and leisure	32.7	6.7
7	Eating-out and services	29.5	5.5	Automobiles and transportation equipment	23.6	5.8
8	Automobiles and transportation equipment	-26.9	4.4	Financial services	-21.8	5.4
9	Financial services	-24.3	4.3	Precision instruments and office machines	0.8	4.5
10	Entertainment and hobbies	18.6	4.1	Real estate and construction	96.6	4.5

\* Ranked in order of sales proceeds

# ● TV Program Costs (Production Expenses)



(Unit: million yen)

	Year ended March 31, 2018 Results	Year ending March 31, 2019 Results	y/y change
Q1	23,770	25,246	1,475
(Direct expenses)	18,516	20,258	1,742
(Indirect expenses)	5,254	4,988	-266
Q2	25,152		
H1	48,923		
Q3	24,797		
Q4	25,997		
H2	50,794		
<b>Fiscal year cumulative</b>	<b>99,717</b>	<b>(forecast) 102,400</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



# ● Q1 Viewer Ratings



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

	All day	Golden time	Prime time	Non-prime time
<b>TBS</b>	<b>(3) 6.2 [+0.2]</b>	<b>(3) 9.8 [+0.2]</b>	<b>(3) 9.6 [±0.0]</b>	<b>(3) 5.2 [+0.3]</b>
<b>NTV</b>	<b>(1) 7.6</b>	<b>(1) 11.7</b>	<b>(1) 11.3</b>	<b>(2) 6.6</b>
<b>TV Asahi</b>	<b>(2) 7.5</b>	<b>(2) 10.0</b>	<b>(2) 10.2</b>	<b>(1) 6.7</b>
<b>TV Tokyo</b>	<b>(6) 2.8</b>	<b>(6) 6.5</b>	<b>(6) 6.1</b>	<b>(6) 1.8</b>
<b>Fuji TV</b>	<b>(5) 5.6</b>	<b>(5) 7.8</b>	<b>(5) 7.7</b>	<b>(5) 5.0</b>
<b>NHK</b>	<b>(4) 5.9</b>	<b>(4) 9.7</b>	<b>(4) 8.6</b>	<b>(4) 5.1</b>

<b>HUT</b>	<b>40.0</b>	<b>59.9</b>	<b>57.4</b>	<b>35.1</b>
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Ratings for April 2, 2018 to July 1, 2018, 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. 2018)	y/y change	Remarks	
Operations bureau	Events / show business	2,553	-194	In the show business, <i>Stars on Ice</i> and musical <i>Mary Poppins</i> , among other events, showed good results. In IHI Stage Around Tokyo, <i>Seven Souls in the Skull Castle</i> ended at the end of May and the theater was closed for a month because of preparation for the next program. As a result, revenue decreased.	
	Movies and animations business	Movies	290	53	Despite that no new films were released, revenue increased mainly due to distribution of <i>Let's Go, Jets</i> released last year.
		Animations	145	-100	Revenue decrease due to poor performance of overseas broadcast syndication as well as the absence of a blockbuster hit.
Content business bureau	Media business	2,644	-199	Revenue from CS broadcasting decreased due to a decrease in subscription to the professional baseball program set which was caused by the impact of the absence of broadcast of the games of Lotte Marines. Revenue from on-demand declined due to the termination of the company's own distribution.	
	Overseas business	585	-193	Revenue decreased due to poor sales of dramas in Asian markets despite that sales of <i>SASUKE</i> remained strong.	
	Licensing business	370	92	From this fiscal year, revenue and expenditure relating to DVDs were transferred. In shopping, despite the poor performance of special online shopping programs, sales of goods relating to dramas grew and the overall revenue increased.	
	Extended field business	216	-28	Revenue declined mainly due to the termination of content production for carriers	
	<b>Total</b>	<b>6,806</b>	<b>-569</b>		

# ● Capital Expenditures and Depreciation



(Unit: million yen)

Consolidated	Q1 (Apr. to Jun. 2018)	y/y change
Capital expenditures	<b>1,507</b>	<b>49</b>
Depreciation	<b>3,332</b>	<b>143</b>

TBS TV	Q1 (Apr. to Jun. 2018)	y/y change
Capital expenditures	<b>850</b>	<b>-203</b>
Depreciation	<b>2,039</b>	<b>93</b>

