ANNUAL REPORT 09

TBS HOLDINGS

Annual Report 2009

CONTENTS

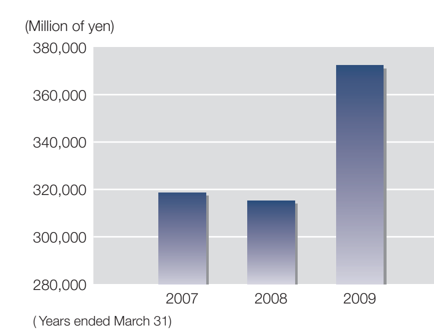
Financial Highlights

TOKYO BROADCASTING SYSTEM HOLDINGS, INC. and Consolidated Subsidiaries
Years ended March 31

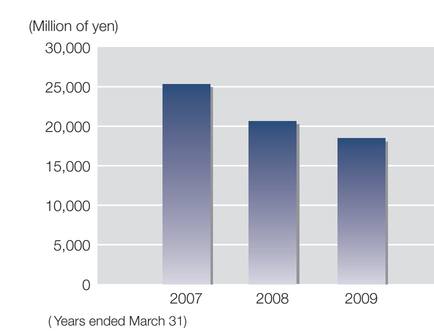
	Million of Yen		
	2007	2008	**2009**
Net Sales	¥318,700	¥315,175	**¥372,306**
Broadcasting	262,762	255,462	**233,279**
Multi Visual Ventures & Cultual Events	53,181	55,713	**121,717**
Real Estate	2,475	3,816	**17,245**
Others	282	184	**65**
Operating income	¥ 25,328	¥ 20,624	**¥ 18,457**
Broadcasting	15,906	12,265	**-1,507**
Multi Visual Ventures & Cultual Events	8,637	7,913	**12,103**
Real Estate	696	424	**7,770**
Others	84	81	**90**
Net cash provided by operating activities	¥ 50,886	¥ 21,175	**¥ 36,407**
All-day viewer rating	7.8%	7.6%	**7.5%**
TBS's share of spot sales among 5 key broadcasters in Tokyo	21.7%	21.3%	**21.3%**

Note:1.Segments sales figures represent sales to outside customers.
2.Effective from the year ended March 31, 2007, the Company separated the Multi Visual Ventures & Cultual Events segment from the Others segment.

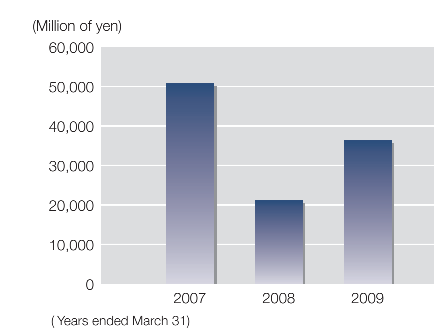
Net Sales



Operating Income



Net cash provided by operating activities



Forward-looking statements

This annual report includes forward-looking statements pertaining to expectations, plans, strategies, management goals, future performance, expenses, revenues, income and other forecasts formulated on past experiences. Forward-looking statements necessarily entail some degree of uncertainty, and the content coveyed in the results as well as underlying factors identified in the report may differ materially from actual results depending on changes in those factors.

Analysis of Business Results of Fiscal Year ended March 31, 2009

Overview

During the consolidated fiscal under review, the employment environment and personal consumption continued to worsen due to decreases in production, export and corporate revenues, stemming from the impact of the global recession. These situations led to a serious decline in advertisement placements by sponsors. Specifically, TV and radio advertising fees continued to fall significantly compared from the results of the previous fiscal year.

Under the circumstances, however, the Company strove for aggressive but more focused sales of terrestrial television to meet sponsors' needs.

Seeking to developing synergies with the broadcasting business and expanding the shopping business, the Company strove to protect TBS Group earnings by enriching the Multi Visual Ventures & Cultural Events business, including the software business. It also consolidated the StylingLife Group companies last summer.

As a result of these initiatives, net sales amounted to ¥372,306 million, an 18.1% increase over the previous consolidated fiscal year, partly reflecting growth in the Real Estate segment, which opened akasaka Sacas. However, operating income and ordinary income stood respectively at ¥18,457 million and ¥19,979 million; declines of 10.5% and 13.5% from the previous consolidated fiscal year. Net income fell to ¥1,655 million, down 91.3% year on year.

Broadcasting Business

Revenues from broadcasting for the consolidated fiscal year under review declined to ¥233,279 million, or an 8.7% decrease from the previous consolidated fiscal year, while operating loss stood at ¥1,507 million.

Television

Terrestrial broadcasting time sales encompassed a variety of TV programs, including major sports programs such as the Beijing *2008 Olympic Games, 2009 WORLD BASEBALL CLASSIC (WBC)*, Daisuke Naito's *WBC World Flyweight Championship Match*, and *FIVB WORLD GRAND PRIX 2008*; one-time programs presented by different companies and mini programs in the 10PM slot. However, sponsor companies continued to scale back ad placements in general. As a result, revenues from the TV section declined to ¥120,512 million, down 5.6% year on year.

Concerning spot sales, CM release volumes in the Kanto region continued to decline each month throughout the year. Our business environment worsened further. As a result, spot sales for the year decreased to ¥85,895 million, a 12.5% decline year on year.

By client segment, sales in the areas of entertainment & hobbies increased over the previous year. However, sales in pharmaceuticals, cosmetics and toiletries, food, automobiles, and transportation equipment, which are core sources of spot sales for TBS, all declined.

With regard to programming, the average viewer rating for golden time (19:00-22:00) for the consolidated fiscal year under review were 11.2%, with primetime (19:00-23:00) at 11.1%, both of which were down 0.5% year on year. The average viewer rating in all-day time slots fell by 0.1% year on year, to 7.5%, though *Mino Monta no Asa Zuba!* and *Hanamaru Market*, weekday information programs, performed well and maintained stable viewer ratings.

Under the circumstances, large-scale sports event programs performed well during the year. For example, viewer ratings for the *2009 WORLD BASEBALL CLASSIC* that thrilled people across the nation scored a viewer rating of 40.1%, despite broadcasting the live matchup of the Japan and Korea national teams on the morning of Friday, March 20. Daisuke Naito's *WBC World Flyweight Championship Match* also won a viewer rating of 24.7% in July and 25.6% in December 2008.

In dramas, a number of programs scored hits, including *ROOKIES* (the highest viewer rating of 19.5%), *Ties of Shooting Stars* (a high of 22.6%), and *Around 40* (a high of 15.7%). More specifically, Nikogaku Purchase Department, a store selling goods associated with *ROOKIES*, opened in akasaka Sacas as part of an event and recorded sales of ¥65 million as a result of people continuously visiting. The Company's cooperation with websites for the first time also generated great synergy and won overwhelming support, especially from the younger generations.

Around 40, which triggered the spread of the phrase *ara-four* in daily conversation, won the grand prize in the buzzwords contest. The contest has earned renown for TBS as the source of spreading buzzwords. In addition, *Door To Door: I'm a Top Salesman with Cerebral Palsy,* based on a true story in which a disabled young man finally became a top salesman through hard work, gained a strong reputation coupled with the fine performance of its star actor Kazuya Ninomiya.

In variety programs, the long-running *Hiroshi Sekiguchi's Tokyo Friendly Park Ⅱ* (annual high viewer rating of 18.0%) and other programs such as *Pittanko KanKan* (high of 19.7%) and *Masahiro Nakai's SMAP Friday* (high of 21.4%) continued to earn stable viewer ratings. *Nakai Masahiro's SMAP Friday*, introducing the eventful and demanding lives of female guests, won overwhelming support from young women.

Celebrity Games, *Comedy Colosseum*, *Arabiki Dan* and other regular programs reflecting the thinking of younger staff members, won strong support. In special programs, large-scale variety programs gained strong support. The regular *All-Star Thanksgiving* won a viewer rating of 15.5%. *DOORS* and *Sasuke* earned stable ratings of 14.7%.

In information programs, *Information 7 Days Newscaster* (annual high viewer rating of 16.3%) has quickly become a popular program for Saturday evenings.

In news coverage, *Sunday Morning* (annual highest viewer rating of 18.6%) continued to retain high viewer ratings.

As of March 31, 2009, JNN member companies, forming TBS's nationwide network, totaled 28; unchanged from the previous consolidated fiscal year. The number of receiving sets for BS digital broadcasts reached 50.1 million as of the end of the consolidated fiscal year under review. This scale has enhanced the value as an advertising medium. In line with the prevailing trend, BS-i, Incorporated (renamed BS-TBS, Inc. in April 2009), an equity method affiliate, strove to upgrade the content and quality of programs, carried out thorough cost control, and strengthened sales activities. As a result, BS-TBS achieved profits for two straight years. Meanwhile, in CS digital broadcasting, in line with spreading triple-frequency receiving sets, the number of TBS Channel and TBS NEWS BIRD subscribers increased steadily. C-TBS, Inc., an affiliate and broadcasting company on consignment, continued to earn stable profits for consecutive years.

