

# Investor Information

# 2010



**Broadcasting**

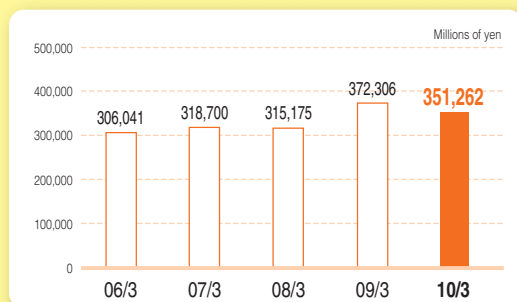
**Multi-Visual Ventures and Cultural Events**

**Real Estate**

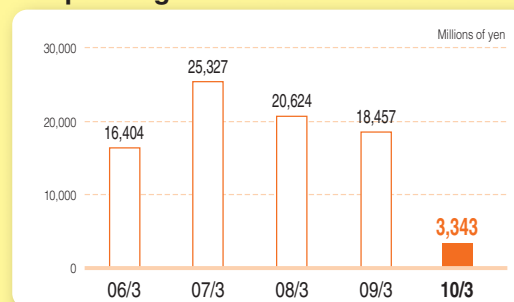
**Others**

# Financial Highlights

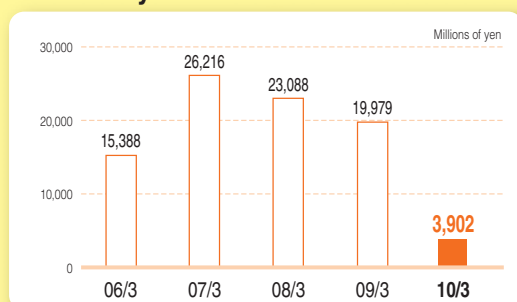
## Net Sales



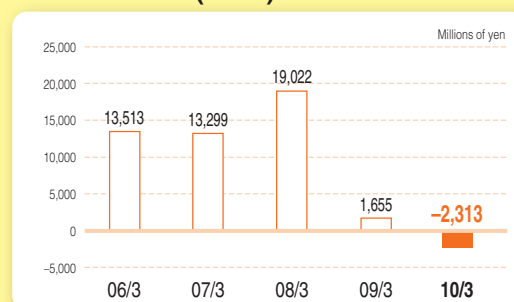
## Operating Income



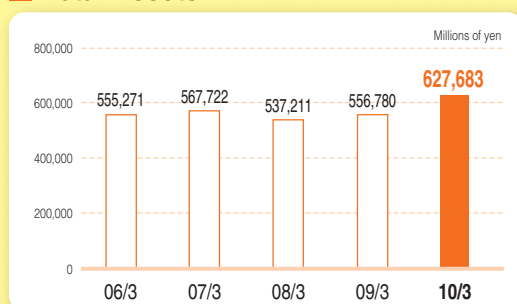
## Ordinary Income



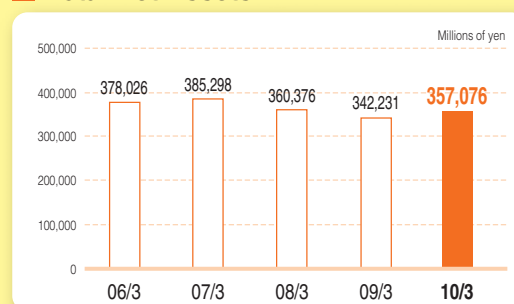
## Net Income (Loss)



## Total Assets



## Total Net Assets



## Contents

1	To Our Stakeholders	10	Consolidated Financial Statements
2	The Group Management Plan 2014	14	Major Indices
3	At a Glance	16	Segment Information
4	Organization	17	TBS Television
5	Corporate Data	20	Financial Data of Major Group Companies
6	Business Report		

### Financial Figures

The financial figures used in this report are those used in the Japanese “Tanshin,” which has been created in accordance with the provisions set forth in the Japanese Securities and Exchange Law. Thus, all figures have been rounded down to the nearest million yen.

### Forward-Looking Statements

This report contains forward-looking statements based on management’s assumptions and beliefs in light of the information currently available. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in this report. Such risks include, but are not limited to, market trends, economic conditions and changes in industry regulations.

## To Our Stakeholders



*Tokyo Broadcasting System Holdings, Inc. / Tokyo Broadcasting System Television, Inc. / Chairman, **Hiroshi Inoue** (center)  
Tokyo Broadcasting System Holdings, Inc. / President, **Keizo Zaitu** (left)  
Tokyo Broadcasting System Television, Inc. / President, **Toshichika Ishihara** (right)*

Next spring, Tokyo Broadcasting System, Inc. (“TBS”) will celebrate the 60th anniversary of its founding. In the spring of 2009, TBS, the oldest privately owned broadcasting company in Japan, reinvented itself as an authorized broadcast holding company, as established under the Broadcast Act, to consolidate the overall strength of the Group. We also changed our corporate name to Tokyo Broadcasting System Holdings, Inc. (“TBS Holdings”)

The core of this group is Tokyo Broadcasting System Television, Inc. (“TBS Television”), which is the successor to our Television Broadcast Business and Multi-Visual Ventures and Cultural Events. The new TBS Television is heir to a history and tradition handed down over the past 60 years and aims to build upon this heritage by producing programs and content that resonate with our viewers and by providing them with the news and information that they need in their everyday lives.

In anticipation of our 60th anniversary, we began producing even more appealing programs in the spring of 2010, basing them on the two pillars of our television business, entertainment and news, while taking care to respect and preserve those qualities that have typified our programming over the years and won the hearts of our viewers and listeners. We’re calling this new set of programs “The TBS 6 Change” because of the exciting and intriguing changes that you can expect from TBS Television, Channel 6.

# The Group Management Plan 2014

The Company and the Group will continue to use television and radio broadcasting to serve the public's right to access information, and to provide quality entertainment that will appeal to a wide range of audiences. At the same time, to make further progress as a leading company in the digital content business, the Company announced "V! up Plan" in 2006 as a medium-term management plan of the Group and has been working since on the implementation of the plan. For the Group to achieve sustainable growth by responding flexibly to the drastic changes in the corporate environment in and outside of Japan, both now and in the future, the medium-term management plan was revised to "Group Management Plan 2014" for the period leading to 2014, with the intent to make an all-out effort for a successful execution.

Our goal under "Group Management Plan 2014" is to link the Broadcasting Business to the Multi-Visual Ventures and Cultural Events, the Real Estate, and Other businesses to achieve net sales of ¥400 billion and a ratio of operating income to net sales of 7.0% on a consolidated basis in 2014, mainly by pushing the Broadcasting Business to a leading position within the industry in terms of average all-day audience ratings of terrestrial TV programs by 2014 and increasing our sales share of TV spot advertising to more than 25.0% of the five broadcasters based in Tokyo.

Through "Group Management Plan 2014," the Group aims to establish the position as the "best media group" in terms of delivering the "most powerful contents," thereby maximizing the corporate values of the Company and of the Group, as well as the common benefits shared with shareholders. At the same time, the Group will aspire to fulfill the mandate of the shareholders.

## ■ Numerical Targets of "Group Management Plan 2014"

(Unit: billion yen)