# ● Consolidated Results by Segment



(Unit: million yen)

	External sales				Operating income			
	Year ended March 31, 2018 Q1 (Apr. to Jun.)	Year ending March 31, 2019 Q1 (Apr. to Jun.)	y/y change	y/y change (%)	Year ended March 31, 2018 Q1 (Apr. to Jun.)	Year ending March 31, 2019 Q1 (Apr. to Jun.)	y/y change	y/y change (%)
Broadcasting	53,639	53,778	138	0.3%	3,026	1,285	-1,740	-57.5%
Multi Visual Ventures & Cultural Events	30,405	30,966	560	1.8%	1,257	1,392	135	10.7%
Real Estate	3,956	4,038	82	2.1%	2,276	2,180	-95	-4.2%
Consolidated	88,002	88,783	781	0.9%	6,565	4,868	-1,697	-25.9%

(Unit: 100 million yen)

Factors behind changes	External sales	Operating income
Broadcasting	TOKYO BROADCASTING SYSTEM TELEVISION (+2.7) TBS Radio & Communications, Inc. (-0.6)	TOKYO BROADCASTING SYSTEM TELEVISION (-13.9) BS-TBS (-1.9)
Multi Visual Ventures & Cultural Events	TOKYO BROADCASTING SYSTEM TELEVISION (-6.7) TBS HD (+1.7) SLG (+13.0) SEVEN·ARCS (+2.7) TC Entertainment (-3.2)	TOKYO BROADCASTING SYSTEM TELEVISION (+1.4) SLG (+4.4) TC Entertainment (-1.0) Grand Marche (-1.2)
Real Estate	TBS HD (+0.9)	TBS HD (+0.6) Midoriyama Studio (-0.8)

# ● Consolidated Balance Sheets



(Unit: million yen)

	As of Mar. 2018	As of Jun. 2018	Change		As of Mar. 2018	As of Jun. 2018	Change
Current assets	155,660	150,342	-5,318	Current liabilities	93,382	84,551	-8,831
				Long-term liabilities	127,403	131,155	3,751
				Total liabilities	220,786	215,706	-5,079
Fixed assets	666,076	677,535	11,459	Total net assets	600,950	612,170	11,220
				Shareholders' equity	585,054	596,127	11,072
				Non-controlling interests	15,895	16,042	147
<b>Total assets</b>	<b>821,737</b>	<b>827,877</b>	<b>6,140</b>	<b>Total liabilities and net assets</b>	<b>821,737</b>	<b>827,877</b>	<b>6,140</b>

**Interest-bearing liabilities at the end of the quarter:  
Approx. 21.2 billion yen (up 0.0 billion yen from the end of the previous quarter)**

\* Excluding lease obligations



(Unit: million yen)

TBS R&C	Year ended March 31, 2018 Q1 (Apr. to Jun. 2017)	Year ending March 31, 2019 Q1 (Apr. to Jun. 2018)	y/y change	y/y change (%)
Net sales	2,511	2,425	-85	-3.4%
Operating income	31	70	38	122.3%
Ordinary income	34	73	39	114.3%
Net income	16	43	26	162.5%

BS-TBS	Year ended March 31, 2018 Q1 (Apr. to Jun. 2017)	Year ending March 31, 2019 Q1 (Apr. to Jun. 2018)	y/y change	y/y change (%)
Net sales	4,043	4,038	-4	-0.1%
Operating income	615	416	-199	-32.4%
Ordinary income	630	432	-197	-31.3%
Net income	428	293	-135	-31.7%



(Unit: million yen)

StylingLife Group (Consolidated)	Year ended March 31, 2018 Q1 (Apr. to Jun. 2017)	Year ending March 31, 2019 Q1 (Apr. to Jun. 2018)	y/y change	y/y change (%)
Net sales	16,023	17,323	1,300	8.1%
Operating income	414	862	447	108.0%
Ordinary income	388	862	474	122.2%
Net income	85	438	353	415.4%

Grand Marche	Year ended March 31, 2018 Q1 (Apr. to Jun. 2017)	Year ending March 31, 2019 Q1 (Apr. to Jun. 2018)	y/y change	y/y change (%)
Net sales	3,628	3,651	23	0.6%
Operating income	234	109	-124	-53.2%
Ordinary income	236	115	-121	-51.4%
Net income	160	71	-88	-55.4%



**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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