Radio

Radio time sales fell below the previous year due to sluggish sales of regular programs stemming from severe environments in the radio industry in recent years and impacts from the global recession. Spot sales also fell below those of the previous year despite our efforts at planning a variety of commercial films and finding new sponsors.

With regard to programming, a survey conducted in February 2009 revealed that TBS Radio & Communications, Inc. has retained the leading listener rating for 46 consecutive years. Our long-running programs, such as *Yuuri Osawa's Yu Yu Wide*, *Takero Morimoto's Standby!* and *Rokusuke Ei's His New World*, ranked among the top five in average listener rankings of long programs, according to surveys conducted six times during the consolidated fiscal year under review. The surveys also revealed that *Bakusho Mondai's Nichiyo Sunday*, which had started to win new listeners in young generations, also retained the leading listener rating in the same time, and grew into a hit program.

Collaboration plans between programs and the Internet with free podcast distribution of some 40 titles recorded 10 million downloads a month, which was a great success.

Multi Visual Ventures & Cultural Events Business

Revenues from the Multi Visual Ventures & Cultural Events Business increased to ¥121,717 million, more than double the previous consolidated fiscal year. Operating income also increased to ¥12,103 million; a 53.0% increase year on year.

In the software business, the Japanese film *Departures* won an Academy Award in the United States for best foreign language film. This is a remarkable achievement as it was the first time a Japanese film won the prize. The film was also a big hit and box-office revenue reached almost ¥6 billion by the end of March 2009. In Japan, *BOYS OVER FLOWERS the movie* won overwhelming support centered on young women. Box-office revenue notched ¥7.7 billion, while DVD sales reached 440,000; a phenomenal hit. These successes contributed to building the brand image of TBS films. As a result, gross profits from the film business had a record-setting performance of approximately ¥2.3 billion for the consolidated fiscal year under review. In exhibitions, "Vermeer and the Delft Style" attracted 934,000 visitors; 4th place in number of visitors to art exhibitions in Japan. In DVD sales, *ROOKIES*, *Come on! It's 8PM*, *Rakugo Study Group The Complete Works of Kokontei Shincho* and the animation series *CLANNAD* performed well.

During the consolidated fiscal year under review, TBS acquired the management rights of StylingLife Holdings Inc. to enrich the shopping business and create synergy with the broadcasting business, and included the subsidiaries of StylingLife Holdings into the TBS Group's consolidated companies. During the year under review, the TBS Group and StylingLife Group, which has regular customers in a broad range of generations, engaged in a variety of experimental joint businesses, including goods sales at Sacas Square in Akasaka, joint production of shopping programs and their broadcasting, plans for collaboration with information programs, and generated positive results.

Real Estate Business

Revenues from the Real Estate Business were slightly over 4.5 times those of the previous consolidated fiscal year, rising to ¥17,245 million due to favorable leasing of Akasaka Biz Tower, etc. Operating income was slightly more than 18 times those of the previous consolidated fiscal year; to ¥7,770 million.
Akasaka ACT Theater, Akasaka BLITZ, Akasaka Gallery, all of which were opened as cultural facilities in the preceding fiscal year in the akasaka Sacas area held shows and performances. Sacas Square also held a large number of events. As a result, during the consolidated fiscal year under review, these facilities had approximately 8,620,000 visitors.
Sacas Square held a number of seasonal events, such as "Natsu Sacas '08" "White Sacas-The Rink at akasaka Sacas" and "Hana Sacas(Flower Blossom)". The square has become a new sightseeing spot in Tokyo and is establishing its position as a place for broadcasting and cultural output.

Other Business

Revenues from the Other Business, including sales to outside customers, declined by 64.2% from the previous consolidated fiscal year to ¥65 million. Operating income, including from internal sales, also decreased by 4.2% from the previous consolidated fiscal year to ¥77 million.

Shareholders Returns

Since the fiscal year ended March 31, 2006, the Company has adopted a policy of distributing surplus, linked to business results, to emphasize our attitude of appropriating surplus to shareholders.
Specifically, the Company makes annual distributions of at least ¥10 per share, aiming to represent 20% of the non-consolidated net income of the Company, to maintain stability.
The Company forecasts year-end distribution of ¥2 per share for the fiscal year ended March 31, 2009, after deducting an interim distribution of ¥8 per share already paid. This is because the Company posted an unconsolidated net loss of ¥3.8 billion for the fiscal year under review.

The Company transferred itself into a certified broadcasting holding company as of April 1, 2009. Since the transfer has significantly changed the unconsolidated revenue structure of the Company, TBS has decided to change a part of its surplus distribution policies. Specifically, our dividend distribution standard will be set to consolidated net income, while the payout ratio will be raised to 30%. In addition, in order to clarify the characteristic that is linked to business results, no lower limit of dividends will be set. If net income fluctuates significantly due to a particular cause, the amount of dividend will be decided after the impact is taken into account. These dividend distribution policies will be applied to the interim dividends for the fiscal year ending March 31, 2010.

Consolidated Balance Sheets

TOKYO BROADCASTING SYSTEM HOLDINGS, INC. and Consolidated Subsidiaries
As of March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S.dollars (Note 1)
ASSETS	**2009**	2008	**2009**
Current assets:			
Cash on hand and in banks (Note 3)	¥ 48,862	¥ 30,045	$ 497,424
Notes and accounts receivable-trade	39,728	38,498	404,438
Allowance for doubtful accounts	(177)	(51)	(1,802)
Inventories (Note 5)	15,548	8,550	158,282
Deferred tax assets (Note 8)	3,783	4,927	38,512
Prepaid expenses and other current assets	20,304	14,966	206,699
Total current assets	128,048	96,935	1,303,553
Property and equipment :			
Land	84,753	84,753	862,802
Buildings and structures	191,459	184,789	1,949,089
Machinery, equipment and vehicles	102,732	95,524	1,045,831
Leased assets	181	—	1,843
Construction in progress	2,310	4,397	23,516
Total property and equipment	381,435	369,463	3,883,081
Less:Accumulated depreciation	(147,221)	(130,438)	(1,498,738)
Property and equipment, net	234,214	239,025	2,384,343
Investments and other assets:			
Investments in securities (Note 6,12)			
Unconsolidated subsidiaries and affiliates	6,981	6,659	71,068
Other	129,895	176,639	1,322,356
Long-term prepaid expenses	2,079	1,915	21,165
Goodwill	28,783	—	293,016
Intangible and other assets	19,741	14,906	200,967
Allowance for doubtful accounts	(576)	(579)	(5,864)
Deferred tax assets (Note 8)	7,615	1,711	77,522
Total investments and other assets	194,518	201,251	1,980,230
Total Assets	¥556,780	¥ 537,211	$5,668,126

The accompanying notes are an integral part of these consolidated balance sheets.

LIABILITIES AND NET ASSETS	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S.dollars (Note 1) 2009
Current liabilities:			
Short-term borrowings (Notes 7)	¥ 2,450	¥ 2,074	$ 24,941
Current portion of long-term debt (Notes 7)	21,250	—	216,329
Notes and accounts payable – trade	40,361	32,100	410,883
Accounts payable – other	13,809	36,233	140,578
Income taxes payable (Note 8)	3,036	7,927	30,907
Accrued expenses	5,613	5,011	57,141
Allowance for directors bonuses	209	330	2,128
Other current liabilities	5,881	3,763	59,870
Total current liabilities	92,609	87,438	942,777
Long-term liabilities:			
Long-term debt (Notes 7)	92,000	50,000	936,577
Allowance for retirement and severance benefits (Note 10)	12,487	9,707	127,120
Deferred tax liabilities (Note 8)	1,158	12,867	11,789
Other long-term liabilities	16,295	16,823	165,886
Total long-term liabilities	121,940	89,397	1,241,372
Total liabilities	214,549	176,835	2,184,149
Contingent liabilities (Note 16)			
NET ASSETS (Notes 9):			
Shareholders' equity:			
Common stock	54,987	54,959	559,778
Authorized: 400,000,000 shares			
Issued and outstanding:190,434,968 shares in 2009 and 190,406,968 shares in 2008			
Capital surplus (Note 9)	60,255	60,227	613,407
Retained earnings (Note 9)	215,539	217,692	2,194,228
Treasury stock, at cost	(87)	(79)	(885)
Total shareholders' equity	330,694	332,799	3,366,528
Valuation and translation adjustments			
Unrealized gains on available-for-sale securities, net of taxes (Note 12)	1,061	25,647	10,801
Unrealized losses on hedging derivatives, net of taxes	(335)	(417)	(3,410)
Foreign currency translation adjustments	(84)	(73)	(855)
Total valuation and translation adjustments	642	25,157	6,536
Minority interests	10,895	2,420	110,913
Total net assets	342,231	360,376	3,483,977
Total liabilities and Total net assets	¥556,780	¥537,211	$ 5,668,126

The accompanying notes are an integral part of these consolidated balance sheets.