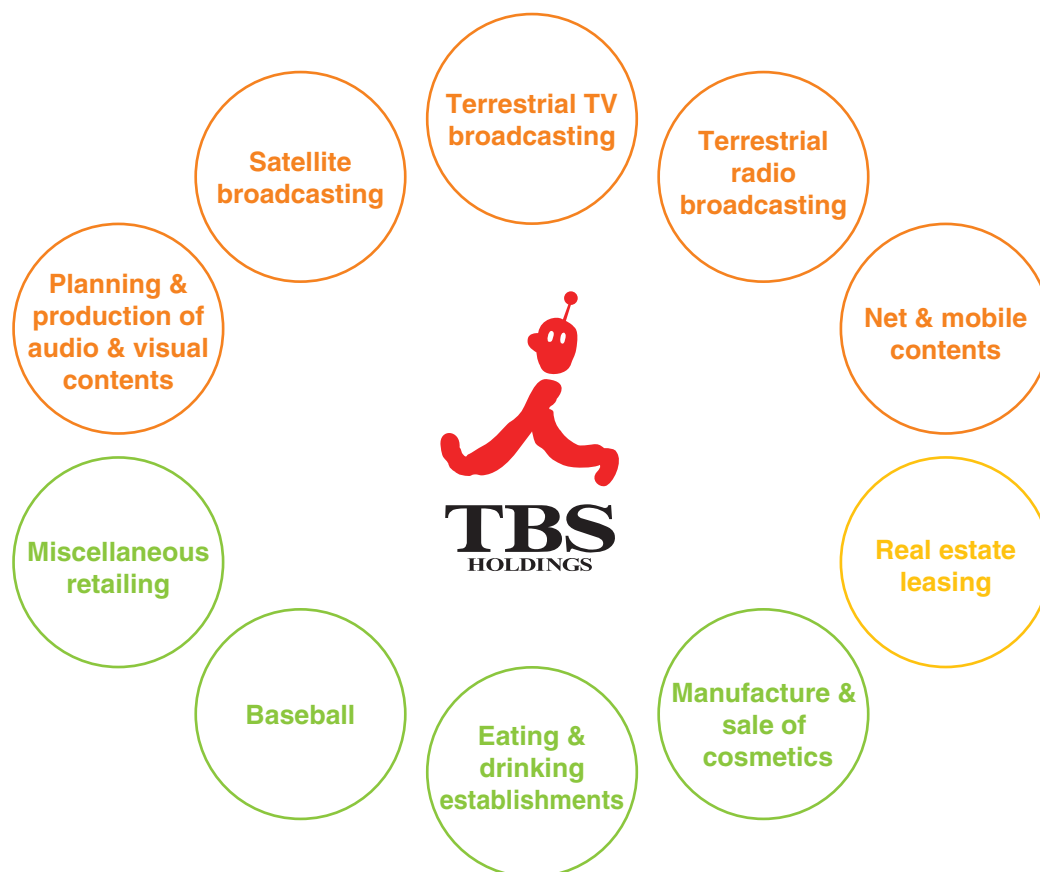
	FY2009	FY2014
<b>Consolidated net sales</b>	<b>¥372.3</b>	<b>¥400.0</b>
<b>Consolidated operating income to net sales</b>	<b>5.0%</b>	<b>7.0%</b>
<b>TBS share among five key broadcasters</b>	<b>21.3%</b>	<b>25.0%</b>

# At a Glance

## ■ Our Business

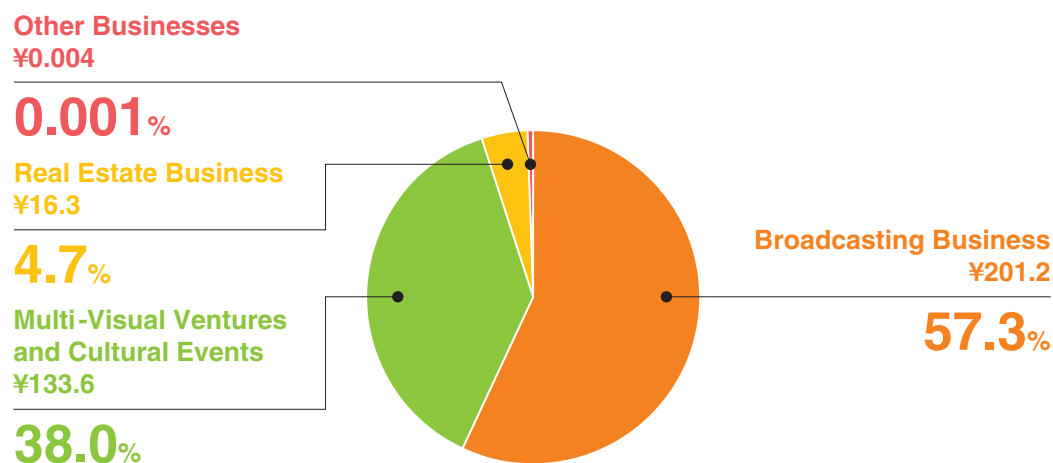
The Group covers a wide range of businesses essentially including broadcasting.

Our aim is to become the best media group that provides the most powerful contents and software in the areas of information, entertainment, lifestyle and culture.



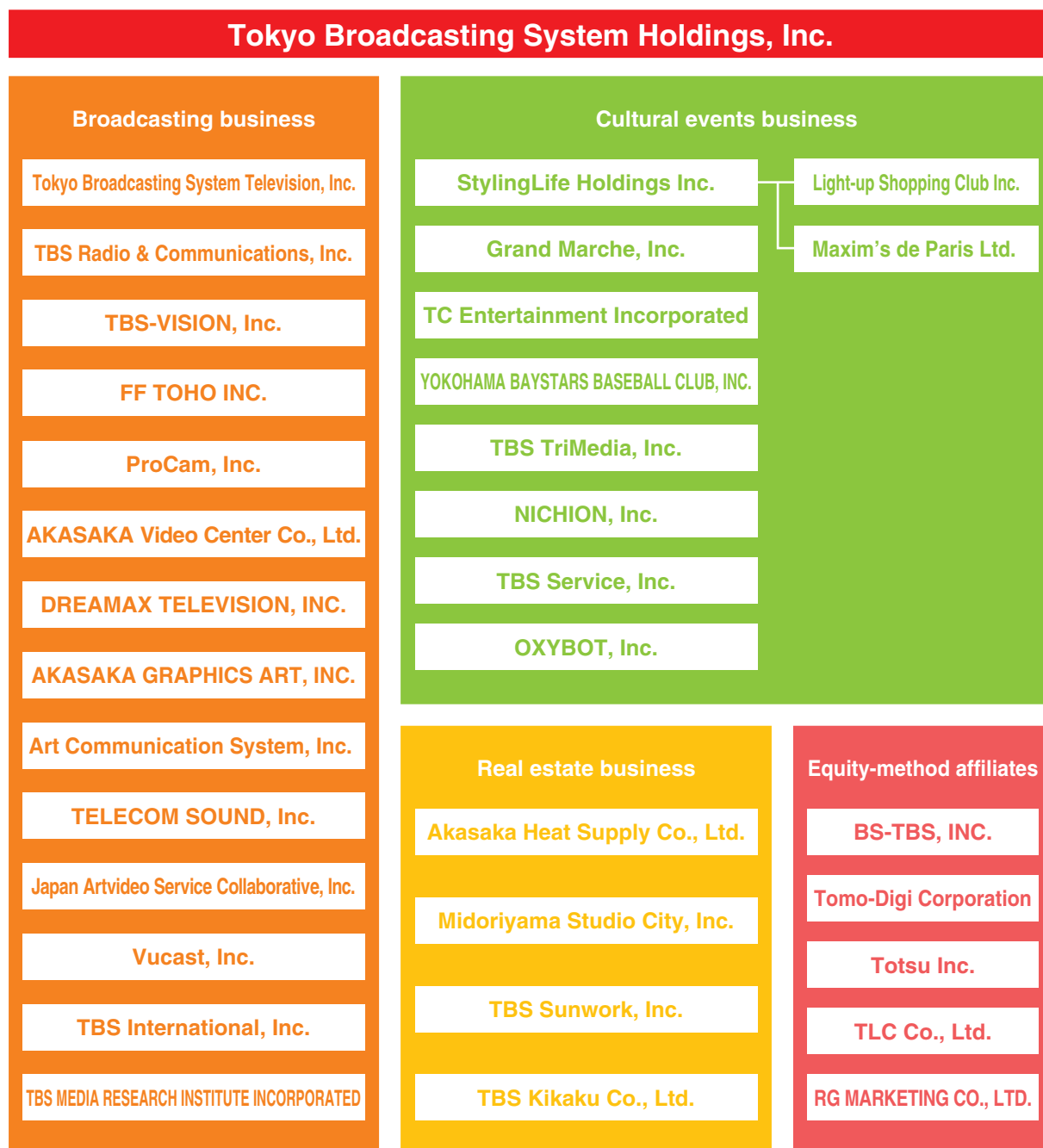
## ■ Business Activities (Year ended March 31, 2010)

(Unit: billion yen)



# Organization

(As of January 1, 2011)



# Corporate Data

(As of April 1, 2010)

■ **Date of Establishment** May 10, 1951 (Registered on May 17)

■ **Head Office** 5-3-6 Akasaka, Minato-ku,  
Tokyo  
107-8006, Japan  
URL: <http://www.tbsholdings.co.jp/>  
Stock code: 9401, TSE First Section

