

# TBS

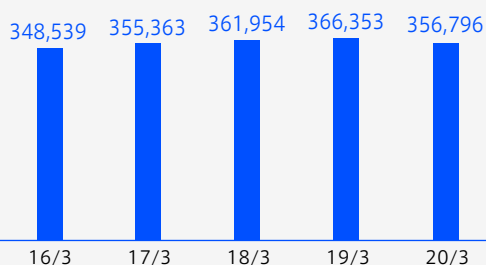
INVESTOR INFORMATION

2020

# Consolidated Financial Highlights

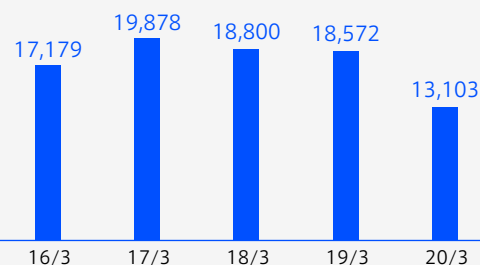
## Net Sales

(Millions of Yen)



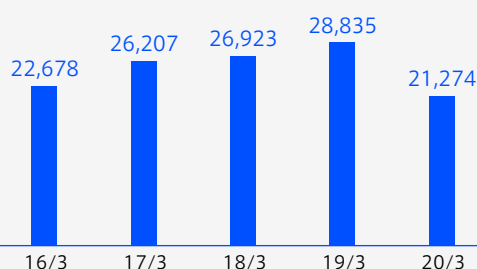
## Operating Income

(Millions of Yen)



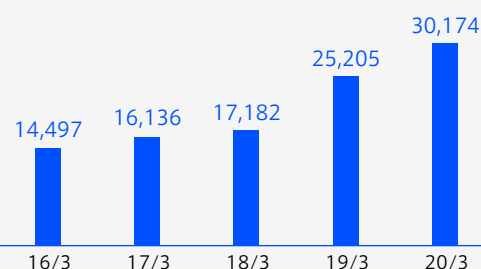
## Ordinary Income

(Millions of Yen)



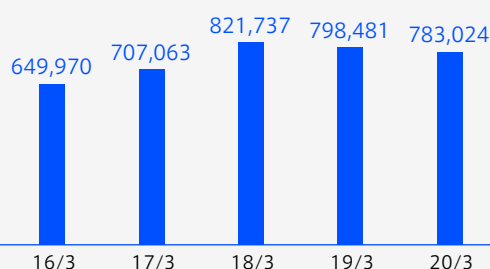
## Profit Attributable to Owners of Parent

(Millions of Yen)



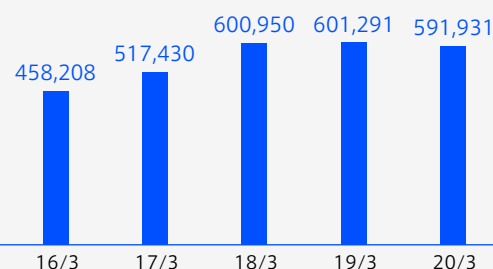
## Total Assets

(Millions of Yen)



## Total Net Assets

(Millions of Yen)



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### 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 Financial Instruments and Exchange Act. 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 then 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



The following is a brief summary of business operations during the fiscal year ended March 31, 2020.

In 2020, the worldwide spread of the COVID-19 novel coronavirus, which no one could have foreseen as the new year began, has caused major disruptions and created a sense of crisis. We at TBS have been similarly affected. However, no matter what the situation, we remain committed to fulfilling our mission as a broadcast media group and as a news and information provider. Accurate information is essential for the public to respond to the virus with the necessary amount of caution. This period has served as a keen reminder to us that the public service role is a major pillar of our operations.

In the Media & Content business segment the video streaming business performed well, with healthy increases in membership at both TVer, the official commercial TV portal site that operates free streaming based on advertising revenue, and at Paravi, a video streaming app based on a paid subscription. With the dramatic growth in video streaming content, TBS has established a prime competitive position. This was illustrated by the figures from TVer for the month of January, when TBS substantially surpassed the previous record for the number of views in a monthly period for every broadcast station. A large contribution to this success in January cours (three-month unit of broadcasting) was made by the drama series *An*

*Incurable Case of Love*, broadcast in the Tuesday evening slot, and Sunday evening's *Ship of Theseus*, both major hits via streaming as well as terrestrial broadcasting. Despite repeated claims that this generation is moving away from television watching, it is especially among the young that we are sensing success in attracting new viewers.

And now an important announcement for our stakeholders: To adapt to a changing world and emerge with a fresh identity, in April 2020 we adopted a new corporate philosophy and brand promise. Among the commitments we make are to open up not just for Japan but the whole world, to offer a wide range of services in addition to content, and to provide customers with entertaining and inspiring experiences in their everyday lives.