Consolidated Statements of Income

TOKYO BROADCASTING SYSTEM HOLDINGS, INC. and Consolidated Subsidiaries
Years ended March 31, 2009, 2008 and 2007

	Millions of Yen 2009	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S.dollars (Note 1) 2009
Net sales (Notes 14 and 15)	¥372,306	¥315,175	¥318,700	$3,790,146
Cost of sales (Notes 13, 14 and 15)	261,730	223,828	221,798	2,664,461
Gross profit	110,576	91,347	96,902	1,125,685
Selling, general and administrative expenses (Notes 13, 14 and 15)	92,119	70,723	71,574	937,789
Operating income	18,457	20,624	25,328	187,896
Other income (expenses):				
Interest and dividend income	3,059	3,244	2,153	31,141
Interest expense	(1,300)	(834)	(635)	(13,234)
Equity in earnings(loss) of affiliates	167	(91)	(706)	1,700
Gain(loss) on sale of investment securities	(416)	14,670	169	(4,235)
Loss on devaluation of investment securities	(10,502)	(4,226)	(185)	(106,912)
Loss on disposal of fixed assets	(507)	(497)	(826)	(5,161)
Lawsuits settlement payments	—	(70)	(1,851)	—
Amortization of goodwill	—	344	334	—
Impairment loss on fixed assets	(118)	—	(6)	(1,201)
Other, net	(162)	(131)	35	(1,650)
Total	(9,779)	12,409	(1,518)	(99,552)
Income before income taxes and minority interests	8,678	33,033	23,810	88,344
Income taxes (Note 8):				
Current	4,510	12,350	8,377	45,913
Deferred	1,859	1,559	1,456	18,925
Total	6,369	13,909	9,833	64,838
Minority interest in income of consolidated subsidiaries	654	101	678	6,658
Net income	¥ 1,655	¥ 19,023	¥ 13,299	$ 16,848

Per share of common stock:	Yen			U.S. dollars (Note 1)
Net income – basic	¥ 8.71	¥ 100.14	¥ 70.07	$ 0.089
Net income – diluted	8.71	100.04	69.96	0.089
Cash dividends	10.00	24.00	12.00	0.102

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

TOKYO BROADCASTING SYSTEM HOLDINGS, INC. and Consolidated Subsidiaries
Years ended March 31, 2009, 2008 and 2007

Millions of Yen

	Shareholders' Equity					Valuation and Translation Adjustments					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities, net of taxes	Unrealized gains(losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2008	¥54,959	¥60,227	¥217,692	¥(79)	¥332,799	¥25,647	¥(417)	¥(73)	¥25,157	¥ 2,420	¥360,376
Issuance of common stock and exercising stock option	28	28			56						56
Cash dividends paid			(3,808)		(3,808)						(3,808)
Net income			1,655		1,655						1,655
Acquisition of treasury stock			—	(8)	(8)			—			(8)
Net changes during the year						(24,586)	82	(11)	(24,515)	8,475	(16,040)
Balance at March 31, 2009	**¥54,987**	**¥60,255**	**¥215,539**	**¥(87)**	**¥330,694**	**¥ 1,061**	**¥(335)**	**¥(84)**	**¥ 642**	**¥10,895**	**¥342,231**

Millions of Yen

	Shareholders' Equity					Valuation and Translation Adjustments					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities, net of taxes	Unrealized gains(losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2007	¥54,857	¥60,126	¥202,095	¥(63)	¥317,015	¥65,154	¥ 701	¥ 17	¥65,872	¥ 2,411	¥385,298
Issuance of common stock and exercising stock option	102	101			203						203
Cash dividends paid			(3,426)		(3,426)						(3,426)
Net income			19,023		19,023						19,023
Acquisition of treasury stock			—	(16)	(16)			—			(16)
Net changes during the year						(39,507)	(1,118)	(90)	(40,715)	9	(40,706)
Balance at March 31, 2008	**¥54,959**	**¥60,227**	**¥217,692**	**¥(79)**	**¥332,799**	**¥25,647**	**¥(417)**	**¥(73)**	**¥25,157**	**¥ 2,420**	**¥360,376**

Millions of Yen

	Shareholders' Equity					Valuation and Translation Adjustments						
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities, net of taxes	Unrealized gains(losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total valuation and translation adjustments	Share Subscripti on rights	Minority interests	Total net assets
Shareholders' equity at March 31, 2006 as previously reported	¥54,685	¥59,954	¥192,297	¥(40)	¥306,896	¥71,117	¥ —	¥14	¥71,131	¥ —	¥ —	¥378,027
Reclassification due to adoption of new accounting standards for presentation of net assets in the balance sheet at April 1, 2006										600	1,659	2,259
Balance at April 1, 2006	¥54,685	¥59,954	¥192,297	¥(40)	¥306,896	¥71,117	¥ —	¥14	¥71,131	¥600	¥1,659	¥380,286
Issuance of common stock and exercising stock option	172	172			344							344
Cash dividends paid			(3,232)		(3,232)							(3,232)
Bonuses to directors and statutory auditors			(274)		(274)							(274)
Net income			13,299		13,299							13,299
Acquisition of treasury stock				(23)	(23)							(23)
Increase from the expanded scope of consolidated subsidiaries			5		5							5
Net changes during the year						(5,963)	701	3	(5,259)	(600)	752	(5,107)
Balance at March 31, 2007	¥54,857	¥60,126	¥202,095	¥(63)	¥ 317,015	¥65,154	¥701	¥17	¥65,872	¥ —	¥2,411	¥385,298

The accompanying notes are an integral part of these statements.

Thousands of U.S. dollars (Note 1)

	Shareholders' Equity					Valuation and Translation Adjustments					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities, net of taxes	Unrealized gains(losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2008	$559,493	$613,122	$2,216,146	$(804)	$3,387,957	$261,091	$(4,245)	$(743)	$256,103	$ 24,636	$3,668,696
Issuance of common stock and exercising stock option	285	285			570						570
Cash dividends paid			(38,766)		(38,766)						(38,766)
Net income			16,848		16,848						16,848
Acquisition of treasury stock				(81)	(81)						(81)
Net changes during the year						(250,290)	835	(112)	(249,567)	86,277	(163,290)
Balance at March 31, 2009	**$559,778**	**$613,407**	**$2,194,228**	**$(885)**	**$3,366,528**	**$ 10,801**	**$(3,410)**	**$(855)**	**$ 6,536**	**$110,913**	**$3,483,977**

Consolidated Statements of Cash Flows

TOKYO BROADCASTING SYSTEM HOLDINGS, INC. and Consolidated Subsidiaries
Years ended March 31, 2009, 2008 and 2007

	Millions of Yen			Thousands of U.S.dollars (Note 1)
	2009	2008	2007	2009
Cash flows from operating activities:				
Income before income taxes and minority interests	¥8,678	¥33,033	¥23,810	$ 88,344
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation	20,045	14,646	14,699	204,062
Amortization of good will	1,204	—	—	12,257
Amortization of long-term prepaid expenses	785	711	786	7,991
Impairment loss on fixed assets	118	—	6	1,201
Loss on devaluation of investment securities	10,502	4,226	185	106,912
Retirement and severance benefit expenses	778	413	94	7,920
Increase(Decrease) in allowance for doubtful accounts	(13)	(111)	25	(132)
Interest and dividend income	(3,059)	(3,244)	(2,153)	(31,141)
Interest expense	1,300	834	635	13,234
Equity in loss(earnings) of affiliates	(167)	91	706	(1,700)
Loss(Gain) on sale of investment securities	416	(14,670)	(169)	4,235
Loss on disposal of fixed assets	507	497	826	5,161
Decrease in notes and accounts receivable– trade	3,099	4,811	25,195	31,548
Decrease in inventories	1,316	1,529	665	13,397
(Increase) Decrease in notes and accounts payable–trade	1,511	(1,143)	750	15,383
Others, net	(2,940)	(14,908)	(6,566)	(29,929)
Subtotal	44,080	26,715	59,494	448,743
Interest and dividends received	2,984	3,248	2,113	30,377
Interest paid	(1,266)	(830)	(446)	(12,888)
Income taxes paid	(9,391)	(7,958)	(10,275)	(95,602)
Net cash provided by operating activities	36,407	21,175	50,886	370,630

The accompanying notes are an integral part of these statements.

