

**Briefing Session on
Financial Results
for the Third Quarter FY2005
and
New Medium-term
Management Objectives**

Tokyo Broadcasting System, Inc.

February 15, 2006



Attendees of the session

President

Senior Managing Director

Managing Director

Senior Managing Director,

Tokyo Broadcasting System Television, Inc.

Hiroshi Inoue

Keizo Zaitzu

Kazuo Hiramoto

Kenichiro Kidokoro

Chairperson:

Division President, Division of Corporate Planning

Shinya Yamaguchi



Outline of new medium-term management objectives

President Hiroshi Inoue



TBS V!-Up 2010 Basic Strategy

- ➡ Expand the revenue by improving viewer ratings and market share.
- ➡ Develop and distribute content that fits the characteristics of the transmission channels diversified by digital technology.
- ➡ Change the structure of operating expenses and program costs.
- ➡ Improve asset and capital efficiency.



**Constant improvement of the VALUE
(enterprise value + broadcast medium value)**



TBS V!-Up 2010

Medium-term Management Objectives

(Segment sales figures represent sales from outside customers.)

(Billions of yen)

	FY2004	FY2008	FY2010
Consolidated net sales	301.4	350.0	430.0
Broadcasting	258.4	266.0	280.0
Multi Visual Ventures & Cultural Events	40.5	74.0	135.0
Real Estate	2.5	10.0	15.0
Consolidated operating income	22.5	39.0	59.0
Consolidated operating cash flow	26.2	35.0	50.0
All-day viewer rating	7.5%	8.6%	9%
TBS's share of spot sales among 5 key broadcasters in Tokyo	21.1%	23%	25%

(“Multi Visual Ventures & Cultural Events” is a tentative name.)

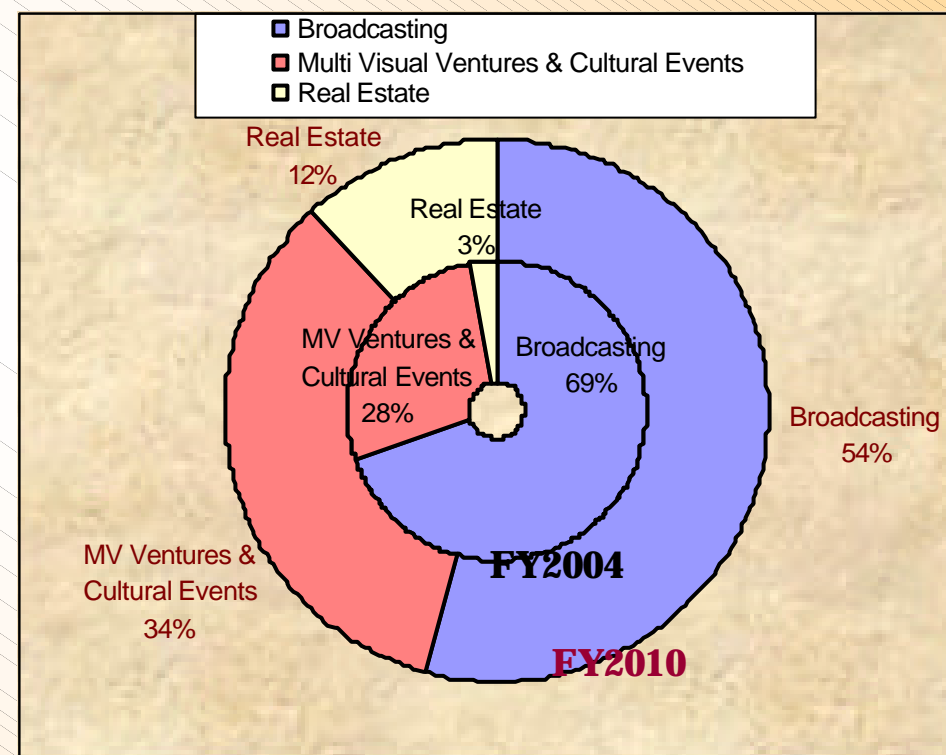


TBS V!-Up 2010

Composition of Operating Income

	FY2004	FY2010
Consolidated operating income	22.5	59.0
Broadcasting	15.7	32.0
Operating income margin	6.1%	11.4%
MV Ventures & Cultural Events	6.2	20.0
Operating income margin	15.3%	14.8%
Real Estate	0.6	7.0
Operating income margin	24%	46.7%

(Billions of yen)