■ **Paid-in Capital** ¥54,986,892,896

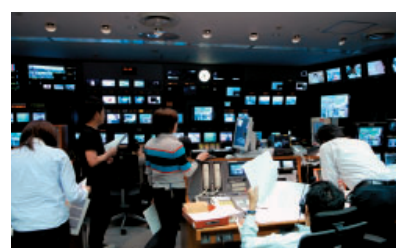
■ **Number of Employees** Tokyo Broadcasting System Holdings, Inc. 641  
Tokyo Broadcasting System Television, Inc. 708  
TBS Radio & Communications, Inc. 53



Broadcasting center as viewed from Akasaka Sacas



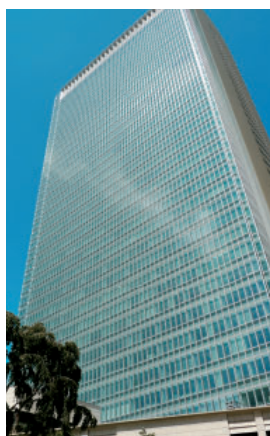
Summer Sacas 2010 Akasaka Big Bang event



Scene of sub-control room at TBS Television



On set at TBS Television studio



Akasaka Biz Tower



TBS Holdings Head Office

## ■ Major Shareholders

(as of March 31, 2010)

Name of shareholder	Number of shares held (shares)	Percentage held (%)
Rakuten Inc.	37,770,700	19.83
The Master Trust Bank of Japan, Ltd. (Pension Trust Account held for Dentsu, Inc.)	9,310,500	4.88
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,491,100	4.45
Nippon Life Insurance Co.	7,821,735	4.10
Mainichi Broadcasting System, Inc.	6,166,000	3.23
Sumitomo Mitsui Banking Corp.	5,745,267	3.01
Mitsui Fudosan Co., Ltd.	5,713,728	3.00
Mitsui & Co., Ltd.	4,288,000	2.25
Bic Camera, Inc.	3,810,000	2.00
Kodansya Ltd.	3,771,200	1.98

# Business Report

(From April 1, 2009 to March 31, 2010)

## The Current Position of Tokyo Broadcasting System Holdings, Inc. and Its Subsidiaries

### (1) Business Activities and Results

The fiscal year ended March 31, 2010 saw the Japanese economy make a slow recovery, in spite of the lingering after-effects of the so-called “Lehman shock.” Corporate profits also improved, backed by an increase in exports, as personal consumption started on a recovery trend owing to the effects of the eco-point system and other economic stimulus measures. However, employment and income environments remained harsh despite the deflation progressing at a moderate pace, resulting in inadequate self-sustaining resilience throughout the year under review.

The broadcasting industry suffered a significant year-on-year decline in television and radio advertising revenues as companies maintained their stance of curbing their advertising expenses, except for the robust advertising revenues from satellite media.

In this operating environment, the Group shifted to a holding company structure on April 1, 2009 to further enhance the Group’s management efficiency and stability, as well as of maximizing the Group’s corporate value in accordance with the common interest of the shareholders. Thus, the Company became a certified broadcast holding company, changed its name to Tokyo Broadcasting System Holdings, Inc. (“TBS Holdings”), and commenced full-scale Group management.

Furthermore, the Group worked to build operating revenues and business development revenues through events held in the Akasaka Sacas commercial complex, which is now in the second year since its opening. In addition, efforts were made to ensure revenues from a broad range of business segments through a full-scale commencement of tie-ups between the broadcasting business and the retail & shopping business of the StylingLife Group companies, which were included in the scope of consolidation in July 2008.

As a result of these developments, consolidated net sales of the Group in the fiscal year ended March 31, 2010 decreased by 5.7% from the previous fiscal year to ¥351,262 million. Ordinary income also decreased by 80.5% to ¥3,902 million, and a ¥3,969 million decrease in net income led to the posting of ¥2,313 million in net loss.

### Broadcasting

Consolidated net sales from the Broadcasting Business decreased by 13.7% from the previous fiscal year to ¥201,271 million, and the operating loss worsened by ¥8,868 million to ¥10,375 million.

#### [Television]

On April 1, 2009, the Company split off Tokyo Broadcasting System Television, Inc. (“TBS Television”), to which the television business was transferred, together with the TV broadcasting license.

Terrestrial television time sales fell short of the figure from the previous fiscal year, when the Beijing Olympics and the Women’s Volleyball World Grand Prix were aired. The weak performance of regular programming, attributable to a combination of the worldwide recession and low audience ratings, resulted in stagnant sales in spite of the contribution of major sports programs in the special programming, such as the 12th IAAF World Championships in Athletics—Berlin 2009 and the Vancouver Winter Olympics.

Spot sales declined from the previous fiscal year as business conditions remained tough despite signs of recovery in market conditions since the second half of the fiscal year, with the total spot commercial volume in the Kanto region fell by 5.1% year on year.

The average audience rating of TBS Television for the year under review decreased by 1.7 percentage points to 9.5% for the golden time slot (7 p.m. to 10 p.m.) and by 1.4 percentage points to 9.7% for the prime time slot (7 p.m. to 11 p.m.). The audience rating across all time slots also fell by 0.9 percentage points to 6.6%, notwithstanding the stable ratings eventually achieved by *Hiruobi*, introduced in April, and *Evening Wide* introduced in October.

The Variety Division also faced stiff competition. Amid these conditions, *Pittanko Kankan*, *Nakai Masahiro’s SMAP Friday*, and *Discovery of the World’s Mystery* enjoyed solid ratings, while *SECRET ARASHI’S TV SHOW* increased its audience rating from summer 2009 to become one of the most popular programs of TBS Television.



In the Information Division, *Information 7 Days Newscaster*, which takes up various incidents and accidents in a timely manner, boasts high popularity as a weekend infotainment program.

At the 14th Asian Television Awards in December, *Comedy Colosseum* won the best comedy program award, *26 Hours/Day* won the best entertainment program award, and TBS Television won the best terrestrial channel of the year award.

In the Drama Division, *MR. BRAIN* and *JIN* delivered outstanding results with average audience ratings of 20.5% and 19.0%, respectively. Extremely regrettably, however, only six of the 20 drama programs aired, including the aforementioned two programs, garnered average audience ratings of over 10%. In the midst of these circumstances, *Summer for Bureaucrats*, which was aired on *Nichiyo Gekijo*, won the best program award in the Television Division of the National Arts Festival in spite of its struggles with the audience ratings, bearing testimony to TBS Television's competence in drama production.

In the Sports Division, exclusive broadcast of the 12th IAAF World Championships in Athletics—Berlin 2009 captured an average audience rating of 7.5%, led by the 18.1% of the women's marathon, notwithstanding the fact that the programming revolved mainly around the late-night slots. The broadcast of the professional boxing, the WBC World Flyweight Title Match, Daisuke Naito VS. Koki Kameda held in November, marked the highest average audience rating of the year at 43.1%. TBS Television pulled far ahead of the other stations in broadcasting the Vancouver Winter Olympics, capturing an average audience rating of 13.1% due in part to the programming of the highlight coverage of various events of interest for the golden time slots. In March, TBS Television broadcast the Daikin Orchid Ladies, the opening tournament of the Japanese women's golf tour. The tournament, which had garnered attention owing to the participation of Ai Miyazato, who had just won the first two opening tournaments of the U.S. tour and was in top condition, recorded an audience rating of 12.0%.

In the News Division, *Total Coverage! THE NEWS*, introduced as a feature program in the programming changes in April, cut sharply into matters of social interest, providing flash coverage of the arrest of the suspect in the murder of a British English teacher and getting a scoop on the testimony concerning a secret nuclear pact between Japan and the United States.

As of March 31, 2010, 28 companies throughout Japan were affiliated with the Group's JNN television network. The number was unchanged from the previous fiscal year.

Satellite Digital broadcasting continued to achieve steady market penetration, with cumulative receiver shipments of 72.5 million units as of March 31, 2010. This provided a tailwind for equity-method subsidiary BS-TBS, INC. (formerly BS-i, Incorporated), which stepped up sales activities and strove to control costs while providing high-quality programming. These efforts enabled BS-TBS, Incorporated to continue to turn a profit.

## [Radio]

On October 1, 2001 the Company split off its radio operation as a separate company, TBS Radio & Communications, Inc. ("TBS R&C"), to which the broadcasting license was transferred.

Total time sales decreased from the previous fiscal year, due to the poor performance of the night-time baseball games and online programs, in spite of the strong performance of special programming, such as the 12th IAAF World Championship in Athletics—Berlin 2009 and the Vancouver Winter Olympics, and rush-hour traffic information.