	Millions of Yen			Thousands of U.S.dollars (Note 1)
	2009	2008	2007	2009
Cash flows from investing activities:				
Proceeds from sales (Payment for purchase) of marketable securities, net	¥ 84	¥ 9	¥ —	$ 855
Payment for purchase of property and equipment	(30,952)	(32,935)	(23,061)	(315,097)
Proceeds from sales of property and equipment	88	35	86	896
Payment for purchase of intangible assets	(2,035)	(1,627)	(1,544)	(20,717)
Payment for purchase of investments in securities	(6,197)	(27,605)	(32,474)	(63,087)
Proceeds from sale of investments in securities	314	21,787	1,230	3,197
Payment for purchase of investments in subsidiaries	(20,356)	—	—	(207,227)
Increase in deposits from tenants	269	13,168	—	2,738
Decrease in deposits from tenants	(1,481)	113	12	(15,077)
Others, net	183	43	208	1,863
Net cash used in investing activities	(60,083)	(27,012)	(55,543)	(611,656)
Cash flows from financing activities:				
Proceeds from short-term borrowings	49,857	1,104	421	507,554
Repayment of short-term borrowings	(49,481)	(637)	(2,104)	(503,726)
Proceeds from long-term borrowings	63,750	—	—	648,987
Repayment of long-term borrowings	(17,750)	(10,040)	(72)	(180,698)
Proceeds from issuance of bonds	—	—	29,834	—
Redemption of bonds	—	—	(10,000)	—
Payment for purchase of treasury stock	(8)	(16)	(24)	(81)
Proceeds from Issuance of common stock	56	203	344	570
Dividends paid	(3,806)	(3,496)	(3,232)	(38,746)
Dividends paid to minority shareholders	(83)	(92)	(76)	(845)
Others, net	(42)	—	(600)	(428)
Net cash provided by (used in) financing activities	42,493	(12,974)	14,491	432,587
Effect of exchange rate change on cash and cash equivalents	(11)	(291)	6	(112)
Net increase (decrease) in cash and cash equivalents	18,806	(19,102)	9,840	191,449
Cash and cash equivalents at beginning of year	29,765	48,867	38,767	303,013
Cash and cash equivalents of newly consolidated subsidiaries	—	—	260	—
Cash and cash equivalents at end of year (Note 3)	¥48,571	¥29,765	¥48,867	$ 494,462

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements
TOKYO BROADCASTING SYSTEM HOLDINGS, INC. and Consolidated Subsidiaries

1. Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements of TOKYO BROADCASTING SYSTEM HOLDINGS, INC. (the "Company") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accounts of overseas subsidiary are based on its accounting records maintained in conformity with generally accepted accounting principles prevailing in the country of domicile. The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2009, which was ¥98.23 to U.S. $1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation

Consolidation

The consolidated financial statements include the accounts of the Company and its significant subsidiaries which are controlled by the Company through substantial ownership of more than 50% of the voting rights or through ownership of 40-50% of the voting rights and the existence of certain conditions evidencing control by the Company of the decision-making body of such companies. Material inter-company balances, transactions and profits have been eliminated in consolidation.

The number of the consolidated subsidiaries for the year ended March 31, 2009, 2008 and 2007 was 34, 29 and 30, respectively. The number of the unconsolidated subsidiaries for the year ended March 31, 2009, 2008 and 2007 was 26, 23 and 21, respectively. The total assets, net sales, net income and retained earnings of the unconsolidated subsidiaries were not material to the consolidated financial statements.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are recorded at the fair value at the time the Company acquired control of the respective subsidiaries. The amount of the difference between the cost of investment in consolidated subsidiaries and the underlying net equity at the acquisition dates based on the fair value (hereafter, "goodwill") is amortized over a period of twenty years on a straight-line basis.

Due to new acquisition, StylingLife Holdings Inc. and its 5 subsidiaries (PLAZASTYLE CORPORATION, LightUp Shopping Club Inc., B&C Laboratories Inc, CP Cosmetics Inc., Maxim's de Paris Corporation) became consolidated subsidiaries.

TRC, INC. was merged into TBS SUN WORK, INC. on January 1, 2009.

The accounts of the consolidated subsidiaries are included on the basis of their respective fiscal years, which ended mainly on March 31. Significant transactions made after the respective fiscal year-end other than March 31 are adjusted for consolidation as necessary.

Equity method

Investments in unconsolidated subsidiaries and certain companies where the Company has 20% or more of the voting rights, or has more than 15% of the voting rights and has the ability to significantly influence their financial, operational or business policies are accounted for using the equity method. The number of companies accounted for under the equity method was 5, 4, 4 for 2009, 2008 and 2007, respectively.

Due to new acquisition, B&C Laboratories Inc's affiliate (RG MARKETING CO.LTD) became an affiliate of the company.

Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

On March 17, 2006, the Accounting Standards Board of Japan issued Practical Issues Task Force No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" ("PITF No.18"). PITF No.18 requires that accounting policies and procedures applied by a parent company and its subsidiaries to similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. PITF No. 18, however, as a tentative measure, allows a parent company to prepare consolidated financial statements using foreign subsidiaries' financial statements prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles. In this case, adjustments for the following six items are required in the consolidation process so that their impacts on net income are accounted for in accordance with Japanese GAAP unless the impact is not material.

(a) Goodwill not subject to amortization
(b) Actuarial gains and losses of defined-benefit retirement plans recognized outside profit or loss
(c) Capitalized expenditures for research and development activities
(d) Fair value measurement of investment properties, and revaluation of property, plant and equipment and intangible assets
(e) Retrospective treatment of a change in accounting policies
(f) Accounting for net income attributable to minority interests

The adoption of the New Accounting Standards had no impacts on operating income and income before taxes and minority interests for the year ended March 31, 2009.

(b) Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the balance sheet date, and the translation gains and losses are charged to income.

Balance sheets and statements of income of the consolidated overseas subsidiary are translated into Japanese yen at the year-end rate except for net assets accounts, which are translated at the historical rates.

(c) Marketable securities and investments in securities

The Company and its consolidated subsidiaries assess the intent of holding each security and classify those securities as (a) securities held for trading purposes (hereafter, "trading securities"), (b) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies and (d) for all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities").

The Company and its subsidiaries do not have trading securities and held-to-maturity debt securities. Equity securities issued by subsidiaries and affiliates which are not consolidated or accounted for using the equity method are stated at cost based on the moving average method. Available-for-sale securities with available fair market value are required to be stated at fair market value as of each balance sheet date. Unrealized gains and losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. The cost of securities sold is determined by the moving average method.

(d) Inventories

Inventories are stated at cost determined principally by the following methods :

Program production expenses and work in process	The specific identification method.
Merchandise and finished goods Raw materials and supplies	Moving average method or total average method.

Effective April 1, 2008, the Company and consolidated domestic subsidiaries adopted a new accounting standard for measurement of inventories and stated the inventories at the lower of weighted-average cost or net realizable value at March 31, 2009.

(Change in accounting policy)
On July 5, 2006, the Accounting Standards Board of Japan issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories" . The new accounting standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net realizable value, which is defined as selling price less estimated additional manufacturing costs and estimated direct selling expenses.

The adoption of the new accounting standard had no material effects on the consolidated financial statements for the year ended March 31, 2009.

(e) Property and equipment

Property and equipment are stated at cost. Depreciation of property and equipment is computed by the declining-balance method at rates based on the estimated useful lives of assets except that depreciation of buildings is computed mainly by the straight-line method. The range of useful lives is 7 to 50 years for buildings and structures, and 5 to 8 years for Machinery, equipment and vehicles.

Property and equipment capitalized under finance lease arrangements are depreciated over the lease term of the respective assets.

(Change in accounting policy)
The Company and its domestic subsidiaries have changed the depreciation method following the revised corporation tax law from the year ended March 31, 2008 regarding property and equipment acquired on and after April 1, 2007.

As a result in the year ended March 31, 2008, operating income, income before income taxes and net income have decreased by ¥378 million (US$ 3,773 thousand), ¥378 million (US$ 3,773 thousand) and ¥224 million(US$ 2,236 thousand) , respectively.

(Additional information)
The assets acquired before March 31, 2007 were depreciated to the residual value, which is 5% of the acquisition cost under the pre-revised corporation tax law. Following the revised corporation tax law, when the assets are depreciated to the residual value based on the pre-revised corporation tax law, the residual value is equally depreciated over five years of period.

As a result in the year ended March 31, 2008, operating income, income before income taxes and net income have decreased by ¥403 million (US$ 4,022 thousand), ¥403 million (US$ 4,022 thousand) and ¥239 million(US$ 2,385 thousand) , respectively.

(f) Intangible assets

Amortization of intangible assets is computed by the straight-line method at rates based on the estimated useful lives.