TBS V!-Up 2010

Revenue from Broadcasting

Assumptions of the plan

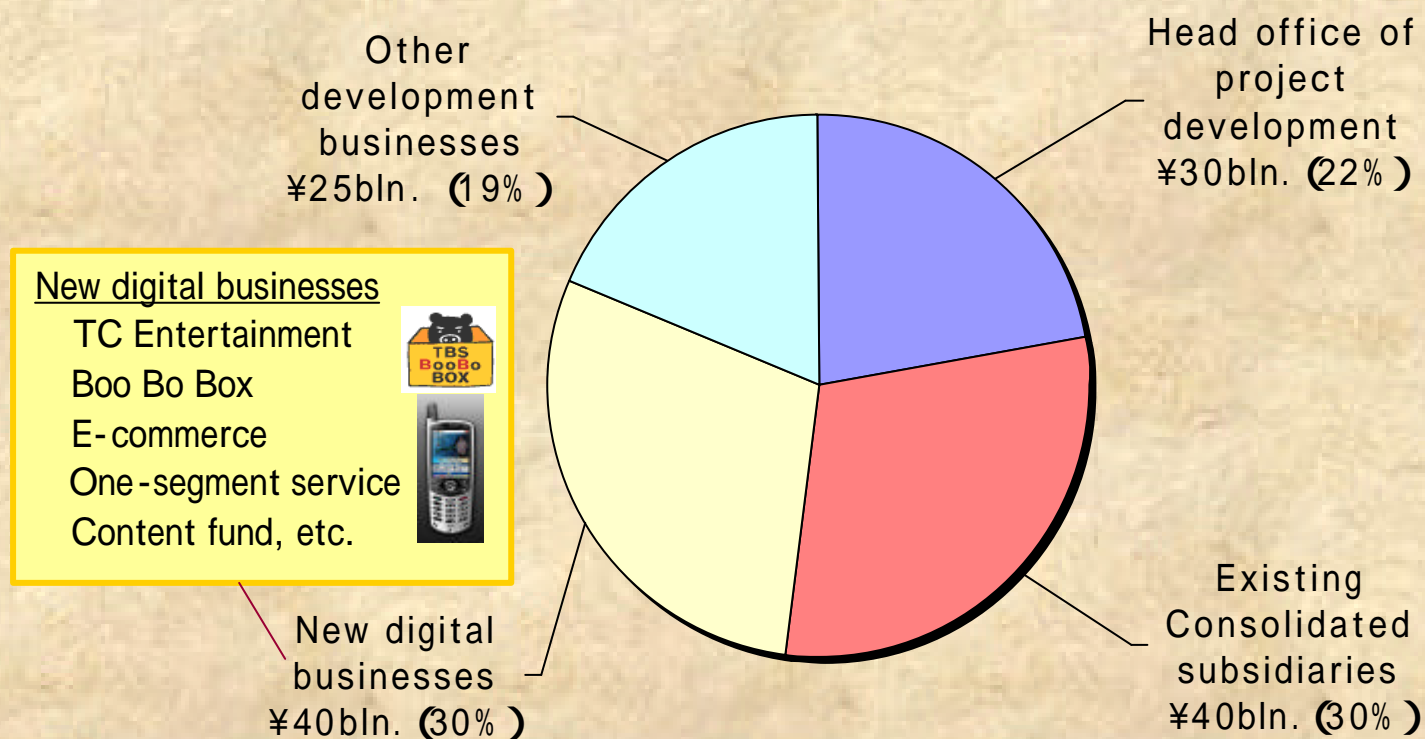
- ➡ Average increase of spot revenue: Between 2.5 and 3%
- ➡ Average increase of time revenue : Approx. 1%
- ➡ Program (production) cost: ¥120billion as the fundamental indicator
- ➡ Consolidated depreciation : Ave. Approx. ¥12billion





TBS V!-Up 2010 Revenue from Multi Visual Ventures & Cultural Events Business

Image of revenue from Multi Visual Ventures & Cultural
Events Business (from outside customers) in FY2010:
¥ 135bln.



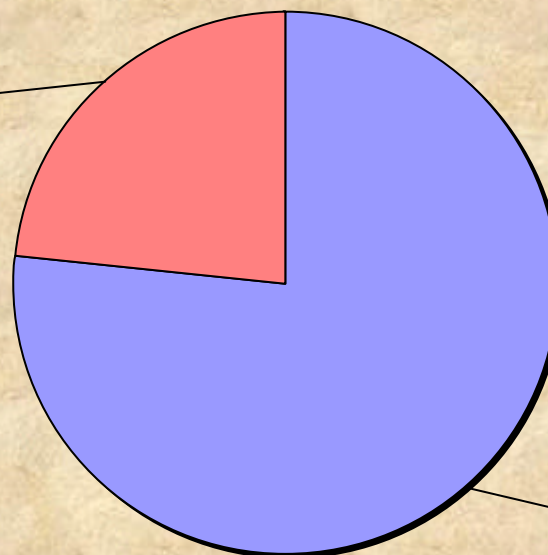


TBS V!-Up 2010

Revenue from Real Estate Business

Image of revenue from Real Estate Business
(from outside customers) in FY2010:
¥ 15bln.

Existing businesses
¥3.5bln.
(23%)



Akasaka Redevelopment Project

Total project cost: Approx. ¥77bln.
Operating income: Approx. ¥6bln.
IRR (before tax): Approx. 9%
Depreciation: Approx. ¥2.5bln.