For the future, we look forward to continuing to grow as a comprehensive media group.

June 2020

**Takashi Sasaki**

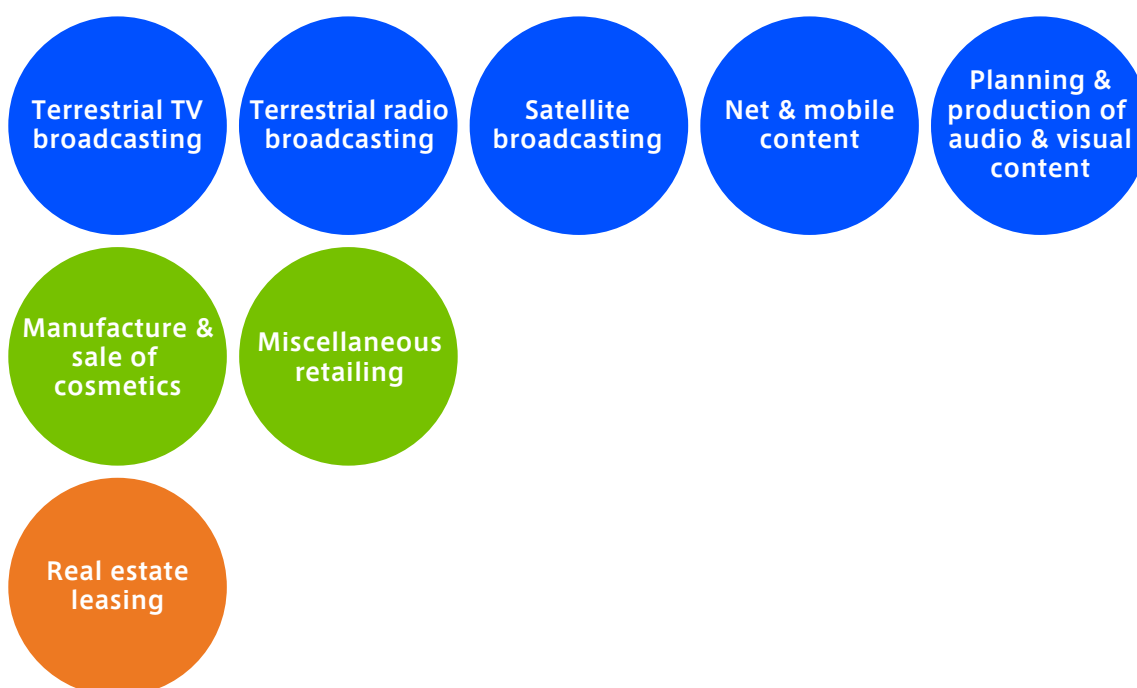
President and Representative Director  
Tokyo Broadcasting System Holdings, Inc.

# At a Glance

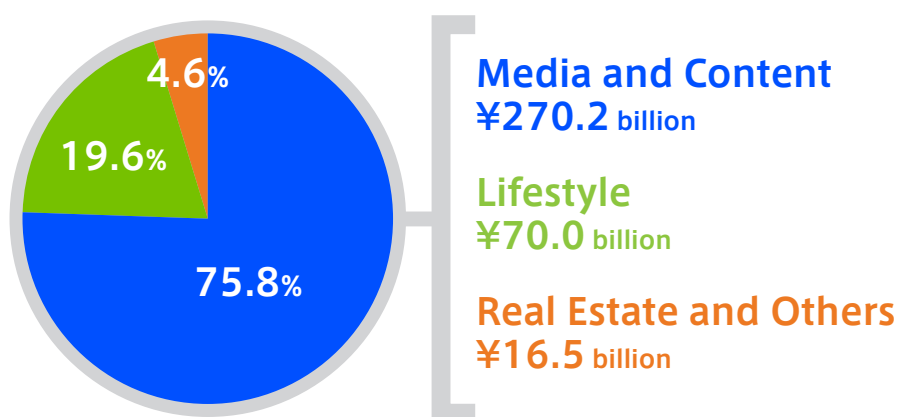
## Our Business

The Group covers a wide range of businesses, primarily broadcasting. We aim to become the best media group that provides the most powerful content and software in the areas of information, entertainment, lifestyle, and culture.

# TBS



## Net Sales by Business Segment (Year ended March 31, 2020)



# Organization

As of April 1, 2020

## Tokyo Broadcasting System Holdings, Inc.

### Media and Content / Real Estate and Other Businesses

Tokyo Broadcasting System Television, Inc.

#### Media and Content

TBS Radio Inc.

TBS SPARKLE, Inc.

Akasaka Graphics Art, Inc.

Oxybot, Inc.

Seven-Arcs Co., Ltd.