(Software costs)
Amortization of the software for internal use is computed by the straight-line method at rates based on the estimated useful lives (five years).

(Goodwill)
Amortization of the goodwill is computed by the straight-line method over twenty years.

(g) Long-term prepaid expenses

Amortization of long-term prepaid expenses is computed by the straight-line method.

(h) Impairment of fixed assets

Effective from the year ended March 31, 2006, the Company and its consolidated domestic subsidiaries adopted the new accounting standard for impairment of fixed Assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the implementation guidance for the accounting standard for impairment of fixed assets (the Financial Accounting Standard Implementation Guidance No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003).

(i) Allowance for doubtful accounts

The Company provides allowance for doubtful accounts for probable collection losses by applying the actual rate of bad debt losses experienced in the past reference period for normal receivables and by individual assessment of collectibility for other accounts receivable.

(j) Allowance for bonuses to directors and statutory auditors

Allowance for bonuses to directors and statutory auditors is provided for at the necessary amounts based on the estimated amounts payable at the end of current fiscal year.

The Company and its consolidated domestic subsidiaries adopted the Accounting Standard for Directors' Bonus (Accounting Standard Board of Japan Statement No.4 issued by Accounting Standard Board of Japan on November 29, 2005) from the year ended March 31, 2007. The standard is to be applied for the fiscal year ended on or after May 1, 2006, on which the Corporate Law took effective.

(k) Allowance for retirement and severance benefits

(1) Employees' retirement and severance benefits

The Company and its consolidated domestic subsidiaries provide defined benefit plans, which are the tax-qualified pension plans, the lump-sum indemnities plans, the welfare pension fund plans, the corporate pension plans and also provide defined contribution plans, which are the defined contribution pension plans and the prepaid retirement allowance plans. Extra payments may be added upon retirement of employees.

The liabilities and expenses for retirement and severance benefits are determined based on the amounts actuarially calculated using certain assumptions.

Actuarial differences are recognized as an expense in equal amounts from 1 year to 11 years, and prior service costs are recognized as an expense in equal amounts from 10 years to 11 years.

(2) Directors' retirement and severance benefits

The Company's 25 consolidated subsidiaries resolved and terminated the plan of the allowance for directors' retirement and severance benefits at the shareholder's meetings. Accordingly, the allowance for directors' retirement and severance benefits for the subsidiaries in an amount of ¥558 million was recorded as other long-term liabilities as of March 31, 2006.

(l) Leases

The Company and consolidated domestic subsidiaries account for finance leases commencing prior to April 1, 2008 which do not transfer the ownership of the leased property to the lessee as operating leases with disclosures of certain "as if capitalized" information.

As discussed in Note 11, the Company and consolidated domestic subsidiaries adopted a new accounting standards and capitalized finance leases which commenced after March 31, 2008, except for certain immaterial or short-term finance leases, which are accounted for as operating leases.

(Change in accounting policy)

Prior to April 1, 2008, the Company and consolidated domestic subsidiaries accounted for finance leases which do not transfer the ownership of the leased property to the lessee as operating leases with disclosure of certain "as if capitalized" information in the notes to the consolidated financial statements.

On March 30, 2007, the Accounting Standards Board of Japan issued Statement No.13, "Accounting Standard for Lease Transactions" and Guidance No.16, "Guidance on Accounting Standard for Lease Transactions". The new accounting standards require that all finance leasing transactions be capitalized.

Effective April 1, 2008, the Company and consolidated domestic subsidiaries adopted the new accounting standards for finance leases commencing after March 31, 2008 and capitalized assets used under such leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases. As permitted, finance leases which commenced prior to April 1, 2008 and have been accounted for as operating leases, continue to be accounted for as operating leases with disclosure of certain "as if capitalized" information.

The adoption of the new accounting standard had no material effects on the consolidated financial statements for the year ended March 31, 2009.

(m) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred income taxes for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

(n) Derivative transaction and hedge accounting

The Company and its consolidated subsidiaries utilize forward foreign exchange contracts, interest rate swap agreements and securities price exchange contracts as derivative transactions, in order to hedge foreign currency risks, interest rate risks and securities price risks arising from normal business transactions.

Derivative instruments are stated at fair value. Changes in the fair values are recognized as gains or loss unless derivative transactions are used for hedging purposes.

If derivative transactions are used as hedges and meet certain hedging criteria, the Company and its consolidated subsidiaries defer recognition of gains or losses resulting from changes in fair value of derivative transactions until the related losses or gains on the hedged items are recognized.

(o) Accounting Standard for Presentation of Net Assets in the Balance Sheet

Effective from the year ended March 31, 2007, the Company and its consolidated domestic subsidiaries adopted the new accounting standard, "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Statement No.5 issued by the Accounting Standards Board of Japan on December 9, 2005), and the implementation guidance for the accounting standard for presentation of net assets in the balance sheet (the Financial Accounting Standard Implementation Guidance No. 8 issued by the Accounting Standards Board of Japan on December 9, 2005), (collectively, "the New Accounting Standards").

Under the New Accounting Standards, the net assets section includes unrealized gains on hedging derivatives, net of taxes. Under the previous presentation rules, unrealized gains on hedging derivatives were included in the assets or liabilities section without considering the related income tax effects. Under the New Accounting Standards, share subscription rights and minority interests are included in the net assets section. Under the previous presentation rules, companies were required to present share subscription rights and minority interests in the liabilities section and between the long-term liabilities and the shareholders' equity sections, respectively.

(p) Accounting Standard for Statement of Changes in Net Assets

Effective from the year ended March 31, 2008, the Company and its consolidated domestic subsidiaries adopted the new accounting standard, "Accounting Standard for Statement of Changes in Net Assets" (Statement No.6 issued by the Accounting Standards Board of Japan on December 27, 2005), and the implementation guidance for the accounting standard for statement of changes in net assets (the Financial Accounting Standard Implementation Guidance No. 9 issued by the Accounting Standards Board of Japan on December 27, 2005), (collectively, "the Additional New Accounting Standards").

(q) Per share information

Net income per share is computed based on the weighted-average number of shares of common stock outstanding during each year. Dividends per share have been presented on an accrual basis and include dividends approved or to be approved after March 31 but applicable to the year then ended.

(r) Statement of cash flows

In preparing the consolidated statement of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

(s) Reclassification

Certain prior period amounts in the consolidated financial statements have been reclassified to conform to the March 31, 2009 presentation. These reclassifications had no effect on the Company's consolidated net income or net assets.

(t) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2009, 2008 and 2007 were as follows:

	Millions of Yen			Thousands of U.S.dollars (Note 1)
	2009	2008	2007	**2009**
Cash on hand and in banks	**¥48,862**	¥ 30,045	¥ 48,947	**$ 497,424**
Time deposits with the original maturity over three months	**(291)**	(280)	(80)	**(2,962)**
Cash and cash equivalents	**¥48,571**	¥ 29,765	¥ 48,867	**$ 494,462**

4. Statement of Cash Flows

A consolidated subsidiary (Yokohama Baystars, Inc.) merged with Baystars-soft, Inc. on July 1, 2006. The assets and the liabilities taken over by Yokohama Baystars, Inc. through the merger were summarized as follows:

	Millions of Yen
Current assets	¥ 335
Investment and other assets	1
Total assets	336
Current liabilities	188
Long-term liabilities	2
Total liabilities	¥ 190

StylingLife Holdings Inc. and its subsidiaries were newly included in the scope of consolidation as a result of purchase of its shares during the year ended March 31, 2009. The following table represents assets and liabilities at the date of the purchase and the relationship between cost and net payment from the purchase of its shares.

	Millions of Yen	Thousands of U.S.dollars (Note 1)
Current assets	¥ 20,479	$ 208,480
Investment and other assets	26,542	270,202
Goodwill	13,207	134,450
Current liabilities	(12,116)	(123,343)
Long-term liabilities	(18,773)	(191,113)
Minority interests	(7,905)	(80,474)
Acquisition cost of shares	¥ 21,434	$ 218,202
Cash and cash equivalents held by the newly consolidated subsidiaries	(1,078)	(10,975)
Payment from purchase of the newly consolidated subsidiaries, net	¥ 20,356	$ 207,227

5. Inventories

Inventories at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 1)
	2009	2008	**2009**
Program rights	¥ —	¥ 8,287	$ —
Real property held for sale and other	—	263	—
Program production expenses and work in process	7,782	—	79,223
Merchandise and finished goods	6,755	—	68,767
Raw materials and supplies	1,011	—	10,292
Total	¥ 15,548	¥ 8,550	$ 158,282

Program rights represent the costs incurred in connection with the production of programming or the purchase of rights to programs that are available to be broadcast in the future.

Program production expenses and work in process represent the costs incurred in connection with the production of programming, the purchase of rights to programs that are available to be broadcast in the future or the production of cosmetics.