Akasaka
Redevelopment
Project ¥11.5 bln.
(77%)



TBS V!-Up 2010 Financial Strategy

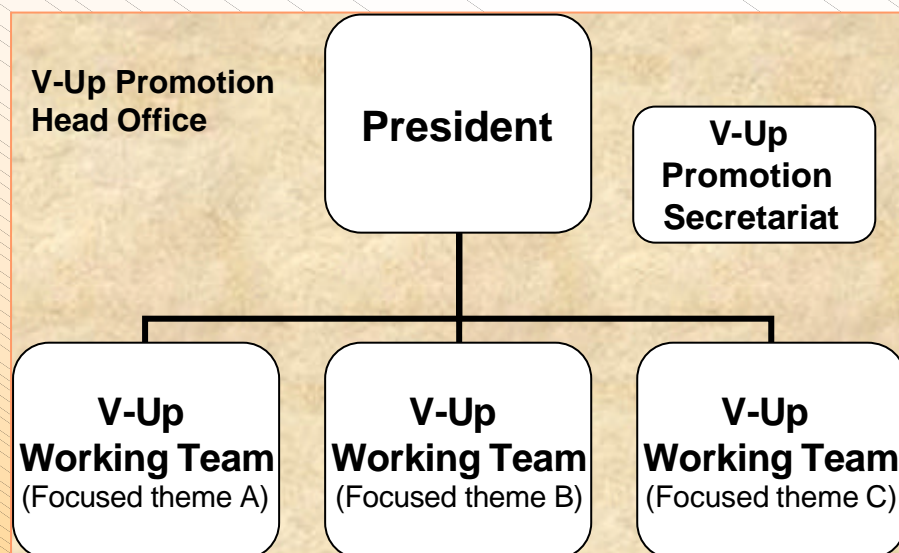
- ➡ **Realize dividend payout of 30%
on the premise of earnings recovery**
- ➡ **Focus on the DOE (Dividend on Equity) as a sub indicator**

Review points for better asset and capital efficiency

- ➡ **Equity ratio**
- ➡ **Effective utilization of assets**
- ➡ **State of capital composition**



TBS V!-Up 2010 Promotion Framework



V!-Up Action Plans

- ➡ Change the structure of operating expenses and program costs.
- ➡ Formulate programs in conjunction with our marketing strategy.
- ➡ Develop content usable for multiple purposes
- ➡ Create an effective organizational structure for the group companies.
- ➡ Develop advertising methods to expand our reach.

**V! -Up to be the source of the greatest content
Professional TBS !**



Summary of the Third Quarter FY2005

Managing Director Kazuo Hiramoto



Financial Highlights for the Third Quarter FY2005

- ➡ Both sales and profits declined on a consolidated and non-consolidated basis.
- ➡ R&C got the top audience rating for the 27th time (4 years and 6 months) in a row.
- ➡ Grand Marché, Inc. is prospering in the retail business with drastic increases in both sales and profits.
- ➡ BS-i also improved sales and profit/loss with increased ad revenue.
- ➡ TBS Channel is expected to move into the black in the current fiscal year.



Consolidated Statements of Income

(Millions of yen)

	FY2005-Q3				Nine months ended Dec. 31, 2005			
	Amount	Y/Y change	Rate of change (%)	Consolidated /non-consolidated ratio	Amount	Y/Y change	Rate of change (%)	Consolidated/ non-consolidated ratio
Net sales	79,280	-2,470	-3.0	1.17	228,479	-1,817	-0.8	1.15
Operating income	7,608	-2,473	-24.5	1.97	13,310	-7,793	-36.9	1.71
Ordinary income*	7,605	-2,398	-24.0	1.85	13,279	-8,069	-37.8	1.51
Net income	3,969	-2,004	-33.6	1.81	16,542	2,921	21.4	1.13

*Ordinary income is operating income plus non-operating income from interest and dividend income and other items less non-operating expenses, such as interest expenses. Ordinary income is used as an important indicator of earning power for Japanese corporations.



Consolidated Segment Results for the Third Quarter FY2005

(Millions of yen)

	FY2005-Q3				Nine months ended Dec. 31, 2005			
	Net sales	Y/Y change	Operating income	Y/Y change	Net sales	Y/Y change	Operating income	Y/Y change
Broadcasting	67,059	-2,080	4,377	-2,357	195,983	-4,068	7,138	-6,995
Real estate	640	24	170	37	1,953	24	494	31
Other businesses	11,580	-414	3,059	-155	30,542	2,225	5,680	-830
Consolidated	79,280	-2,470	7,608	-2,473	228,479	-1,817	13,310	-7,793



Consolidated Balance Sheets

(Billions of yen)

	Dec. 2005 (A)	Sep. 2005 (B)	(A)-(B)	Rate of change (%)		Dec. 2005 (A)	Sep. 2005 (B)	(A)-(B)	Rate of change (%)
Current assets	154.9	184.5	-29.6	-16.1	Current liabilities	74.1	79.6	-5.5	-6.9
					Long-term liabilities	97.4	85.9	11.4	13.3
Fixed assets	392.3	338.1	54.2	16.0	Total liabilities	171.5	165.6	5.9	3.6
					Minority interests	2.3	1.4	0.8	60.1
					Total shareholders' equity	373.3	355.5	17.7	5.0
Total assets	547.2	522.6	24.6	4.7	Total liabilities, minority interests and shareholders' equity	547.2	522.6	24.6	4.7