Spot sales were also lower than the previous fiscal year due to the lack of growth in the sales of one-time advertising, in spite of the healthy performance of online advertisement, attributable mainly to mail-order businesses, which resulted in a year-on-year increase in sales for the second half of the fiscal year under review.

In terms of programming, *Keiko Kojima Kira☆Kira*, which was introduced in April 2009 as a weekday afternoon program, ranked first for the time slot in an audience rating survey conducted six months later. It is developing into a new flagship program of TBS Radio as exemplified by, among other things, magazine and other media coverage. In addition, *Saturday Morning Entertainment: Masaaki Horio+PLUS!* and *Shinichiro Azumi's Sunday Heaven* retained the number one spots for their respective time slots. Further, long-running programs that represent TBS R&C are also continuing to do well, some examples being *Yuuri Osawa's Yuu Yuu Wide*, *Takero Morimoto, Stand By!*, and *Hiroshi Ikushima's Good Morning Line*, the 6,000th, 5,000th, and 3,000th episodes of which were aired, respectively, during the fiscal year under review.

# Business Report

Ranking first in rating surveys in the Tokyo metropolitan area for 52 consecutive periods since the first survey conducted in the period ending in August 2001, TBS R&C has made its position as a leading radio company in the Tokyo metropolitan area permanent.

As a new undertaking, TBS R&C began providing free online programming on a trial basis in collaboration with radio stations in the Tokyo metropolitan area and the Kansai region from March in an effort to expand the listener base of radio programs.

In the broadcast-related business, total operating revenues fell short of the figure from the previous fiscal year in spite of an increase in revenues from events and contents resulting from the online provision of original contents by TBS announcers, due to the weak performance of the housing exhibit business attributable to the impact of the economic downturn.

As of March 31, 2010, 34 companies throughout Japan were affiliated with Japan Radio Network. This number is unchanged from the previous fiscal year.

## Multi-Visual Ventures and Cultural Events

On April 1, 2009, the Company split off TBS Television, to which Multi-Visual Ventures and Cultural Events was transferred.

Net sales from the Multi-Visual Ventures and Cultural Events increased by 9.8% from the previous fiscal year to ¥133,616 million. However, operating income decreased by 49.8% to ¥6,080 million, impacted in part by the transfer of revenues from domestic program sales, which had been included in this segment until the previous fiscal year, to the Broadcasting Business.

In the area of cultural events, the musical *Talk Like Singing* staged at the Akasaka ACT Theater drew large crowds daily, and Miyuki Nakajima's Evening Concerts proved successful again following the previous fiscal year. A perennial favorite, the Tetsuya Kumakawa K-Ballet Company enchanted the audience with staging productions that included *Giselle*, *Romeo and Juliet*, *Coppelia*, and *Le Corsaire*. Broadway musicals such as *A Chorus Line*, *Rent*, and *Chicago*, as well as the established favorite Ultraman Festival also enjoyed huge popularity. In the area of concerts, Simon & Garfunkel, who came to Japan for the first time in 16 years, drew a crowd of approximately 150,000 fans at concerts held in Tokyo, Osaka, Nagoya, and Sapporo. In addition, GLAY's 15th Anniversary Live Performance, the Royal Philharmonic Orchestra's performance of Mahler's Fifth Symphony with Tomomi Nishimoto conducting, and Bob Dylan were highly popular. In the area of exhibition, successful exhibitions were held including major exhibits such as *The Roots of the Inca Empire: The Golden City of Sicán*, which the Company has been focusing on as the Andes Project, *Egypt's Sunken Treasures* held in commemoration of the 150th anniversary of the opening of the port of Yokohama, and *The Habsburgs: A Splendid Royal House and the Masters of Beauty*. With regard to sporting events, *K-1 Dynamite!!* captured attention with the retirement match of Masato, a popular kickboxer, and the match between Satoshi Ishii and Hidehiko Yoshida, who are both Olympic gold medalists.

In the Media and Software Business, the theatrical film *ROOKIES* earned box-office revenues of approximately ¥8.55 billion to become the highest-earning film released in 2009, as well as mark a new record for a film funded by the Company. The cinema film business recorded the highest profit ever in the fiscal year under review, with *CROWS II* and *April Bride* earning more than ¥3 billion at the box office, and *Oceans* marking ¥2.3 billion in earnings as well. As for DVDs, *Momoe Yamaguchi's Appearances on The Best Ten, the Complete Collection* sold a record 45,000 sets. In addition, popular drama such as *JIN* and the Korean version of *BOYS OVER FLOWERS*, *Sanyutei Ensho VI: the Complete Collection* the fourth in the series of collected works, and the animation title *K-ON!* are enjoying brisk sales.

In the International Program Sales Business, format sales involving the sale of program concepts and ideas showed solid performance, with the countries to which *Takeshi's Castle* and *SASUKE* are sold numbering approximately 120, each.

In the Satellite-Based Subscription Broadcast Business, TBS Channel and *TBS News Bird* turned a profit for the first time in 12 years since their launch. TBS on Demand also became the first video distribution service operated by a broadcasting station to turn a profit.

In the licensing and shopping business, merchandise related to popular TV programs, such as *The King's Brunch* and *MR. BRAIN*, as well as cinema films, such as *ROOKIES* and *CROWS II*, were developed and sold. Additionally,

three shopping programs were aired during the fiscal year under review, contributing to revenues.

In the digital ventures, production scenes from the drama *BLOODY MONDAY*, program advertisements, as well as CMs that support the drama submitted by PC users, were released on the online video site YouTube. Furthermore, efforts are being made to develop new sources of income through such means as the provision of summary versions of all 38 matches of Masato as a promotional event for *K-1 Dynamite!!*

### Real Estate Business

Net sales from the Real Estate Business decreased by 5.1% from the previous fiscal year to ¥16,369 million, and operating income decreased by 2.9% to ¥7.543 billion.

Akasaka Sacas, which is performing solidly in the second year since its opening, is establishing itself in reality and in name as a cultural center, as exemplified by its recognition with the FY2009 Good Design Award in the commercial complex category.

### Other Businesses

Net sales from other businesses decreased by 93.1% from the previous fiscal year to ¥4 million. Operating income decreased by 34.7% to ¥50 million, including income from intra-company sales.

## (2) Capital Investment

Total capital investment in the year under review was ¥10.8 billion. The principal investment item was facilities related to terrestrial digital broadcasting.

The Company began terrestrial digital broadcasting in the Kanto region in December 2003 and continued to make efforts to upgrade and expand broadcasting facilities and video transmission facilities in the year under review.

With regard to broadcasting facilities, the establishment of relay station network is being promoted steadily, with the construction of 36 digital terrestrial relay stations in locations including Hachioji and Tsurukawa of Tokyo in partnership with private-sector broadcasters and NHK. As for transmission facilities, digital broadcasting capability was realized with respect to the Akasaka FPU base station, together with high-definition broadcasting capability for live programming and video transmission from the northern Kanto area. Furthermore, all SNG (satellite news gathering)-related equipment, including the SNG at the TBS headquarters base station and SNG relay vehicles, were switched over to a high-definition system incorporating the latest in various technologies. Concerning production facilities, sound relay vehicles that are used for major live sports programs were upgraded to enable the production of a highly realistic surround sound programming. Further, high-definition broadcasting capability was added to the master control room and the in-studio secondary control room of *TBS News Bird*, which runs CS news programs around the clock. *TBS News Bird* has begun airing officially on Sky PerfecTV HD.

## (3) Capital Procurement

Interest-bearing debt of the Group at the end of the year under review was approximately ¥163.9 billion, consisting of ¥50 billion in corporate bonds, ¥62 billion in long-term debt (including the current portion), and approximately ¥51.9 billion in short-term borrowings (including approximately ¥3.1 billion from non-consolidated affiliates through the cash management system for the concentration of funds from the Group).

In order to ensure flexible access to business funds and operating capital, as of the end of the year under review, the Company and StylingLife Holdings Inc. had established a commitment lines agreement totaling ¥104 billion with multiple financial institutions (the balance of the funds drawn is ¥48.8 billion, and the available balance is ¥55.2 billion).

Besides the above, with the aim of streamlining of funds, some of the account receivables are in the process of liquidation.