6. Pledged Assets

As of March 31, 2008 and 2009, the following asset was pledged as collateral for bank loans for other parties.

	Millions of Yen		Thousands of U.S.dollars (Note 1)
	2009	2008	**2009**
Securities	¥ 1,058	¥ 1,058	$ 10,771
Total	¥ 1,058	¥ 1,058	$ 10,771

7. Short-term Borrowings and Long-term Debt

Short-term borrowings represent 365-day notes issued to banks with the average interest rate of 0.38% at March 31, 2009 and 2008.
Long-term debt at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 1)
	2009	2008	**2009**
1.67% unsecured bonds due 2011	¥ 20,000	¥ 20,000	$ 203,604
2.26% unsecured bonds due 2016	10,000	10,000	101,802
Long-term borrowings from banks	83,250	20,000	847,500
	113,250	50,000	1,152,906
Less current portion	(21,250)	—	(216,329)
Total	¥ 92,000	¥ 50,000	$ 936,577

At March 31, 2009, maturity dates for long-term borrowings (excluding current portion) with the average interest rate of 1.24% per annum (excluding current portion) ranged from November 2008 to December 2018.

The annual maturities of long-term debt (including bonds and long-term borrowings) are as follows:

Year ending March 31	Millions of Yen	Thousands of U.S.dollars (Note 1)
2010	¥ 21,250	$ 216,329
2011	1,500	15,270
2012	21,750	221,419
2013	11,750	119,617
2014 and thereafter	57,000	580,271
Total	¥113,250	$1,152,906

8. Income Taxes

Significant components of the deferred income taxes of the Company at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S.dollars (Note 1)
	2009	2008	**2009**
Excess allowance for retirement and severance benefits for employees	¥ 5,002	3,862	$ 50,921
Accrued expense due to change in retirement benefit plans	—	1,534	—
Excess accrued bonuses	1,780	1,637	18,121
Enterprise taxes	235	684	2,393
Long-term accounts payable	—	254	—
Devaluation of investments in securities	838	1,216	8,531
Loss on program rights	430	468	4,377
Unrealized gain on available-for-sale securities	(1,327)	(17,923)	(13,509)
Amortization of long-term prepaid expenses	2,449	2,450	24,931
Other	7,237	2,039	73,674
Less valuation allowance	(6,404)	(2,450)	(65,194)
Deferred tax assets(liabilities), net	¥ 10,240	¥ (6,229)	$ 104,245

Reconciliation of the differences between the statutory tax rate and the effective tax rate for the years ended March 31, 2009 was as follows:

	2009
Statutory tax rate	40.69%
Increase in taxes resulting from:	
Amortization of goodwill	4.86
Change in valuation allowance	23.85
Other	4.00
Effective tax rate	73.40%

Reconciliation of the difference between the statutory tax rate and the effective tax rate for the year ended March 31, 2008 has been omitted because the difference between effective tax rate and statutory tax rate was not material.

9. Net Assets

Net assets comprises three subsections, which are the shareholders' equity, valuation and translation adjustments and minority interests. The Japanese Corporate Law ("the Law") became effective on May 1, 2006, replacing the Japanese Commercial Code ("the Code"). The Law is generally applicable to events and transactions occurring after April 30, 2006 and for fiscal years ending after that date.

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in-capital and legal earnings reserve must be set aside as additional paid-in-capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Code, companies were required to set aside an amount equal to at least 10% of the aggregate amount of cash dividends and other cash appropriations as legal earnings reserve until the total of legal earnings reserve and additional paid-in capital equaled 25% of common stock.

Under the Code, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting or could be capitalized by a resolution of the Board of Directors. Under the Law, both of these appropriations generally require a resolution of the shareholders' meeting.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Code, however, on condition that the total amount of legal earnings reserve and additional paid-in capital remained equal to or exceeded 25% of common stock, they were available for distribution by resolution of the shareholders' meeting. Under the Law, all additional paid-in-capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the annual shareholders' meeting held on June 26, 2009, the shareholders approved cash dividends amounting to ¥381 million ($3,879 thousand). Such appropriations have not been accrued in the consolidated financial statements as of March 31, 2009, and are recognized in the period in which they are approved by the shareholders.

10. Employees' Retirement and Severance Benefits

The liabilities for retirement and severance benefits included in the consolidated balance sheets as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S.dollars (Note 1)
	2009	2008	**2009**
Projected benefit obligation	**¥20,424**	¥12,583	**$ 207,920**
Less: Fair value of plan assets	**(6,720)**	(2,869)	**(68,411)**
Unfunded obligation	**13,704**	9,714	**139,509**
Unrecognized actuarial differences	**(1,495)**	(7)	**(15,219)**
Unrecognized transition obligation	**278**	—	**2,830**
Liability for retirement and severance benefits	**¥12,487**	¥ 9,707	**$ 127,120**

Since the Company revised the retirement benefits plans on April 1, 2005, the assets have been transferred to the defined contribution pension plans and the prepaid retirement allowance plans over a period of four years.
The amounts which have not been transferred by the year ended March 31, 2008 were ¥3,769 million, and were included in Accounts payable -other.

Included in the consolidated statements of income for each of the three years ended March 31, 2009 were retirement and severance benefit expenses comprised of the following:

	Millions of Yen			Thousands of U.S.dollars (Note 1)
	2009	2008	2007	**2009**
Service costs-benefits earned during the year	**¥1,487**	¥1,068	¥ 797	**$ 15,138**
Interest cost on projected benefit obligation	**297**	177	178	**3,023**
Expected return on plan assets	**(135)**	—	—	**(1,374)**
Amortization of actuarial differences	**63**	(141)	137	**641**
Amortization of prior service costs	**(33)**	—	—	**(336)**
Costs of defined contribution plans and advanced retirement allowance plans	**775**	727	665	**7,890**
Retirement and severance benefit expenses	**¥2,454**	¥1,831	¥1,777	**$ 24,982**

The discount rate used by the Company is 2.25 - 2.30% as of March 31, 2009 and 2.25% as of March 31, 2008, and 2007. The rate of expected return on plan assets used by the Company is 4.0% as of March 31, 2009. The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year based on the estimated number of total service years.

11. Leases

Finance Leases
Finance leases, excluding those leases for which the ownership of the leased assets is considered to be transferred to the lessee, as of and for the year ended
March 31, 2008 was as follows:

(1) As if capitalized amounts of purchase price, accumulated depreciation and book value of leased assets:

	Millions of Yen
	2008
Purchase price:	
Buildings	¥ —
Machinery	1,502
Equipment	1,323
	¥ 2,825
Accumulated depreciation:	
Buildings	¥ —
Machinery	1,026
Equipment	717
	¥ 1,743
Book value:	
Buildings	¥ —
Machinery	475
Equipment	607
	¥ 1,082

(2) Lease commitments (including interest portion):

	Millions of Yen
	2008
Due within one year	¥ 491
Due after one year	591
Total	¥ 1,082

(3) Lease expenses and depreciation equivalents:

	Millions of Yen	
	2008	2007
Lease expenses	821	1,389
Depreciation equivalents	821	1,389

Depreciation equivalents are computed by the straight-line method over the lease terms with no residual value.
Data for the year ended March 31, 2009, has been omitted because amounts were not material.

Operating Lease
Future rental revenue under operating leases at March 31, 2009 and 2008 were as follows:
(Lessee lease)

	Millions of Yen		Thousands of U.S.dollars (Note 1)
	2009	2008	**2009**
Due within one year	**¥ 8,098**	¥ 4,000	**$ 82,439**
Due after one year	**65,353**	72,000	**665,306**
Total	**¥73,451**	¥76,000	**$747,745**

(Lessor lease)

	Millions of Yen		Thousands of U.S.dollars (Note 1)
	2009	2008	**2009**
Due within one year	**¥ 636**	¥ —	**$ 6,475**
Due after one year	**150**	—	**1,527**
Total	**¥ 786**	¥ —	**$ 8,002**

12. Securities

The following tables summarize acquisition costs, book values and fair value of securities with available fair market values as of March 31, 2009:

(1) Securities with book values exceeding acquisition costs

	Millions of Yen			Thousands of U.S.dollars (Note 1)		
Type	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Available-for-sale securities with available fair market values:						
Equity securities	**¥ 2,173**	**¥37,670**	**¥35,497**	**$ 22,122**	**$383,488**	**$361,366**
Debt securities	**—**	**—**	**—**	**—**	**—**	**—**
Other securities	**—**	**—**	**—**	**—**	**—**	**—**
Total	**¥ 2,173**	**¥37,670**	**¥35,497**	**$ 22,122**	**$383,488**	**$361,366**

(2) Other securities

	Millions of Yen			Thousands of U.S.dollars (Note 1)		
Type	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Available-for-sale securities with available fair market values:						
Equity securities	**¥94,254**	**¥61,673**	**¥(32,581)**	**$959,524**	**$627,843**	**$(331,681)**
Debt securities	**—**	**—**	**—**	**—**	**—**	**—**
Other securities	**356**	**304**	**(52)**	**3,624**	**3,095**	**(529)**
Total	**¥94,610**	**¥61,977**	**¥(32,633)**	**$963,148**	**$630,938**	**$(332,210)**

Total sales of available-for-sale securities during the year ended March 31, 2009 amounted to ¥314 million ($3,197 thousand) and the related losses to ¥416 million ($4,235 thousand).