Interest-bearing liabilities balance at the end of third quarter: ¥53.8 billion (-¥0.3 billion)



Consolidated Cash Flow Results

(Millions of yen)

	Dec. 2005	Dec. 2004	Y/Y change
Cash flows from operating activities	11,340	14,951	-3,610
Cash flows from investing activities	(28,367)	(11,244)	-17,123
Cash flows from financing activities	22,965	(9,931)	32,896
Net increase (decrease) in cash and cash equivalents	6,014	(6,231)	12,245
Cash and cash equivalents at beginning of year	52,612	57,530	-4,917
Cash and cash equivalents at end of year	58,627	51,299	7,328



Financial Results of Consolidated Subsidiaries

(Millions of yen)

	TBS Television				TBS R&C			
	FY2005-Q3	Y/Y change	Nine months ended Dec. 31, 2005	Y/Y change	FY2005-Q3	Y/Y change	Nine months ended Dec. 31, 2005	Y/Y change
Net sales	20,943	1,549	61,313	29,516	3,749	-72	11,819	-353
Operating income	176	95	(16)	-313	26	-199	473	-450
Ordinary income	171	80	(22)	-325	26	-199	475	-449
Net income	59	42	(115)	-244	(9)	-127	198	-288



Financial Results of Yokohama Bay Stars

(Millions of yen)

	FY2005-Q3 (Jul. - Sep.)		Nine months ended Sept. 30, 2005		Forecast for the full year	
	Amount	Y/Y change	Amount	Y/Y change	Amount	Y/Y change
Net sales	2,888	-599	6,488	-834	7,867	-117
Operating income	840	-253	553	-333	(30)	355
Ordinary income	844	-249	582	-334	8	353
Net income	831	-264	567	-359	0	396



Financial Results of BS-i

(Millions of yen)

	FY2005-Q3		Nine months ended Dec. 31, 2005		Forecast for the full year	
	Amount	Y/Y change	Amount	Y/Y change	Amount	Y/Y change
Net sales	1,494	249	3,875	485	5,234	425
Operating income	(659)	125	(2,109)	1,107	(2,790)	1,182
Ordinary income	(657)	230	(2,104)	1,106	(2,786)	1,180
Net income	(658)	230	(2,106)	1,135	(2,790)	1,209

Cumulative loss at the end of third quarter: ¥32,242 million



Non-consolidated Statements of Income

(Millions of yen)

	FY2005-Q3			Nine months ended Dec. 31, 2005		
	Amount	Y/Y Change	Rate of Change (%)	Amount	Y/Y Change	Rate of Change (%)
Net sales	67,847	-1,220	-1.8	198,021	-1,455	-0.7
Operating income	3,861	-3,441	-47.1	7,779	-8,382	-51.9
Ordinary income	4,106	-3,319	-44.7	8,774	-9,340	-51.6
Net income	2,196	-2,496	-53.2	14,639	2,112	16.9



Non-consolidated Revenue Breakdown

(Millions of yen)

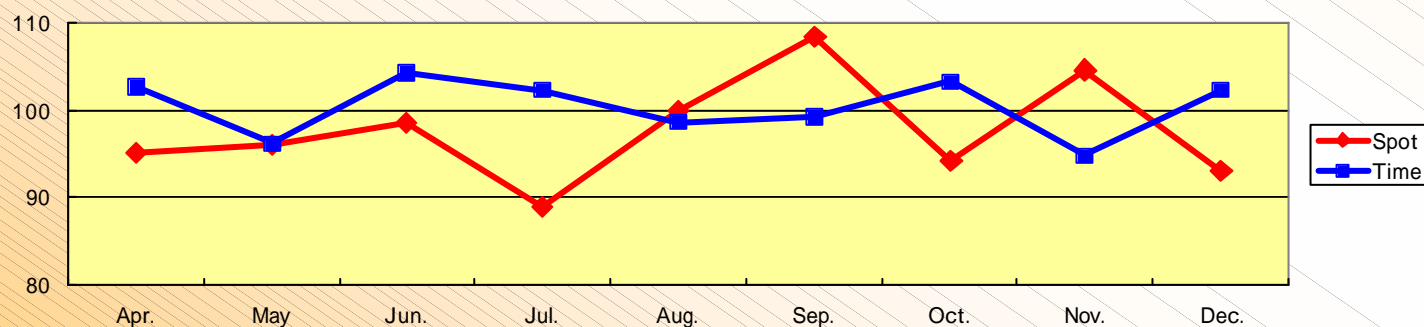
	FY2005-Q3			Nine months ended Dec. 31, 2005		
	Amount	Y/Y Change	Rate of Change (%)	Amount	Y/Y Change	Rate of Change (%)
Television	60,520	-826	-1.3	176,066	-2,591	-1.5
(Time sales, Programming)	29,953	34	0.1	89,469	296	0.3
(Spot sales)	27,702	-748	-2.6	77,869	-2,143	-2.7
(Others)	2,863	-112	-3.8	8,727	-745	-7.9
Other businesses	7,327	-394	-5.1	21,955	1,136	5.5
(Operating)	6,171	-398	-6.1	18,481	1,007	5.8
(Real estates)	1,156	4	0.4	3,473	128	3.8
Total revenues	67,847	-1,220	-1.8	198,021	-1,455	-0.7