TC Entertainment Incorporated

TBS-TEX, Inc.

Totsu Inc.

BS-TBS, Inc.

TBS Glowdia, Inc.

Art Communication System, Inc.

CS-TBS, Incorporated

TLC Co., Ltd.

TBS International, Inc.

TBS Media Research Institute Inc.

Nichion, Inc.

#### Lifestyle

StylingLife Holdings Inc.

#### Real Estate

Akasaka Heat Supply Co., Ltd.

TBS Kikaku Co., Ltd.

TBS Sunwork, Inc.

TBS HEXA. INC

Midoriyama Studio City, Inc.

#### Equity-Method Affiliates

Place Holder, Inc.

Premium Platform Japan, Inc.

WOWOW Inc.

# Corporate Data

As of April 1, 2020

## Date of Establishment Head Office

May 10, 1951 (Registered on May 17)  
5-3-6 Akasaka, Minato-ku, Tokyo 107-8006, Japan  
[www.tbsholdings.co.jp/ir/en/index.html](http://www.tbsholdings.co.jp/ir/en/index.html)  
Stock Code: 9401, TSE First Section

## Paid-in Capital Number of Employees

¥54,986,892,896  
Tokyo Broadcasting System Holdings, Inc. 110  
Tokyo Broadcasting System Television, Inc. 1,178  
TBS Radio Inc. 67



① TBS Holdings Head Office ② Akasaka Biz Tower ③ Sub-control room at TBS Television ④ TBS studio for news programs

## Major Shareholders and Number of Shares Held (Top 10)

(as of March 31, 2020)

Shareholders	Shares held	Percentage
The Master Trust Bank of Japan, Ltd. (Pension Account-Pension Trust Account held for DENTSU INC.)	9,310,500	5.40
MBS MEDIA HOLDINGS, INC.	8,848,100	5.13
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,507,200	4.93
Mitsui Fudosan Co., Ltd.	5,713,728	3.31
NTT DOCOMO, INC.	5,713,000	3.31
Nippon Life Insurance Company	5,006,235	2.90
Panasonic Corporation	4,423,180	2.56
MITSUI & CO., LTD.	4,288,000	2.48
BIC CAMERA INC.	4,190,000	2.43
Sumitomo Mitsui Banking Corporation	3,775,267	2.19

# Business Report

From April 1, 2019 to March 31, 2020

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

### ① Business Activities and Results

During the consolidated fiscal year under review, Japan's economy continued on a path of modest recovery, with improvements seen in the employment and income environments. However, in addition to the impact of overseas economic trends such as the tension over trade issues and fluctuations in financial and capital markets, the recent pandemic of the novel coronavirus disease (COVID-19) has had a major impact on the domestic and international economies. As a result, the situation rapidly turned severe and the future outlook remains uncertain.

In this environment, according to *2019 Advertising Expenditures in Japan* (published by Dentsu Inc.), total advertising expenditures in Japan were ¥6,938.1 billion (up 6.2% year-on-year), marking the eighth consecutive year of positive growth. Of this, terrestrial television advertising expenditures were ¥1,734.5 billion (down 2.8% year-on-year), satellite media-related advertising expenditures were ¥126.7 billion (down 0.6% year-on-year), and radio advertising expenditures were ¥126.0 billion (down 1.4% year-on-year). Internet advertising expenditures exceeded ¥2 trillion, surpassing television media advertising expenditures for the first time.

In the TV advertising market, spot advertising spending in the Kanto area was 93.5% of the previous year's total, a very challenging situation.

Against this backdrop, consolidated net sales of the Group for the fiscal year ended March 31, 2020 decreased 2.6% from the previous fiscal year to ¥356,796 million. This was mainly due to a decrease in spot revenue, which was caused by a drop in volume in the Kanto region, a decrease in concerts and stage performances revenue following the spread of COVID-19, and a decline in time revenue.

Operating expenses (i.e. cost of sales and selling, general and administrative expenses) decreased 1.2% from the previous fiscal year to ¥343,692

million, mainly due to a reactionary decrease in production cost and broadcasting rights fees related to large-scale one-off sports events in the previous year.

As a result, operating income decreased 29.4% from the previous fiscal year to ¥13,103 million, while ordinary income decreased 26.2% to ¥21,274 million, mainly due to decreased dividend income, and profit attributable to owners of parent increased 19.7% to ¥30,174 million, mainly due to the posting of a gain on sales of investment securities as extraordinary income.

At the meeting of the Board of Directors held on May 14, 2019, the Company resolved to change the segment classification.

The Broadcasting, Multi Visual Ventures and Cultural Events, and Real Estate segments in the previous fiscal year were changed to the Media & Content, Lifestyle, and Real Estate & Other segments in the fiscal year under review. The figures for the reportable segments in the previous fiscal year have been prepared based on the segments after the change.