The following table summarizes book values of securities with no available fair market values as of March 31, 2009:

	Millions of Yen	Thousands of U.S.dollars (Note 1)
Non-listed equity securities	**¥ 6,981**	**$ 71,068**
Available-for-sale securities	**30,248**	**307,930**
Total	**¥37,229**	**$378,998**

The following tables summarize acquisition costs, book values and fair value of securities with available fair market values as of March 31, 2008:

(1) Securities with book values exceeding acquisition costs

	Millions of Yen		
Type	Acquisition cost	Book value	Difference
Available-for-sale securities with available fair market values:			
Equity securities	¥26,183	¥88,700	¥62,517
Debt securities	—	—	—
Other securities	—	—	
Total	¥26,183	¥88,700	¥62,517

(2) Other securities

	Millions of Yen		
Type	Acquisition cost	Book value	Difference
Available-for-sale securities with available fair market values:			
Equity securities	¥78,615	¥60,436	(18,179)
Debt securities	—	—	
Other securities	451	382	(69)
Total	¥79,066	¥60,818	(18,248)

Total sales of available-for-sale securities during the year ended March 31, 2008 amounted to ¥21,259 million and the related gains to ¥14,194 million.

The following table summarizes book values of securities with no available fair market values as of March 31, 2008:

	Millions of Yen
Non-listed equity securities	¥ 6,659
Available-for-sale securities	27,121
Total	¥33,780

13. Research and Development Expenses

Research and development expenses are included in both cost of sales and selling, general and administrative expenses. Research and development expenses for the years ended March 31, 2009, 2008 and 2007 were ¥423 million ($4,306 thousand), ¥275 million and ¥340 million, respectively.

14. Related Party Transactions

Some of the Company's directors and statutory auditors (collectively, "the said directors") served as a representative director of other parties ("the said parties"). In this connection, the transactions between the Company and the said parties have been recognized as related party transactions in Japan. All of the following related party transactions were entered into by the said directors on behalf of the said parties and were consummated at arm's length.

The summary of related party transactions for each of the three years ended March 31, 2009 was as follows:

	Millions of Yen			Thousands of U.S.dollars (Note 1)
Description of transactions (Nature of related parties)	**2009**	2008	2007	**2009**
Revenues:				
a) Directors				
Sales of advertising time (from certain broadcasting stations, an advertising agency and a newspaper publishing company)	**¥103,212**	¥117,601	¥120,464	**$1,050,718**
Room rent (from some associations)		1	3	
b) Affiliated company				
Production fee	**—**	1,489	1,731	**—**
Expenses:				
a) Directors				
Dealing commission (to an advertising agency)	**—**	26,476	25,033	**—**
Network compensation (to certain broadcasting stations)	**—**	2,950	3,140	**—**
Advertisement in the paper (to a certain newspaper publishing company)	**—**	27	46	**—**
Donation (to a certain entity)	**—**	—	30	**—**
Commission expense (to a real estate agency)	**—**	6	—	**—**
b) Affiliates				
Program purchase expense	**—**	636	566	**—**
Interest expense	**—**	7	3	**—**
Others:				
a) Affiliates				
Repayment of short-term borrowings, net	**—**	(467)	1,683	**—**

	Millions of Yen		Thousands of U.S.dollars (Note 1)
Description of receivables and payables (Nature of related parties)	**2009**	2008	**2009**
Receivable pertaining to:			
a) Directors			
Sales of advertising time (from certain broadcasting stations, an advertising agency and a newspaper publishing company)	**¥8,849**	¥ 9,841	**$ 90,084**
Room rent (from some associations)			
b) Affiliates			
Production fee (from a broadcasting station)	**—**	165	**—**
Payable pertaining to:	**—**		**—**
a) Directors			
Dealing commission (to an advertising agency)	**—**	1,348	**—**
Network compensation (to certain broadcasting stations)	**—**	804	**—**
Commission expense (to a real estate agency)	**—**	1	**—**
b) Affiliates			
Short-term borrowings	**—**	2,074	**—**
Program purchase expense (to a broadcasting station)	**—**	33	**—**

(Additional Information)
ASBJ Statement No.11, "Accounting Standard for Related Party Disclosures" and ASBJ Guidance No.13, "Guidance on Accounting Standard for Related Party Disclosures" issued by the Accounting Standards Board of Japan on October 17, 2006, require certain additional related party disclosures effective for year beginning on or after April 1, 2008

15. Segment Information

The Company's and its consolidated subsidiaries' businesses are divided into the Broadcasting segment, Multi visual ventures & Cultural Events (MVV&CE) segment, Real estate segment and Other segment. The major business of each segment is as follows:

Segment	Business
Broadcasting	Television and radio broadcasting and related businesses
Multi visual ventures & Cultural Events (MVV&CE)	Planning and production of events and video software, management of a professional baseball club, merchandise retail business, mail order service, production and sale of cosmetics, and eating out and production and sale of cake, etc.
Real estate	Leasing of land and buildings, and related businesses
Others	Research, etc.

Financial information by industry segment for the years ended March 31, 2009, 2008 and 2007 was summarized as follows:

	Millions of Yen						
Year ended March 31, 2009	Broadcasting	MVV&CE	Real estate	Others	Total	Elimination / Headquarters	Consolidated
1. Operating revenues and operating income							
Operating revenues							
(1)Outside customers	¥ 233,279	¥ 121,717	¥ 17,245	¥ 65	¥ 372,306	¥ —	¥ 372,306
(2)Inter-segment	2,328	6,787	5,317	1,158	15,590	(15,590)	—
Total	235,607	128,504	22,562	1,223	387,896	(15,590)	372,306
Operating expenses	237,114	116,401	14,792	1,146	369,453	(15,604)	353,849
Operating income	¥ (1,507)	¥ 12,103	¥ 7,770	¥ 77	¥ 18,443	¥ 14	¥ 18,457
2. Assets, depreciation and capital expenditures							
Assets	¥ 155,821	¥ 106,457	¥ 154,136	¥ 2	¥ 416,416	¥ 140,364	¥ 556,780
Depreciation	¥ 10,578	¥ 5,378	¥ 5,282	¥ 11	¥ 21,249	¥ —	¥ 21,249
Capital expenditures	¥ 8,690	¥ 16,090	¥ 2,192	¥ 9	¥ 26,981	¥ —	¥ 26,981

	Thousands of U.S.dollars (Note 1)						
Year ended March 31, 2009	Broadcasting	MVV&CE	Real estate	Others	Total	Elimination / Headquarters	Consolidated
1. Operating revenues and operating income							
Operating revenues							
(1)Outside customers	$ 2,374,825	$ 1,239,103	$ 175,557	$ 661	$ 3,790,146	$ —	$ 3,790,146
(2)Inter-segment	23,699	69,093	54,128	11,789	158,709	(158,709)	—
Total	2,398,524	1,308,196	229,685	12,450	3,948,855	(158,709)	3,790,146
Operating expenses	2,413,865	1,184,984	150,585	11,667	3,761,101	(158,851)	3,602,250
Operating income	$ (15,341)	$ 123,212	$ 79,100	$ 783	$ 187,754	$ 142	$ 187,896
2. Assets, depreciation and capital expenditures							
Assets	$ 1,586,287	$ 1,083,752	$ 1,569,134	$ 21	$ 4,239,194	$ 1,428,932	$ 5,668,126
Depreciation	$ 107,686	$ 54,749	$ 53,772	$ 112	$ 216,319	$ —	$ 216,319
Capital expenditures	$ 88,466	$ 163,799	$ 22,315	$ 92	$ 274,672	$ —	$ 274,672