Non-consolidated TV Revenue Increase

(%)

FY2005	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	3Q	Apr. – Dec.
Spot sales	-4.9	-4.0	-1.5	-11.1	± 0	8.4	-5.8	4.7	-7.0	-2.6	-2.7
Time sales, Programming	2.6	-3.8	4.3	2.4	-1.4	-0.8	3.2	-5.1	2.4	0.1	0.3





TV Revenue Increase Forecast

FY2005	Q1 Results	Q2 Results	First half Results	Q3 Results	Q4 Forecast	Second half Forecast	FY2005 Forecast
Spot sales	-3.5%	-1.7%	-2.7%	-2.6%	5.8%	1.2%	-0.8%
Time sales, Programming	0.9%	0.0%	0.4%	0.1%	5.5%	2.8%	1.6%

【 Forecast published on Nov. 18 】

FY2005	Second half	Full year
Spot sales	1.7%	-0.5%
Time sales	1.0%	0.7%



Segment Spot Sales Ranking

(%)

	FY2005-Q3	Increase/ Decrease	Share	FY2004-Q3	Increase/ Decrease	Share
1	Cosmetics and toiletries	-8.6	12.2	Cosmetics and toiletries	7.0	13.5
2	Food products	-17.0	9.6	Food products	4.8	11.3
3	General electronic equipment	1.0	9.4	Alcoholic and other beverages	13.3	9.1
4	Drugs and medicines	13.3	8.8	General electronic equipment	-2.3	8.9
5	Alcoholic and other beverages	-15.1	8.0	Drugs and medicines	-6.4	7.5
6	Finance	21.9	7.7	Precision equipment and office machines	-2.5	6.9
7	Entertainment and hobby	33.8	7.4	Finance	15.2	6.7
8	Automobile and transportation	8.1	6.8	Automobile	-20.5	5.6
9	Precision equipment and office machines	-24.2	5.4	Communication and broadcasting	-23.1	5.3
10	Retailing	26.1	4.8	Entertainment	-16.1	4.9

(Ranking is according to sales amount.)



Non-consolidated Business Revenue

(Millions of yen)

	Description		FY2005-Q3	Y/Y change	9 months ended Dec. 31, 2005	Y/Y change	Remarks on the 3 rd Qtr
Div. of Project Development	Cultural events business		1,132	513	2,909	651	<i>Nutcracker</i> by Tetsuya Kumakawa's K ballet Company acquired a favorable reputation.
	Event project business		779	-340	1,939	-781	
Content Business Div.	Multi Visual Ventures business	Software	1,080	-63	3,582	443	DVDs of TV programs <i>Ima Ai Ni Yukimasu</i> and <i>Dragon Zakura</i> were selling well.
		Program rights	602	-572	2,377	-806	The movie <i>NANA</i> 's box-office sales were ¥4bln (Attendance: 3.03mln).
	Content business	Domestic programs	892	-77	2,683	-184	
		Overseas programs	283	-15	957	-11	
		BS & other programs	52	32	100	-582	
	Communication Satellite business (TBS-ch. / NB)		608	152	1,773	1,317	TBS-ch is expected to move into the black in the current fiscal year.
	Media commerce		249	-78	703	-53	
	Mobile & Net		489	51	1,454	1,016	Linkage with TV programs is in good form.
	Total		6,171	-398	18,481	1,007	



Software Category Sales Top 10

(Units: Packages)

	Title	Number of packages sold (Apr. - Dec. 2005)	Sum total from the release
1	<i>8 -Ji Dayo! Zenin shugo 2005 (DVD)</i>	157,000 sets	157,000 sets
2	<i>Tiger & Dragon (DVD & Video)</i>	199,500	199,500
3	<i>Kaze No You Ni Uta Ga Nagareteita (DVD)</i>	41,500 sets	41,500 sets
4	<i>Ima Ai Ni Yukimasu (DVD & Video)</i>	88,900	88,900
5	<i>Dragon Zakura (DVD)</i>	65,580	65,580
6	<i>H2 (DVD & Video)</i>	19,481	19,481
7	<i>Aikurushii (DVD & Video)</i>	32,670	32,670
8	<i>M No Higeiki (DVD & Video)</i>	23,688	23,688
9	<i>Sekai No Chushin De Ai Wo Sakebu (DVD & Video)</i>	33,100	332,155
10	<i>8 -Ji Dayo! Zenin shugo (DVD)</i>	23,200 sets	308,700 sets

(Ranking is according to sales amount.)



TV Program (production) Cost

(Billions of yen)

	FY2005	FY2004	Y/Y change
First Quarter	29.5	30.2	-0.7
Second Quarter	33.9	31.3	2.6
First half	63.4	61.5	1.9
Third Quarter	30.8	29.9	0.9
Second half Forecast	60.6	59.4	1.2
Full year Forecast	124	120.9	3.1

(Reference) Main expenses included in the TV program cost

- Direct cost: Program production cost, agent service fee, guarantee, etc.
- Indirect cost: Personnel expenses, art construction cost, technical fabrication cost, depreciation, etc.