In the Media & Content business segment, net sales for the fiscal year under review were ¥270,265 million (down 2.8% year-on-year) and operating profit was ¥2,409 million (down 69.5% year-on-year).

Net sales in the Television division of Tokyo Broadcasting System Television, Inc. for the fiscal year under review decreased ¥4,106 million to



IAAF World Athletics Championships Doha 2019  
© Photo Kishimoto

# Business Report

From April 1, 2019 to March 31, 2020

¥182,083 million (down 2.2% year-on-year). Of this total, time advertising was ¥87,230 million (down 0.8% year-on-year), spot was ¥79,275 million (down 5.2% year-on-year), and content revenue (including advertising revenue earned through domestic broadcast syndication and free video streaming) was ¥10,892 million (up 0.6%). In terms of time revenues, regular programs were strong and one-off sales such as *the IAAF World Championships Doha 2019* contributed. However, this was not enough to match revenues from the previous year's *Asian Games 2018 in Jakarta* and *2018 FIFA World Cup Russia*. In spot sales, while advertisers' investments in the Kanto region remained sluggish throughout the year, down 6.5% year-on-year, the market share of five stations increased 0.2 percentage points year-on-year to 19.3%, but was below the previous year's level. Content revenue increased from the previous year, which had the World Cup advertising, due to a rise in demand for free video streaming and other factors.

Income from operations of Tokyo Broadcasting System Television, Inc. for the fiscal year under review decreased ¥2,926 million to ¥25,304 million (down 10.4% year-on-year).

For events, *The Habsburg Dynasty: 600 Years of Imperial Collections* at the National Museum of Western Art in October drew more than 395,000 visitors, and a special exhibition *Mummies of the World: In Search of Eternal Life* at the National Museum of Nature and Science in November drew more than 460,000 visitors. For concerts and stage performances, *BOUM! BOUM! BOUM! Shingo Katori NIPPON First Exhibition* at IHI Stage Around Tokyo, Asia's first 360-degree revolving theater, resulted in a sound performance. However, overall events and

concerts and stage performances revenues were down due to a decline from the previous year's *Seven Souls in the Skull Castle* series and *Stars on Ice 2018* and the cancellation of performances due to the spread of COVID-19. In the film business, sales decreased due to a lower number of new titles from the previous year and a decrease in the number of visitors since February, despite the blockbuster release of the movie *Kaguya-sama: Love Is War* (starring Sho Hirano, Kanna Hashimoto and others, and directed by Hayato Kawai) in September.

In the media business segment, revenue from video streaming and video content businesses increased due to steady performance, but revenue from businesses targeting overseas markets declined due to struggling broadcast syndication in China and other Asian markets, as well as poor commercialization in the licensing business.

Net sales of BS-TBS, INC. for the fiscal year under review increased ¥450 million to ¥16,849 million (up 2.7% year-on-year), thanks to growth in time regulars and solid sales of shopping programs.

Net sales of TBS Radio Inc. for the fiscal year under review decreased ¥217 million to ¥9,567 million (down 2.2% year-on-year) in the midst of a difficult radio advertising market.

In terms of expenses, operating income in this segment decreased ¥5,481 million to ¥2,409 million (down 69.5% year-on-year), despite a decline in production costs and broadcasting rights



WBS Premier12



Mummies of the World



# Business Report

From April 1, 2019 to March 31, 2020

fees for large-scale one-off sports events in the previous year.

In the Lifestyle business segment, net sales for the fiscal year under review were ¥70,007 million (down 2.6% year-on-year), and operating profit was ¥2,751 million (down 5.0% year-on-year).

PlazaStyle Company, a core retailing business of StylingLife Holdings Inc., saw strong sales of cosmetics and other products, but sales of sundries and clothing were weak due in part to the warm winter. BCL Company, a division of the cosmetics business, struggled to sell its products overseas, particularly in China and other Asian regions. In addition, a decline in consumption after the consumption tax hike and, most recently, the impact of the spread of COVID-19 on sales activities were serious, resulting in decreased sales and profit.

In the Real Estate and Others business segment, net sales for the fiscal year under review were ¥16,523 million (up 1.6% year-on-year), and operating income was ¥7,942 million (up 2.0% year-on-year).

Sales rose due to occupancy of Akasaka Biz Tower which continued to remain high and earnings from The Hexagon building, which is adjacent to the Company's building, were added from the previous fiscal year. Operating profit increased despite an increase in expenses such as repairs and maintenance.



The Hexagon building

## ② Capital Expenditures

Total capital expenditures in the fiscal year under review was ¥18.8 billion.

Capital expenditures consists of ¥7,500 million for the Company, ¥7,900 million in Tokyo Broadcasting System Television, Inc., ¥1,000 million in the StylingLife Group.