Year ended March 31, 2008	Broadcasting	MVV&CE	Real estate	Others	Total	Elimination / Headquarters	Consolidated
	Millions of Yen						
1. Operating revenues and operating income							
Operating revenues							
(1)Outside customers	¥ 255,462	¥ 55,713	¥ 3,816	¥ 184	¥ 315,175	¥ —	¥ 315,175
(2)Inter-segment	2,032	5,736	4,907	1,501	14,176	(14,176)	—
Total	257,494	61,449	8,723	1,685	329,351	(14,176)	315,175
Operating expenses	245,229	53,536	8,299	1,604	308,668	(14,117)	294,551
Operating income	¥ 12,265	¥ 7,913	¥ 424	¥ 81	¥ 20,683	¥ (59)	¥ 20,624
2. Assets, depreciation and capital expenditures							
Assets	¥ 171,232	¥ 49,970	¥ 163,732	¥ 119	¥ 385,053	¥ 152,158	¥ 537,211
Depreciation	¥ 10,448	¥ 1,857	¥ 2,331	¥ 10	¥ 14,646	¥ —	¥ 14,646
Capital expenditures	¥ 7,986	¥ 7,716	¥ 39,307	¥ 12	¥ 55,021	¥ —	¥ 55,021

Year ended March 31, 2007	Broadcasting	MVV&CE	Real estate	Others	Total	Elimination / Headquarters	Consolidated
	Millions of Yen						
1. Operating revenues and operating income							
Operating revenues							
(1)Outside customers	¥ 262,762	¥ 53,181	¥ 2,475	¥ 282	¥ 318,700	¥ —	¥ 318,700
(2)Inter-segment	1,936	7,120	4,919	1,512	15,487	(15,487)	—
Total	264,698	60,301	7,394	1,794	334,187	(15,487)	318,700
Operating expenses	248,792	51,664	6,698	1,710	308,864	(15,492)	293,372
Operating income	¥ 15,906	¥ 8,637	¥ 696	¥ 84	¥ 25,323	¥ 5	¥ 25,328
2. Assets, depreciation and capital expenditures							
Assets	¥ 184,447	¥ 45,226	¥ 133,641	¥ 255	¥ 363,569	¥ 204,153	¥ 567,722
Depreciation	¥ 10,535	¥ 2,462	¥ 1,689	¥ 13	¥ 14,699	¥ —	¥ 14,699
Capital expenditures	¥ 7,556	¥ 380	¥ 17,158	¥ 7	¥ 25,101	¥ —	¥ 25,101

Headquarters assets, consisting primarily of the Company's cash, marketable securities and investments in securities, were included in elimination / headquarters and were ¥142,492 million ($1,450,596 thousand), ¥157,044 million and ¥206,340 million for the years ended March 31, 2009, 2008 and 2007, respectively.

As the sales and assets of the foreign operations of the Company and its consolidated subsidiaries constituted less than 10% of the consolidated totals for each of the three years ended March 31, 2009, the disclosure of geographical segment information has been omitted.

Also, the disclosure of the overseas sales of the Company and its consolidated subsidiaries for each of the three years ended March 31, 2009 was omitted as such sales were less than 10% of the consolidated net sales.

16. Contingent Liabilities

Contingent liabilities at March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S.dollars (Note 1)
	2009	**2009**
Guarantee of bank loans for employees	**¥ 6,235**	**$ 63,473**
Guarantee of bank loans for other parties	**584**	**5,945**
Guarantee of leases obligations for other parties	**1,512**	**15,393**
Guarantee of rental agreement for other parties	**65**	**662**
Total	**¥ 8,396**	**$ 85,473**

The Company has a commitment line provided by co-financing consisted of several correspondent financial institutions for the purpose of securing operating capital. The commitment line amount was ¥102,000 million ($1,038,379 thousand), however, there is no amount of loans as of March 31, 2009.

17. Stock options

Information on stock options existed for the years ended March 31, 2009 and 2008 were as follows:

(1) Content of stock options

	Stock options Granted in 2004	Stock options Granted in 2005
Persons granted	10 directors 8 corporate officers 45 executive employees and 39 directors of subsidiary companies	10 directors 11 corporate officers 37 executive employees and 35 directors of subsidiary companies
Number of shares	common stock 292,000 shares	common stock 296,000 shares
Date of grant	August 30, 2004	August 30, 2005
Vesting conditions	Not stipulated	Not stipulated
Service period	Not stipulated	Not stipulated
Exercise period	July 1, 2006 to June 30, 2008	July 1, 2007 to June 30, 2009

(2) Number and movement of stock options

The number of stock options is convertible into the number of shares.

	Stock options Granted in 2004	Stock options Granted in 2005
Before vesting options(Number of shares)		
Balance at March 31, 2008	—	—
Granted	—	—
Exercised	—	—
Forfeited	—	—
Balance at March 31, 2009	—	—
After vesting options(Number of shares)		
Balance at March 31, 2008	166,000	278,000
Granted	—	—
Exercised	26,000	2,000
Forfeited	140,000	—
Balance at March 31, 2009	—	276,000

(3) Price per share

	Stock options Granted in 2004	Stock options Granted in 2005
Option price(Yen)	1,962	2,145
Weighted-average stock price (Yen)	2,327	2,519
Fair value at grant date (Yen)	—	—

(1) Content of stock options

	Stock options Granted in 2001	Stock options Granted in 2003	Stock options Granted in 2004	Stock options Granted in 2005
Persons granted	9 directors and 65 executive employees	10 directors 9 corporate officers 46 executive employees and 38 directors of subsidiary companies	10 directors 8 corporate officers 45 executive employees and 39 directors of subsidiary companies	10 directors 11 corporate officers 37 executive employees and 35 directors of subsidiary companies
Number of shares	common stock 330,000 shares	common stock 292,000 shares	common stock 292,000 shares	common stock 296,000 shares
Date of grant	August 21, 2001	August 27, 2003	August 30, 2004	August 30, 2005
Vesting conditions	Not stipulated	Not stipulated	Not stipulated	Not stipulated
Service period	Not stipulated	Not stipulated	Not stipulated	Not stipulated
Exercise period	July 1, 2003 to June 30, 2007	July 1, 2005 to June 30, 2007	July 1, 2006 to June 30, 2008	July 1, 2007 to June 30, 2009

(2) Number and movement of stock options

The number of stock options is convertible into the number of shares.

	Stock options Granted in 2001	Stock options Granted in 2003	Stock options Granted in 2004	Stock options Granted in 2005
Before vesting options(Number of shares)				
Balance at March 31, 2007	—	—	—	—
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited	—	—	—	—
Balance at March 31, 2008	—	—	—	—
After vesting options(Number of shares)				
Balance at March 31, 2007	276,000	57,000	196,000	296,000
Granted	—	—	—	—
Exercised	25,000	26,000	30,000	18,000
Forfeited	251,000	31,000	—	—
Balance at March 31, 2008	—	—	166,000	278,000

(3) Price per share

	Stock options Granted in 2001	Stock options Granted in 2003	Stock options Granted in 2004	Stock options Granted in 2005
Option price(Yen)	2,452	1,696	1,962	2,145
Weighted-average stock price (Yen)	3,895	3,868	2,874	2,832
Fair value at grant date (Yen)	—	—	—	—

18. Additional Information

In accordance with the resolution adopted at the extraordinary shareholders' meeting held on December 16, 2008, an absorption-type split was implemented with regard to the Company's TV broadcasting business and cultural business, with TOKYO BROADCASTING SYSTEM TELEVISION, INC., a wholly owned subsidiary of the Company., as the succeeding company, and the Company was converted into a certified broadcast holding company. These changes took effect on April 1, 2009.
In connection with this absorption-type split, Rakuten, Inc., a dissenting shareholder of the Company, and one other shareholder demanded the purchase of their shares in the Company by March 31, 2009 under the provisions of Article 785-1 of the Japanese Corporate Low. Following the receipt of these demands, an attempt was made to negotiate a purchase price. However, these negotiations failed to reach agreement within 30 days of the date on which the changes took effect, and an application was therefore made to the Tokyo District Court for a ruling on the purchase price for the shares. (The total number of shares to be purchased is 37,770,800, which is equivalent to 19.83% of the total number of shares issued by the Company as of March 31, 2009.)

Independent Auditors' Report

To the Board of Directors of
Tokyo Broadcasting System Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of Tokyo Broadcasting System Holdings, Inc. (formerly, Tokyo Broadcasting System, Inc.) and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets and cash flows for each of the three years in the period ended March 31, 2009, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tokyo Broadcasting System Holdings, Inc. and subsidiaries as of March 31, 2009 and 2008, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2009, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to Note 20 to the consolidated financial statements, Tokyo Broadcasting system Holdings, Inc., has demanded the purchase of dissenting shareholder's shares in the Company by March 31, 2009 under the provisions of Article 785-1 of the Japanese Corporate Low and an application was made to the Tokyo District Court for a ruling on the purchase price for the shares.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

Tokyo, Japan
June 26, 2009

Further Information

For further information about TBS's operations, current programs, and more, please see our website at:

http://www.tbsholdings.co.jp/

An interactive version of our Annual Report 2008 and back numbers from 2000 to 2007 can be found at:

http://www.tbsholdings.jp/ir/

if you would like complimentary copies of our latest annual report, please write to our Investor Relations Department at the following address:

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