Capital expenditures and Depreciation

(Millions of yen)

Consolidated	First half	9 months ended Dec. 31, 2005	Y/Y change	Full year Forecast	Y/Y change
Capital expenditures	14,773	18,140	7,670	25,100	8,621
Depreciation	6,690	10,335	1,454	13,500	1,038

Non-consolidated	First half	9 months ended Dec. 31, 2005	Y/Y change	Full year Forecast	Y/Y change
Capital expenditures	14,247	16,642	7,372	23,500	8,875
Depreciation	6,113	9,356	1,036	12,500	843



Viewer Ratings for the Third Quarter FY2005

**Senior Managing Director,
Tokyo Broadcasting System Television, Inc.
Kenichiro Kidokoro**



Viewer Ratings for the Third Quarter

TBS recorded an golden time average viewer rating of 12.7% in the nine months ended Dec. 31, 2005, and was ranked as the joint second.

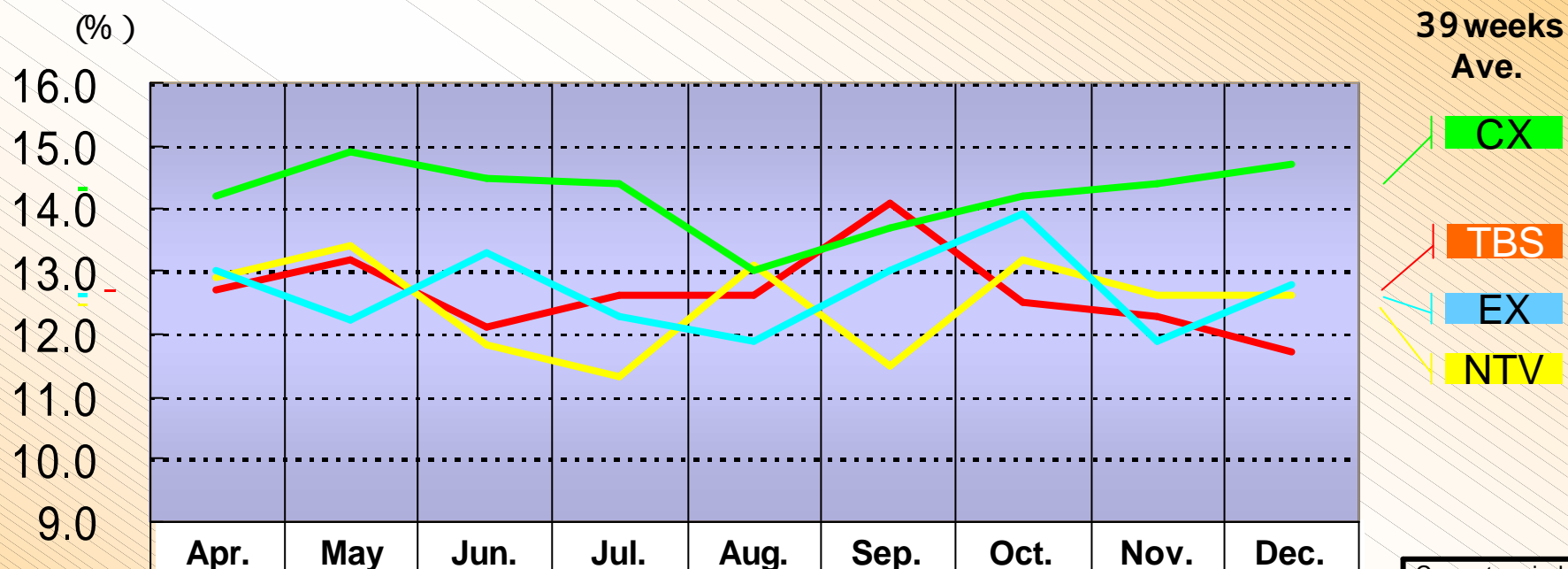
	All day	Change	Golden time	Change	Prime time	Change
TBS	7.8	0.5	12.1	- 0.4	12.1	-0.2
Nippon Television	8.6	- 0.6	12.8	- 1.0	12.9	-0.9
Fuji Television	9.4	- 0.1	14.5	0.8	14.6	0.5
TV Asahi	7.9	0.1	12.9	0.6	13.4	0.5
TV Tokyo	3.7	± 0	8.4	0.3	7.8	0.3
NHK	6.8	- 1.0	11.9	- 1.1	10.9	-1.0

(Oct. 3, 2005 - Jan. 1, 2006: Weekly base. Changes show year-to-year comparison.)