The Company's major capital expenditures were related to planning for the Akasaka Entertainment City Initiative and upgrading of the Akasaka Biz Tower common gates. Major capital investments for Tokyo Broadcasting System Television, Inc. included the upgrading of emergency power generation systems and high-voltage power supply equipment at Midoriyama Studio, and a sub-renewal of D Studio. Major capital investments for the StylingLife Group were made for PLAZA store renovations and investments in IT systems.

## ③ Capital Procurement

Total interest-bearing debt of the Group at the end of the fiscal year under review was ¥1,800 million in long-term borrowings (including the current portion and excluding lease obligations).

To ensure flexible access to operating capital, as of the end of the fiscal year under review, StylingLife Holdings Inc., a consolidated subsidiary of the Company, had established a commitment line agreement totaling ¥3 billion with Sumitomo Mitsui Banking Corporation. (The balance of the funds drawn is zero and the available balance is ¥3 billion.)

Aside from the above, with the aim of streamlining funding some account receivables are in the process of being liquidated.

## ④ Status of Important Reorganization

To review the structure of the Group and focus the strengths of the Group, based on the Group Medium-Term Management Plan 2020, on April 1, 2019 the Company made TBS GLOWDIA, Inc. a subsidiary. Seven other companies, including five consolidated subsidiaries (TBS

# Business Report

From April 1, 2019 to March 31, 2020

ProNex, Inc., Vecte, Inc., TBS Service, Inc., Grand Marche, Inc., TBS TriMedia, Inc.) and two wholly-owned subsidiaries, disappeared during absorption mergers.

## 5 Priorities

The business environment surrounding the Group is undergoing significant changes. The spread of COVID-19, which began in January this year, has had a major impact on economic activities, and the degree of impact on the future advertising market is also unclear, given the growing forecast that the growth of the domestic economy will turn negative.

On the other hand, the media viewing environment is diversifying, with the increasing sophistication of devices making it easier to enjoy video content on smartphones and tablets on a daily basis. According to *2019 Advertising Expenditures in Japan*, Internet advertising has surpassed television media advertising for the first time.

In the area of video streaming, the competition for users has intensified as international platform giants are increasing their presence in the Japanese market, and NHK is constantly conducting live streaming. One of our major challenges is how to increase the number of internet touchpoints and to monetize them.

Under these circumstances, we rewrote our Group corporate philosophy in April this year.

The new corporate philosophy is as follows.

“The TBS Group aims to deliver timeless content and services to the world, respecting diverse values and striving to make a positive contribution to society.”

In realizing this philosophy, we also established the Brand Promise, an important commitment to our customers and an aspiration for the future that all members of the Group must always keep in mind:

“From each moment, a better tomorrow.”

Our Group aims to create entertaining and inspiring experiences that move hearts and minds. This promise embodies our determination towards that future.

The Corporate Philosophy and Brand Promise are

guides for all our management activities, as we strive to provide fair and speedy reporting and content that is loved, while taking on new challenges.

In this endeavor, we have been making Group-wide efforts to achieve the Group Medium-Term Management Plan 2020 covering FY2018 to FY2020.

Priorities under the Group Medium-Term Management Plan 2020 and major initiatives in FY2019 are:

- (1) Increase the competitiveness of Tokyo Broadcasting System Television
- (2) Diversify and respond to the challenges in total media to create synergies for TBS
- (3) Undertake the social responsibility that the TBS Group should fulfill

For Priority (1) Increase the competitiveness of Tokyo Broadcasting System Television, the household audience ratings for FY2019 went down slightly year-on-year. However, we named the male-and-female viewer tier between the ages of 13 and 59 as our Family Core. Beginning in FY2019, we have made improvements to increase the number of shows that can be watched by families with the aim of increasing the individual audience ratings in this tier as a production indicator. As a result, we have proved popular with many Family Core viewers, especially for dramas and variety shows. Particularly in dramas, many hit titles were released, including *Ship of Theseus*, *An Incurable Case of Love*, *La Grande Maison Tokyo* and *No Side Manager*.

In addition, through our news media activities, we have strengthened the system for distributing news reports 24 hours a day, 365 days a year by promoting the integrated operation of terrestrial broadcasting and digital media, with the emphasis on the real-time nature of news and providing accurate information. In reporting on COVID-19, we have established a special reporting structure and have been providing information continuously to ensure that the public has accurate information, is suitably alerted and responds to the coronavirus correctly. Furthermore, the Company has actively employed digital tools, sending out daily reports of press conferences and commentary through live

# Business Report

From April 1, 2019 to March 31, 2020

streaming and SNS.

For Priority (2) Diversify and respond to the challenges in total media to create synergies for TBS, we focus on enhancing and monetizing our video streaming services as the key area of our comprehensive media strategy.