# Consolidated Financial Statements

## Consolidated Balance Sheets (Unaudited)

As of March 31, 2010 and 2009

	Millions of yen	
	2009	2010
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	¥ 48,862	¥ 52,326
Notes and accounts receivable—trade	39,727	36,215
Merchandise and finished goods	6,755	6,887
Program rights and work in process	7,781	6,442
Raw materials and supplies	1,010	912
Prepaid expenses	10,861	11,141
Deferred tax assets	3,782	1,789
Deposits received	—	48,875
Other	9,442	9,651
Allowance for doubtful accounts	(176)	(99)
<b>Total current assets</b>	<b>128,048</b>	<b>174,141</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	191,459	192,703
Accumulated depreciation	(65,424)	(72,005)
Buildings and structures, net	126,035	120,698
Machinery, equipment and vehicles	84,217	84,852
Accumulated depreciation	(66,899)	(70,702)
Machinery, equipment and vehicles, net	17,317	14,149
Tools, furniture and fixtures	18,514	19,825
Accumulated depreciation	(14,872)	(16,941)
Tools, furniture and fixtures, net	3,641	2,883
Land	84,752	84,750
Lease assets	180	335
Accumulated depreciation	(24)	(100)
Lease assets, net	156	235
Construction in progress	2,310	3,819
<b>Total property, plant and equipment</b>	<b>234,213</b>	<b>226,535</b>
<b>Intangible assets</b>		
Software	5,299	4,245
Goodwill	28,783	27,177
Lease assets	381	425
Other	1,615	1,658
<b>Total intangible assets</b>	<b>36,080</b>	<b>33,506</b>
<b>Investments and other assets</b>		
Investment securities	136,875	177,713
Long-term loans receivable	506	417
Deferred tax assets	7,615	2,467
Long-term prepaid expenses	2,078	1,881
Other	11,937	11,554
Allowance for doubtful accounts	(576)	(534)
<b>Total investments and other assets</b>	<b>158,437</b>	<b>193,498</b>
<b>Total noncurrent assets</b>	<b>428,731</b>	<b>453,541</b>
<b>Total assets</b>	<b>¥556,780</b>	<b>¥627,683</b>

	Millions of yen	
	2009	2010
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade	¥ 40,360	¥ 36,020
Short-term loans payable	2,449	51,962
Current portion of long-term loans payable	21,250	1,500
Accounts payable—other	11,656	10,174
Income taxes payable	3,035	2,130
Accrued consumption taxes	2,151	1,206
Accrued expenses	5,613	6,053
Provision for directors' bonuses	209	131
Other provision	847	837
Other	5,033	4,454
<b>Total current liabilities</b>	<b>92,608</b>	<b>114,469</b>
<b>Noncurrent liabilities</b>		
Bonds payable	30,000	50,000
Long-term loans payable	62,000	60,500
Provision for retirement benefits	12,487	12,142
Lease obligations	436	502
Deferred tax liabilities	1,158	16,772
Other	15,858	16,218
<b>Total noncurrent liabilities</b>	<b>121,940</b>	<b>156,136</b>
<b>Total liabilities</b>	<b>214,548</b>	<b>270,606</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	54,986	54,986
Capital surplus	60,254	60,254
Retained earnings	215,539	212,844
Treasury stock	(87)	(91)
<b>Total shareholders' equity</b>	<b>330,693</b>	<b>327,995</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	1,061	19,109
Deferred gains or losses on hedges	(335)	(733)
Foreign currency translation adjustment	(83)	(117)
<b>Total valuation and translation adjustments</b>	<b>642</b>	<b>18,257</b>
<b>Minority interests</b>	<b>10,895</b>	<b>10,823</b>
<b>Total net assets</b>	<b>342,231</b>	<b>357,076</b>
<b>Total liabilities and net assets</b>	<b>¥556,780</b>	<b>¥627,683</b>

# Consolidated Financial Statements

## Consolidated Statements of Operations (Unaudited)

Year ended March 31, 2010 and 2009

	Millions of yen	
	2009	2010
<b>Net sales</b>	¥372,306	¥351,262
Cost of sales	261,730	257,988
<b>Gross profit</b>	110,576	93,273
Selling, general and administrative expenses	92,118	89,929
<b>Operating income</b>	18,457	3,343
<b>Non-operating income</b>		
Interest income	222	115
Dividends income	2,836	1,903
Insurance revenue	127	223
Equity in earnings of affiliates	167	131
Other	510	701
<b>Total non-operating income</b>	3,864	3,075
<b>Non-operating expenses</b>		
Interest expenses	1,300	1,685
Commission fee	292	123
Bond issuance cost	–	100
Loss on retirement of noncurrent assets	319	326
Loss on sales of accounts receivable	182	109
Other	247	171
<b>Total non-operating expenses</b>	2,341	2,516
<b>Ordinary income</b>	19,979	3,902
<b>Extraordinary income</b>		
Gain on sales of investment securities	–	71
Compensation for transfer	323	–
Gain on prior period adjustment	197	–
Other	55	–
<b>Total extraordinary income</b>	577	71
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	187	–
Loss on sales of investment securities	415	–
Loss on valuation of investment securities	10,502	741
Impairment loss	118	229
Loss on purchase of treasury stock	–	863
Other	655	365
<b>Total extraordinary losses</b>	11,879	2,199
<b>Income before income taxes and minority interests</b>	8,677	1,773
<b>Income taxes—current</b>	4,510	2,749
<b>Income taxes—deferred</b>	1,859	1,300
<b>Total income taxes</b>	6,369	4,050
<b>Minority interests in income</b>	652	37
<b>Net income (loss)</b>	¥ 1,655	¥ (2,313)

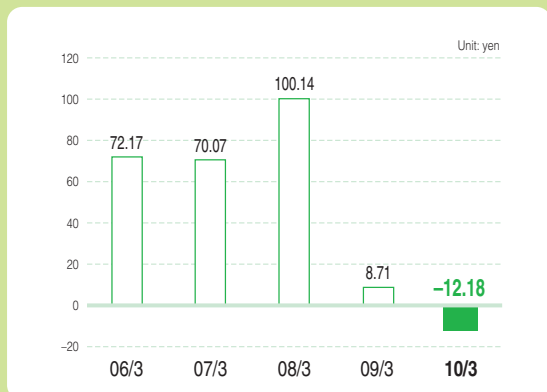
## Consolidated Statements of Cash Flows (Unaudited)

Years ended March 31, 2010 and 2009

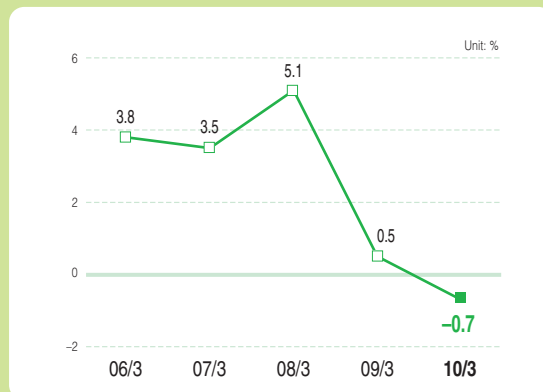
	Millions of yen	
	2009	2010
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	¥ 8,677	¥ 1,773
Depreciation and amortization	20,044	18,901
Amortization of long-term prepaid expenses	784	747
Loss (gain) on valuation of investment securities	10,502	741
Retirement benefit expenses	778	(344)
Loss on retirement of noncurrent assets	506	326
Amortization of goodwill	1,204	1,606
Increase (decrease) in allowance for doubtful accounts	(12)	(117)
Interest and dividends income	(3,059)	(2,018)
Interest expenses	1,300	1,685
Equity in (earnings) losses of affiliates	(167)	(131)
Loss (gain) on sales of investment securities	415	(69)
Decrease (increase) in notes and accounts receivable—trade	3,099	3,512
Decrease (increase) in inventories	1,316	1,305
Decrease (increase) in prepaid expenses	(1,305)	(103)
Increase (decrease) in notes and accounts payable—trade	1,510	(4,340)
Decrease (increase) in consumption taxes refund receivable	3,791	(751)
Increase (decrease) in other noncurrent liabilities	(153)	232
Other, net	(5,155)	412
Subtotal	44,079	23,368
Interest and dividends income received	2,983	2,029
Interest expenses paid	(1,266)	(1,683)
Income taxes refund	—	1,110
Income taxes paid	(9,390)	(6,178)
Net cash provided by (used in) operating activities	36,406	18,646
<b>Cash flows from investing activities</b>		
Proceeds from marketable securities, net	84	—
Purchase of property, plant and equipment	(30,952)	(10,386)
Proceeds from sales of property, plant and equipment	88	1
Purchase of intangible assets	(2,034)	(1,367)
Purchase of investment securities	(6,197)	(2,378)
Proceeds from sales of investment securities	314	247
Increase in long-term lease deposits received	268	227
Decrease in long-term lease deposits received	(1,480)	(67)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(20,355)	—
Other, net	183	(30)
Net cash provided by (used in) investing activities	(60,082)	(13,754)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	49,857	84,882
Decrease in short-term loans payable	(49,481)	(35,369)
Proceeds from long-term loans payable	63,750	—
Repayment of long-term loans payable	(17,750)	(21,250)
Proceeds from issuance of bonds	—	19,899
Proceeds from issuance of common stock	55	—
Purchase of treasury stock	(7)	(3)
Cash dividends paid	(3,805)	(382)
Cash dividends paid to minority shareholders	(82)	(121)
Repurchase of shares	—	(48,875)
Other, net	(41)	(157)
Net cash provided by (used in) financing activities	42,493	(1,379)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(10)	(34)
<b>Net increase (decrease) in cash and cash equivalents</b>	18,806	3,478
Increase in cash and cash equivalents from newly consolidated subsidiary	—	200
<b>Cash and cash equivalents at beginning of period</b>	29,764	48,571
<b>Cash and cash equivalents at end of period</b>	¥48,571	¥52,249