(%)



Golden Time Viewer Rating Transition



	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
TBS	12.7	13.2	12.1	12.6	12.6	14.1	12.5	12.3	11.7
Nippon Television	12.9	13.4	11.8	11.3	13.1	11.5	13.2	12.6	12.6
Fuji Television	14.2	14.9	14.5	14.4	13.0	13.7	14.2	14.4	14.7
TV Asahi	13.0	12.2	13.3	12.3	11.9	13.0	13.9	11.9	12.8

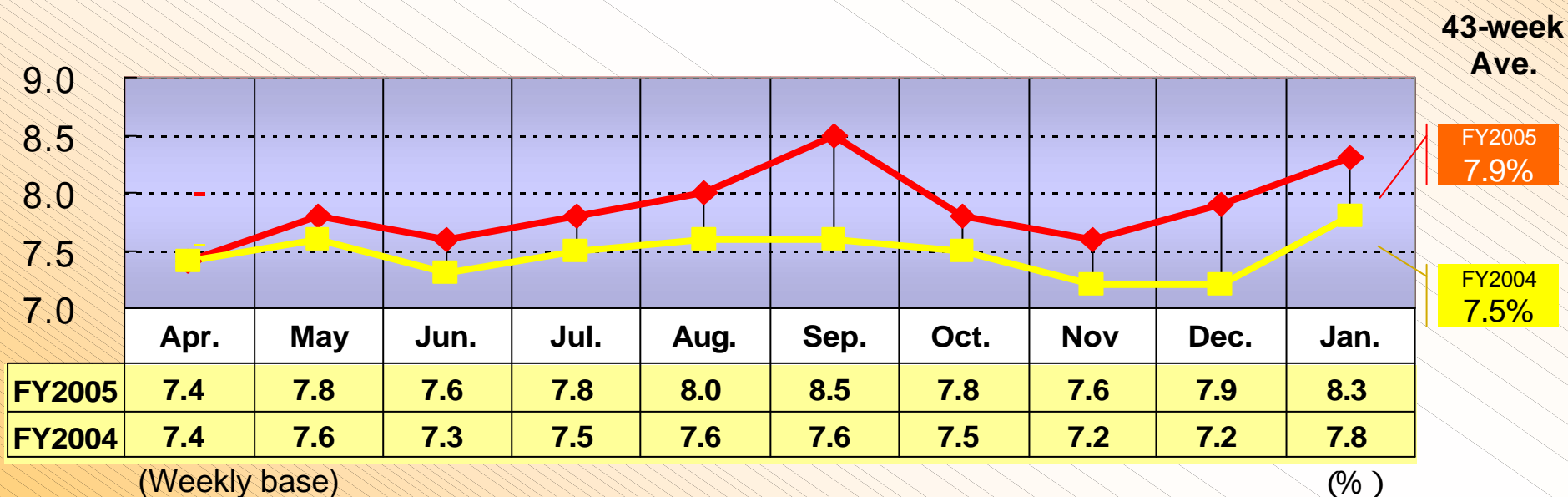
Current period Ave.
12.7
12.5
14.2
12.7

(Weekly base)



All-Day Viewer Rating Transition

Since the programming reform in April,
the viewer ratings for the morning and noon slots has been on an upward trend.
All-day average viewer rating: 7.9%