The use of a free catch-up (a block of reruns) streaming service is growing as the content lineup is enhanced, and advertising revenue is increasing year by year. TVer, the official commercial TV portal at the core of the service, has a cumulative total of more than 25 million app downloads, and will be upgraded to become an even more widely available service in the future.

Regarding paid video streaming, the number of paid subscriptions for Paravi, a flat-rate all-you-can-watch streaming service, continues to increase. In addition to our serial dramas, the director's cut versions and exclusive spin-off content have contributed significantly to subscriber acquisition. We will continue to further promote our video streaming business in the future.

In December 2019, capital and business alliances were concluded with Uzabase, Inc., the operator of an online business information aggregation site called NewsPicks. In collaboration with the IT company in the fast-growing digital media sector, we aim to co-produce content and jointly develop digital advertising by combining the know-how of both companies.

To expand into new business areas, investments were made in several startups working for content development using AR and VR technologies. This is an area in which the Group can fully demonstrate our video production strengths. In collaboration with these companies, we are working to provide groundbreaking entertainment and commercialize cutting-edge technology.

The Planning of Akasaka Entertainment City Initiative, announced in January 2019, is also making steady progress. Begun in July of the same year, the Akasaka Entertainment City Project Office has examined factors from various angles to create a completely new entertainment center that makes full use of the latest technology.

At the Company, we will continue to make strategic investments for sustainable growth, aiming to be a comprehensive media group that prospers.

With regard to Priority (3) Undertake the social responsibility that TBS Group should fulfill, we acceded to the United Nation's SDG Media Compact to accelerate the promotion of sustainable development goals (SDGs) adopted by the United Nations in 2015. Since January this year, we have been broadcasting the TV series *SDGs to the World of 2030*, mainly on news programs, and in cooperation with JNN affiliates, we have reported on "people tackling common global issues."

In October 2019, TBS Akasaka ACT Theatre and Mynavi Blitz Akasaka were converted to 100% renewable energy. This was the first initiative in the country to use renewable energy for theaters and concert halls. We will continue to accelerate the Group's promotion of sustainability activities and work on various measures to realize a better world.

As a result of these initiatives, in the Group Medium-Term Management Plan consolidated net sales of ¥356.7 billion, consolidated operating profit of ¥13.1 billion, and a ratio of operating profit to net sales of 3.7% were achieved in the fiscal year under review. These figures compared favorably with the forecast targets for FY2020 of ¥400.0 billion in consolidated net sales, ¥25.0 billion in consolidated operating profit, and a ratio of operating profit to net sales of 6.3%.

We will continue to respond swiftly to the changes of the times and evolve into a media group that is always loved and trusted by our customers, while at the same time striving to further enhance our corporate value and meet the expectations of our shareholders.

# Consolidated Financial Statements

## Consolidated Balance Sheets (Unaudited)

As of March 31, 2020 and 2019	Millions of yen	
	2019	2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	¥ 72,293	¥ 85,419
Notes and accounts receivable—trade	42,942	41,476
Securities	700	800
Merchandise and finished goods	8,832	8,518
Program rights and work in process	5,985	6,176
Raw materials and supplies	722	657
Prepaid expenses	8,644	11,344
Other	4,222	4,512
Allowance for doubtful accounts	(151)	(104)
<b>Total current assets</b>	<b>144,192</b>	<b>158,800</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	208,008	210,284
Accumulated depreciation	(115,140)	(119,055)
Buildings and structures, net	92,867	91,229
Machinery, equipment and vehicles	84,783	81,473
Accumulated depreciation	(73,152)	(71,416)
Machinery, equipment and vehicles, net	11,631	10,056
Tools, furniture and fixtures	31,430	31,768
Accumulated depreciation	(28,777)	(29,367)
Tools, furniture and fixtures, net	2,652	2,400
Land	96,821	96,820
Leased assets	4,159	4,454
Accumulated depreciation	(2,797)	(2,884)
Leased assets, net	1,362	1,569
Construction in progress	1,096	8,592
<b>Total property, plant and equipment</b>	<b>206,431</b>	<b>210,669</b>
<b>Intangible assets</b>		
Software	5,732	5,321
Goodwill	15,002	13,205
Leased assets	17	5
Other	1,377	1,494
<b>Total intangible assets</b>	<b>22,128</b>	<b>20,027</b>
<b>Investments and other assets</b>		
Investment securities	411,453	379,820
Long-term loans receivable	204	198
Deferred tax assets	2,541	2,108
Long-term prepaid expenses	245	236
Other	11,477	11,331
Allowance for doubtful accounts	(192)	(167)
<b>Total investments and other assets</b>	<b>425,728</b>	<b>393,527</b>
<b>Total non-current assets</b>	<b>654,289</b>	<b>624,223</b>
<b>Total assets</b>	<b>¥ 798,481</b>	<b>¥ 783,024</b>