# Major Indices

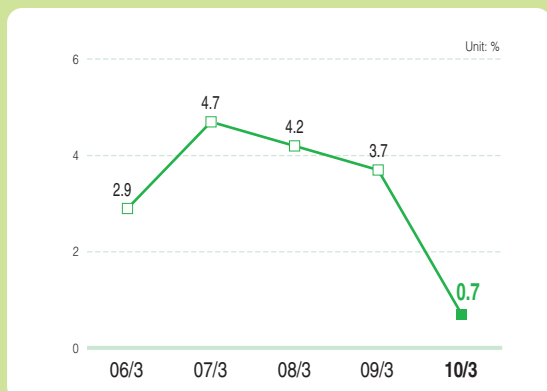
## Net Income per Share



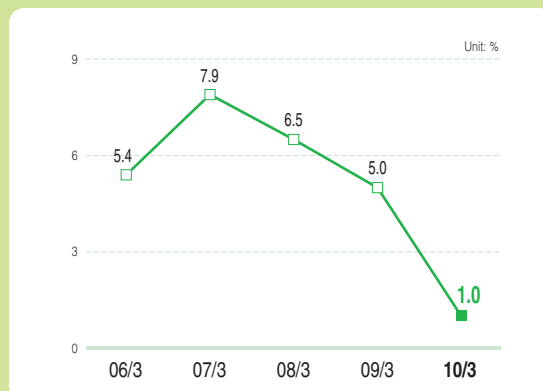
## Return on Equity



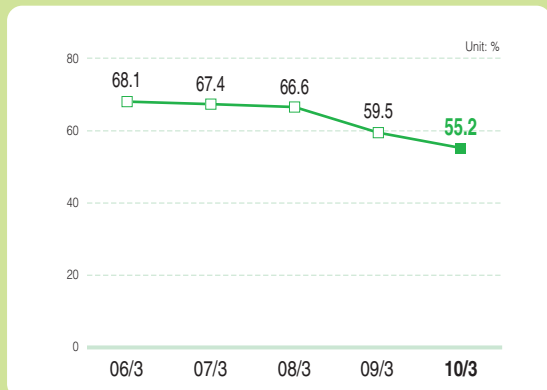
## Ratio of Ordinary Income to Net Assets



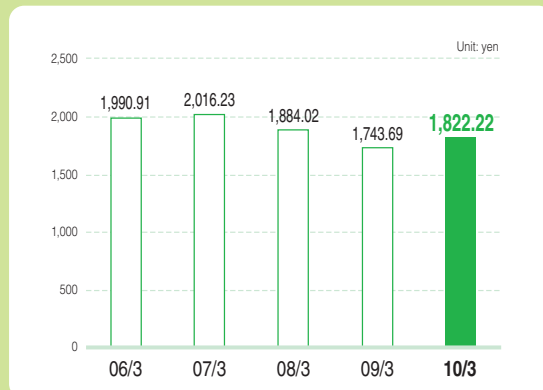
## Ratio of Operating Income to Net Sales



## Equity Ratio

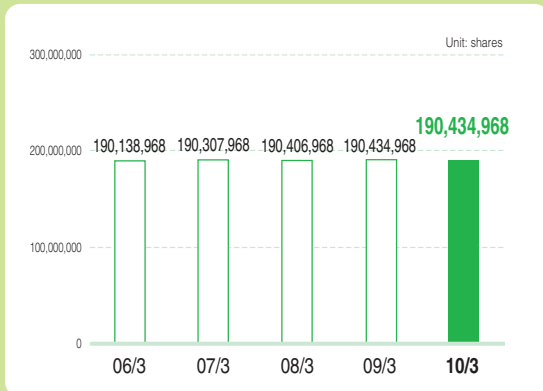


## Net Assets per Share

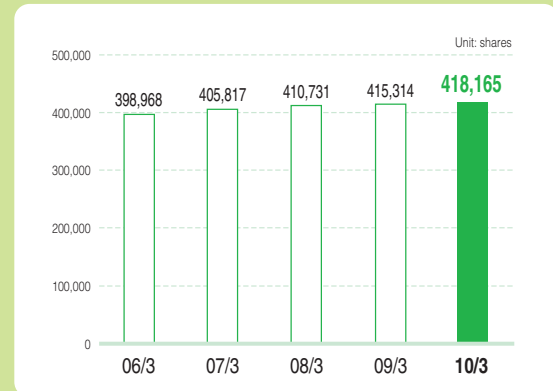




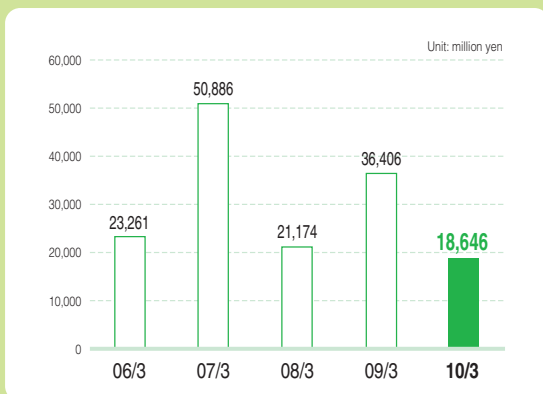
**Number of Shares Issued at the End of the Term (Including Treasury Stock)**



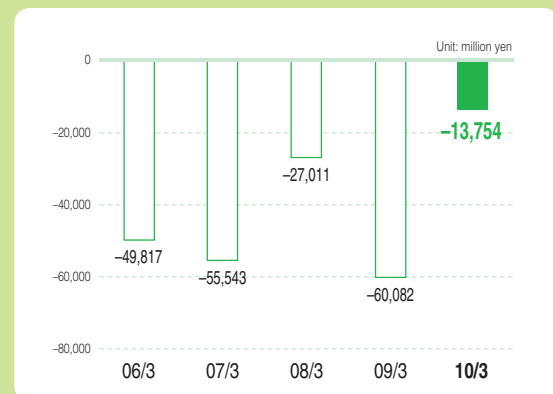
**Amount of Treasury Stock at the End of the Term**



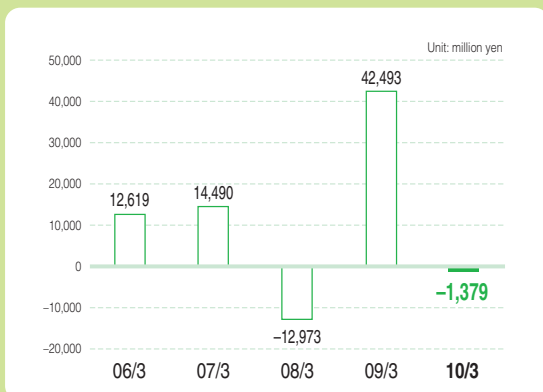
**Cash Flows from Operating Activities**