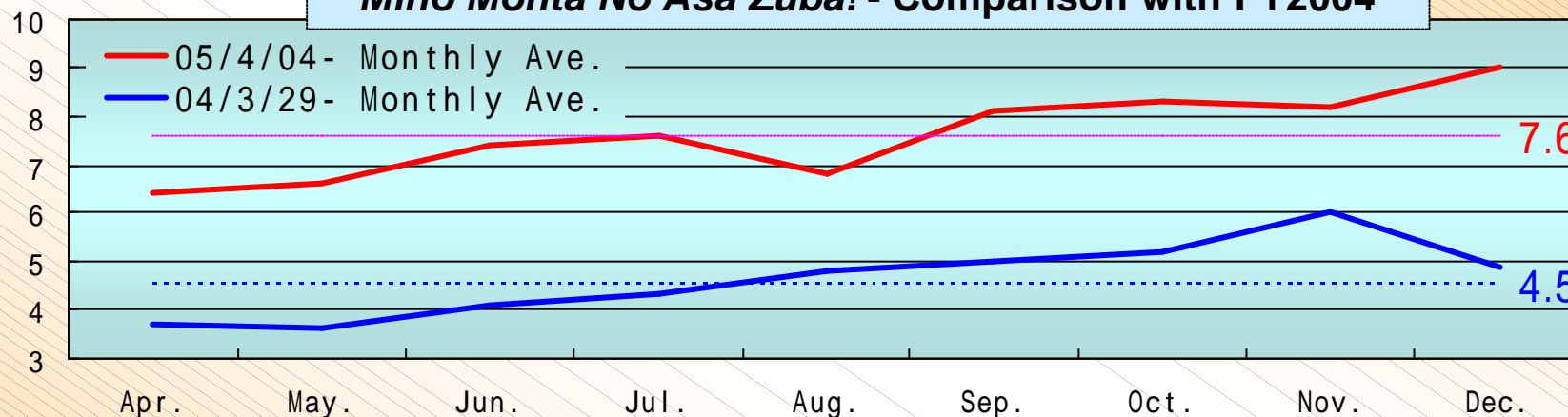




Morning and noon slots Programs Trend

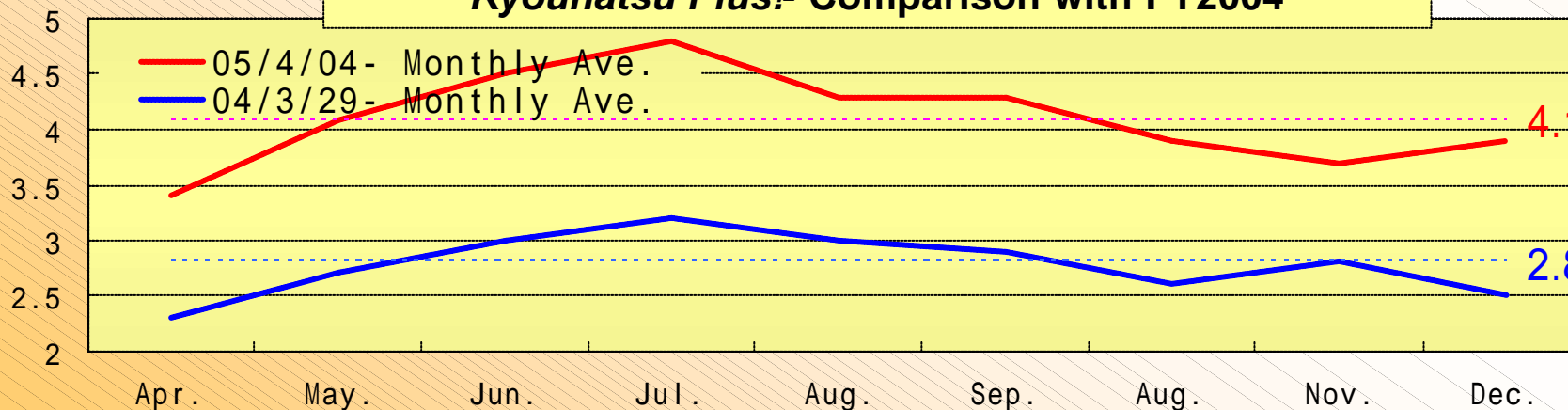
Mino Monta No Asa Zuba! - Comparison with FY2004

39-week Ave.



3.1 point up

Kyouhatsu Plus! - Comparison with FY2004



1.3 point up

Regular Programs Top 10

(%)

	Program title	Program schedule	Average viewer rating
1	Friday Drama <i>Hana Yori Dango</i>	Fri. 22:00-	19.7
2	<i>Zubari Iu Wayo</i>	Tue. 21:00-	17.3
3	<i>Tokyo Friendly Park II</i>	Mon. 19:00-	15.7
4	<i>Sanma No Super Karakuri TV</i>	Sun. 19:00-	15.5
5	<i>Pittanko Kan Kan</i>	Tue. 19:00-	15.0
6	<i>Mito Koumon</i>	Mon. 20:00-	14.6
7	<i>Broadcaster</i>	Sat. 22:00-	14.0
8	<i>Nakai Masahiro No Kinyoubi No Sumatachi E</i>	Fri. 21:00-	14.0
8	<i>Sunday Morning</i>	Sun. 8:00-	13.5
10	<i>Brother Beat</i>	Thu. 21:00-	13.5

(Oct. 3, 2005 – Jan. 1, 2006)

Golden Time Viewer Rating by Day

(%)

	Mon.	Tue.	Wed.	Thu.	Fri	Sat.	Sun	Average
Viewer rating	13.8	14.7	9.7	12.2	11.7	10.9	13.7	12.4

(Previous 3 months Oct. 31, 2005 - Feb. 5, 2006: Weekly base)



Programs starting from April

Commentary and variety shows

➤ <i>2 Ji Pita!</i>	Mon.-Fri. 14:00-	Live broadcast providing all kinds of fashion information, targeting young housewives.
➤ <i>Dream Press Sha</i>	Wed. 20:00-	New style anything-goes program including quizzes, talk and documentaries, presented by TBS's announcer Shinichiro Azumi on the theme "Dreams".
➤ <i>The Cheater</i>	Wed. 21:00-	War of nerves quiz gives viewers an hour of the willies!
➤ <i>Piikan Buddy!</i>	Sat. 19:00-	Beauty and health information is delivered with a unique image.
➤ <i>Nippon! Cha x 3!</i>	Sat. 20:00-	Shinsuke Shimada takes an up-close and personal look at super athletes!

Drama

➤ <i>Wataru Seken Wa Oni Bakari</i>	Thu. 21:00-	The 8 th season of the familiar drama series. Another story full of ups and downs.
➤ <i>Bengoshi No Kuzu</i>	Thu. 22:00-	The "worst-ever lawyer" turns complicated, dirty cases into victories! Entertainment drama bringing glorious fun.
➤ <i>Kurosagi</i>	Fri. 22:00-	Con artist "Kurosagi" garners big money through vicious cons... A suspense drama based on a popular comic.



Note on future projection

All the information presented in this report, including projections of the company's operating performance, is based on our judgment at the time of preparing this report. Therefore, we do not assure or guarantee the realization of the planned figures presented, which include some risk and uncertainty. Please note that actual operating performance may differ from the stated projections, depending on changes in economic climate, market trends, business environment, etc.

Contact for Inquiries

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