# Consolidated Financial Statements

## Consolidated Balance Sheets (Unaudited)

As of March 31, 2020 and 2019	Millions of yen	
	2019	2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade	¥ 37,780	¥ 38,479
Short-term loans payable	80	—
Current portion of long-term loans payable	1,200	1,200
Accounts payable—other	14,388	15,510
Income taxes payable	7,894	9,001
Accrued consumption taxes	1,355	2,191
Accrued expenses	2,059	1,602
Provision for bonuses	5,059	4,365
Provision for directors' bonuses	126	80
Other provision	393	330
Other	9,760	8,259
<b>Total current liabilities</b>	<b>80,099</b>	<b>81,021</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,800	600
Provision for environmental measures	127	121
Net defined benefit liability	15,770	15,625
Lease obligations	433	736
Deferred tax liabilities	83,268	77,342
Other	15,690	15,646
<b>Total non-current liabilities</b>	<b>117,090</b>	<b>110,072</b>
<b>Total liabilities</b>	<b>197,189</b>	<b>191,093</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	54,986	54,986
Capital surplus	46,751	47,474
Retained earnings	281,372	306,150
Treasury shares	(57)	(3,952)
<b>Total shareholders' equity</b>	<b>383,053</b>	<b>404,659</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	201,539	173,905
Deferred gains or losses on hedges	25	26
Foreign currency translation adjustment	(2)	(17)
Remeasurements of defined benefit plans	(2)	(211)
<b>Total accumulated other comprehensive income</b>	<b>201,560</b>	<b>173,701</b>
<b>Non-controlling interests</b>	<b>16,677</b>	<b>13,569</b>
<b>Total net assets</b>	<b>601,291</b>	<b>591,931</b>
<b>Total liabilities and net assets</b>	<b>¥ 798,481</b>	<b>¥ 783,024</b>

# Consolidated Financial Statements

## Consolidated Statements of Income (Unaudited)

As of March 31, 2020 and 2019	Millions of yen	
	2019	2020
Net sales	¥ 366,353	¥ 356,796
Cost of sales	250,624	249,788
Gross profit	115,728	107,008
Selling, general and administrative expenses	97,156	93,904
Operating income	18,572	13,103
Non-operating income		
Interest income	25	23
Dividend income	10,335	8,668
Other	1,413	1,021
Total non-operating income	11,774	9,712
Non-operating expenses		
Interest expenses	226	25
Share of loss of entities accounted for using equity method	702	559
Loss on retirement of non-current assets	173	236
Other	408	720
Total non-operating expenses	1,511	1,541
Ordinary income	28,835	21,274
Extraordinary income		
Gain on sales of investment securities	12,849	27,339
Gain on sales of shares of subsidiaries and associates	—	25
Extraordinary income	12,849	27,365
Extraordinary losses		
Impairment loss	390	835
Loss on valuation of investment securities	—	821
Restructuring cost	1,256	114
Loss on sales of investment securities	19	—
Early extra retirement payments	12	—
Extraordinary losses	1,678	1,772
Income before income taxes	40,006	46,867
Income taxes—current	13,738	15,859
Income taxes—deferred	23	(5)
Income taxes	13,761	15,853
Profit	26,244	31,014
Profit attributable to non-controlling interests	1,039	839
Profit attributable to owners of parent	¥ 25,205	¥ 30,174

# Consolidated Financial Statements

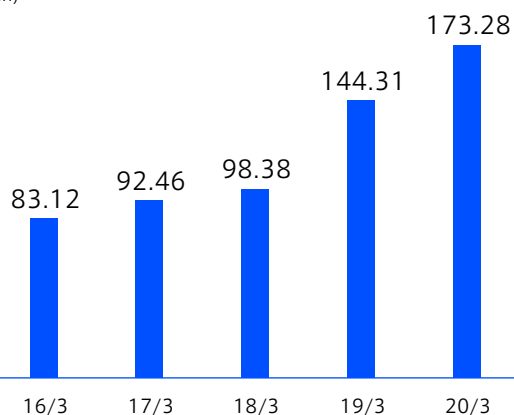
## Consolidated Statements of Cash Flows (Unaudited)