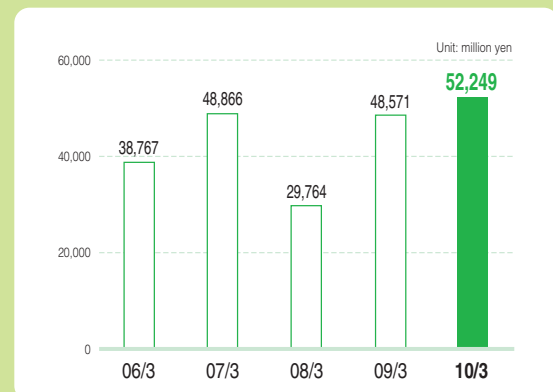
**Cash Flows from Investing Activities**



**Cash Flows from Financing Activities**



**Cash and Cash Equivalents, End of Year**



# Segment Information

## Consolidated Results by Segment

(Unit: million yen)

	FY2010			
	External sales	y/y change	Operating income (loss)	y/y change
<b>Broadcasting</b>	¥201,271	-32,006	¥(10,375)	-8,868
<b>Multi-Visual Ventures and Cultural Events</b>	133,616	11,899	6,080	-6,022
<b>Real Estate</b>	16,369	-875	7,543	-226
<b>Other</b>	4	-61	50	-26
<b>Elimination</b>	—	—	44	30
<b>Consolidated</b>	<b>¥351,262</b>	<b>-21,044</b>	<b>¥ 3,343</b>	<b>-15,113</b>

## Capital Expenditures and Depreciation

(Unit: million yen)

<b>Consolidated</b>	FY2010
<b>Capital expenditures</b>	¥ 8,614
<b>Depreciation</b>	17,917

<b>TBS Holdings</b>	FY2010
<b>Capital expenditures</b>	¥ 585
<b>Depreciation</b>	3,706

<b>TBS Television</b>	FY2010
<b>Capital expenditures</b>	¥ 6,402
<b>Depreciation</b>	12,035

# TBS Television—1



## Results of TBS Television

(Unit: million yen)

	FY2010
<b>Net sales</b>	¥217,919
<b>Operating loss</b>	(2,682)
<b>Ordinary loss</b>	(2,355)
<b>Net loss</b>	(3,678)

## Breakdown of TBS Television Income

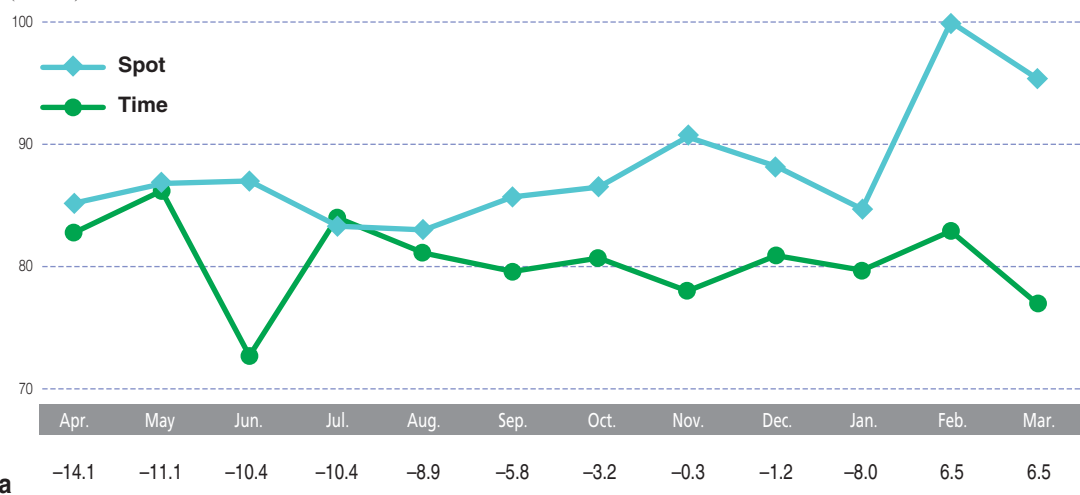
(Unit: million yen)

	FY2010	Same period last year*	y/y change
<b>Television</b>	<b>¥185,158</b>	¥218,138	-32,980
Time advertising and program production	<b>96,905</b>	120,512	-23,607
Spot advertising	<b>75,651</b>	85,895	-10,243
Others	<b>8,930</b>	11,730	-2,800
Program sales in Japan	<b>3,671</b>	—	3,671
<b>Operations</b>	<b>29,876</b>	35,912	-6,036
<b>Real estate</b>	<b>2,884</b>	18,712	-15,828
<b>Total income</b>	<b>¥217,919</b>	¥272,764	-54,845

\*Defunct Tokyo Broadcasting System

## Year-on-Year Changes in TV Earnings

(Unit: %)



Spot in Tokyo area

	Q1	Q2	H1	Q3	Q4	H2	Full year
<b>Spot</b>	-13.7	-16.0	-14.7	-11.5	-6.2	-9.1	<b>-11.9</b>
<b>Time</b>	-19.6	-18.5	-19.0	-20.2	-20.2	-20.2	<b>-19.6</b>
<b>Spot in Tokyo area</b>	-11.9	-8.5	-10.4	-1.5	2.5	0.3	<b>-5.1</b>

	Q1	Q2	Q3	Q4	Full year	y/y change
<b>TBS share among five key broadcasters</b>	20.6	19.7	19.4	19.3	<b>19.8</b>	-1.5

# TBS Television—2



## Spot Advertising Sales Ranks by Business Category

(Unit: %)

	FY2010	Growth rate	Share	Q4/FY2010	Growth rate	Share
<b>1</b>	Alcoholic and other beverages	-5.3	13.1	<b>Foods</b>	19.7	11.6
<b>2</b>	Foods	1.6	12.8	Alcoholic and other beverages	-14.2	11.2
<b>3</b>	Pharmaceuticals	-3.1	8.8	Automobiles and transportation equipment	13.2	9.6
<b>4</b>	Entertainment and hobbies	-27.9	8.6	Entertainment and hobbies	-25.8	8.2
<b>5</b>	Cosmetics and toiletries	-19.0	8.4	Telecommunications and broadcasting	-21.6	6.5
<b>6</b>	Automobiles and transportation equipment	-11.0	6.7	Pharmaceuticals	-12.8	5.9
<b>7</b>	General electronics	-22.8	6.0	Cosmetics and toiletries	-12.7	5.7
<b>8</b>	Telecommunications and broadcasting	-12.3	5.6	Food service	30.6	4.9
<b>9</b>	Precision instruments and office machines	-27.6	4.2	Fashion	150.4	4.5
<b>10</b>	Food service	8.6	4.0	General electronics	5.2	4.0

(Ranked in order of sales proceeds)

## TBS TV Business Segment Income

(Unit: million yen)

	Contents	FY2010	y/y change	Remarks for the full fiscal year	
Events planning bureau	Cultural business (events)	¥2,626	-720	Declined from the previous fiscal year, when the Vermeer exhibition was held.	
	Show business	4,598	-419	Fell from the previous fiscal year, when events were held in association with the grand opening of Akasaka ACT Theater.	
Content business bureau	Multi-visual business	DVDs	4,803	-897	Decreased from the previous fiscal year, when <i>ROOKIES</i> recorded a hit.
		Animations	1,917	719	<i>K-ON!</i> and <i>CLANNAD: AFTER STORY</i> recorded major hits.
	Movie business	Movies	5,000	-313	Dropped because the number of movies released was one less than in the previous fiscal year although <i>ROOKIES</i> recorded a big hit.
	Contents sales business	Program sales abroad	1,114	-573	Fell, attributable to the cooling of overseas markets.
		Other program sales	126	-4,427	Declined sharply, reflecting the transfer of program sales in Japan to the Broadcasting segment.
	Pay-TV business		6,097	537	The number of subscribers increased steadily.
	Licensing business		1,516	71	Goods related to <i>ROOKIES</i> and <i>K-ON!</i> sold well.
Digital business		2,075	-12	—	
<b>Total</b>		<b>¥29,876</b>	<b>-6,035</b>	Program sales in Japan of ¥4,391 million were transferred to the broadcasting segment. The actual decrease was ¥1,644 million.	

Program sales in Japan were transferred from the Multi-Visual Ventures and Cultural Events segment to the Broadcasting segment on April 1, 2009.

# TBS Television—3



## FY2010 Viewer Ratings

(Unit: %)

	All day	Golden time*	Prime time**
<b>TBS</b>	<b>6.6 (5th)</b>	<b>9.5 (5th)</b>	<b>9.7 (5th)</b>
NTV	8.4 (2nd)	12.5 (2nd)	12.6 (2nd)
Fuji TV	8.5 (1st)	13.6 (1st)	13.4 (1st)
TV Asahi	7.7 (3rd)	11.0 (4th)	11.7 (3rd)
TV Tokyo	3.2 (6th)	7.1 (6th)	6.7 (6th)
NHK	6.9 (4th)	12.2 (3rd)	10.7 (4th)
<b>HUT</b>	<b>42.6</b>	<b>64.3</b>	<b>63.1</b>

(Ratings for March 30, 2009 to March 28, 2010, on a weekly basis)

\* 19:00–22:00

\*\* 19:00–23:00

## TV Program Costs (Production Expenses)

(Unit: million yen)

	FY2010	FY2009	y/y change	y/y percentage
<b>Q1</b>	¥ 25,995	¥ 29,943	–3,948	86.8%
<b>Q2</b>	27,590	30,409	–2,819	90.7%
<b>1st half</b>	53,585	60,352	–6,767	88.8%
<b>Q3</b>	25,766	27,109	–1,343	95.0%
<b>Q4</b>	25,719	28,174	–2,456	91.2%
<b>Direct expenses</b>	20,133			
<b>Indirect expenses</b>	5,585			
<b>2nd half</b>	51,485	55,283	–3,798	93.1%
<b>FY2010 results</b>	<b>¥105,070</b>	<b>¥115,635</b>	<b>–10,565</b>	<b>90.8%</b>
<b>FY2011 forecasts</b>	<b>¥98,400</b>		<b>–6,670</b>	<b>93.6%</b>
	Direct expenses: ¥76,200			
	Indirect expenses: ¥22,200			

### Major expenses included in TV program cost:

Direct expenses: Program purchasing expenses, fees for broadcasting rights, fine arts production expenses, technical production expenses (included in direct expenses from FY2008), etc.

Indirect expenses: Absorbed cost including depreciation and personnel cost for employees

# Financial Data of Major Group Companies



## TBS Radio & Communications, Inc.

(Unit: million yen)

	FY2010	
	Amount	y/y change
Net sales	¥11,419	-2,033
Operating income	221	451
Ordinary income	232	457
Net income	117	439

Recorded the highest ratings for 52 consecutive periods from August 2001 to February this year.



## Grand Marche, Inc.

(Unit: million yen)

	FY2010	
	Amount	y/y change
Net sales	¥12,251	-444
Operating income	432	-523
Ordinary income	455	-497
Net income	264	-296



## TC Entertainment Incorporated

(Unit: million yen)

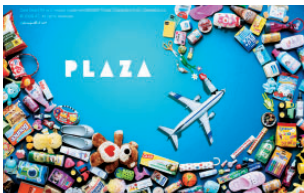
	FY2010	
	Amount	y/y change
Net sales	¥5,686	-953
Operating income	364	-672
Ordinary income	366	-672
Net income	212	-333



## YOKOHAMA BAYSTARS BASEBALL CLUB, INC.

(Unit: million yen)

	FY2010 (Jan. to Dec. 2009)	
	Amount	y/y change
<b>Net sales</b>	¥7,142	-314
<b>Operating loss</b>	(440)	-437
<b>Ordinary loss</b>	(423)	-444
<b>Net loss</b>	(503)	-504



## StylingLife Holdings Inc. (Consolidated)

(Unit: million yen)

	FY2010	
	Amount	y/y change
<b>Net sales</b>	¥73,614	—
<b>Operating income</b>	1,077	—
<b>Ordinary income</b>	1,018	—
<b>Net income</b>	188	—



©Sony/Spifford 2010



## BS-TBS, INC.

(Unit: million yen)

	FY2010	
	Amount	y/y change
<b>Net sales</b>	¥7,857	-337
<b>Operating income</b>	525	-48
<b>Ordinary income</b>	530	-50
<b>Net income</b>	526	-50

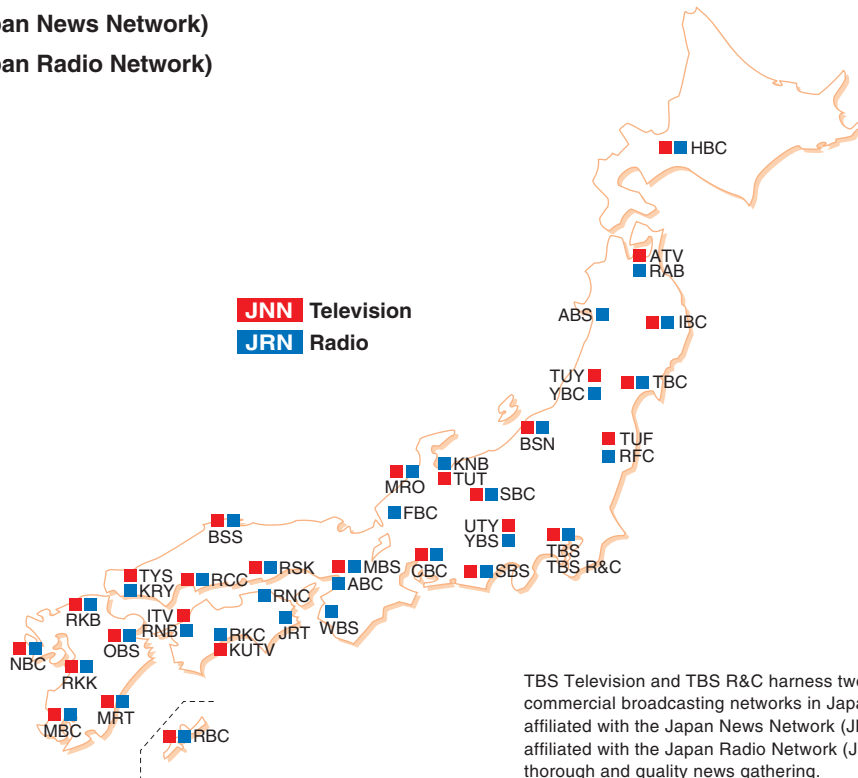


Cumulative losses at the end of the year ended March 31, 2010:  
¥35,346 million (improved ¥526 million from the end of the previous year)

# TBS Networks

**JNN (Japan News Network)**

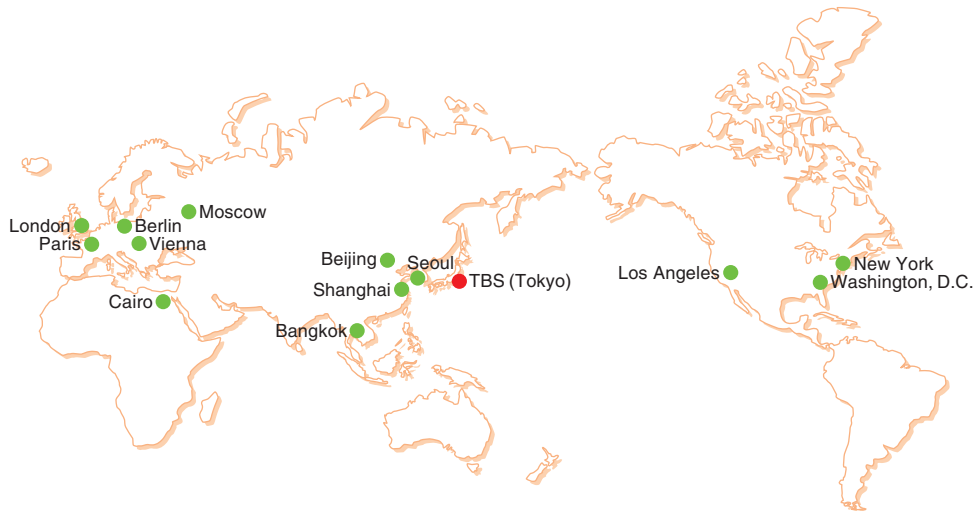
**JRN (Japan Radio Network)**



TBS Television and TBS R&C harness two of the most extensive commercial broadcasting networks in Japan, in which 28 TV stations affiliated with the Japan News Network (JNN) and 34 radio stations affiliated with the Japan Radio Network (JRN) nationwide guarantee thorough and quality news gathering.

Our news network delivers accurate information in a split second, in alliance with overseas bureaus placed in 13 major cities around the world.

## JNN OVERSEAS BUREAUS



**Tokyo Broadcasting System Holdings, Inc.**

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