As of March 31, 2020 and 2019	Millions of yen	
	2019	2020
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	¥ 40,006	¥ 46,867
Depreciation	14,897	14,843
Amortization of long-term prepaid expenses	37	44
Impairment loss	390	835
Amortization of goodwill	1,796	1,796
Loss (gain) on valuation of investment securities	—	821
Loss (gain) on sales of investment securities	(12,829)	(27,339)
Increase decrease in provision of noncurrent assets removal	(73)	—
Increase (decrease) in provision for bonuses	83	(694)
Increase (decrease) in net defined benefit liability	(295)	(593)
Loss on retirement of non-current assets	173	236
Increase (decrease) in allowance for doubtful accounts	1	(100)
Interest and dividend income	(10,361)	(8,691)
Interest expenses	226	25
Share of (profit) loss of entities accounted for using equity method	702	559
Decrease (increase) in notes and accounts receivable - trade	(253)	1,502
Decrease (increase) in inventories	319	186
Decrease (increase) in prepaid expenses	2,390	(2,629)
Increase (decrease) in notes and accounts payable - trade	(1,882)	704
Other, net	(32)	(2,197)
Subtotal	35,298	26,177
Interest and dividend income received	10,724	9,054
Interest expenses paid	(353)	(25)
Income taxes refund	1,331	110
Income taxes paid	(11,785)	(13,910)
Net cash provided by (used in) operating activities	35,215	21,406
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(27,074)	(15,550)
Purchase of intangible assets	(2,286)	(2,143)
Purchase of investment securities	(3,805)	(2,320)
Proceeds from sales of investment securities	14,303	28,434
Purchase of shares of subsidiaries and associates	(4,254)	(1,485)
Payments for investments in capital	—	(500)
Other, net	1,528	(471)
Net cash provided by (used in) investing activities	(21,588)	5,962
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	80	—
Repayments of long-term loans payable	(18,294)	(1,200)
Purchase of treasury shares	(2)	(3,991)
Cash dividends paid	(5,415)	(5,235)
Dividends paid to non-controlling interests	(161)	(217)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(169)	(3,000)
Other, net	(424)	(559)
Net cash provided by (used in) financing activities	(24,387)	(14,202)
Effect of exchange rate change on cash and cash equivalents	32	(209)
Net increase (decrease) in cash and cash equivalents	(10,728)	12,956
Cash and cash equivalents at beginning of period	81,129	72,033
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	1,632	70
Cash and cash equivalents at end of period	¥ 72,033	¥ 85,059

# Major Indices

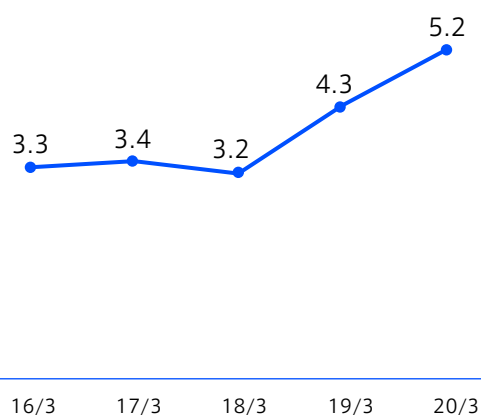
## Earnings per Share

(Yen)



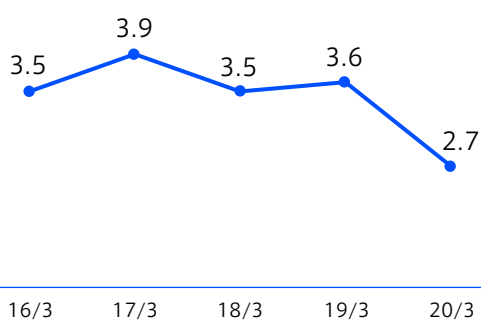
## Return on Equity

(%)



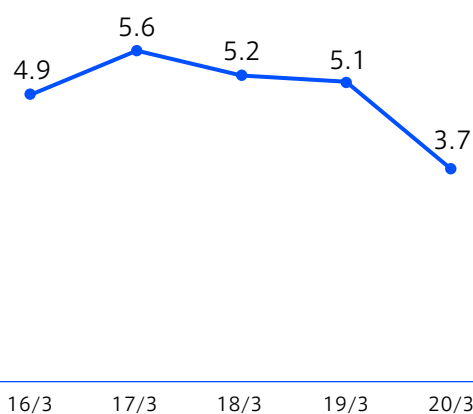
## Ratio of Ordinary Income to Total Assets

(%)



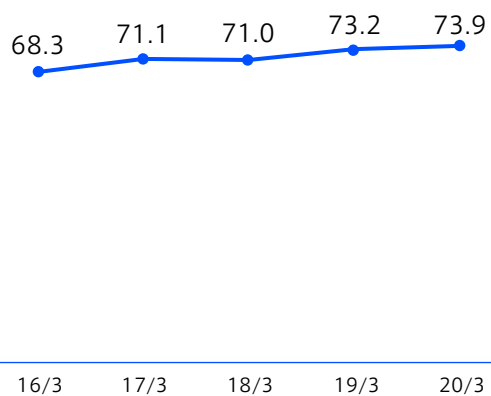
## Ratio of Operating Income to Net Sales

(%)



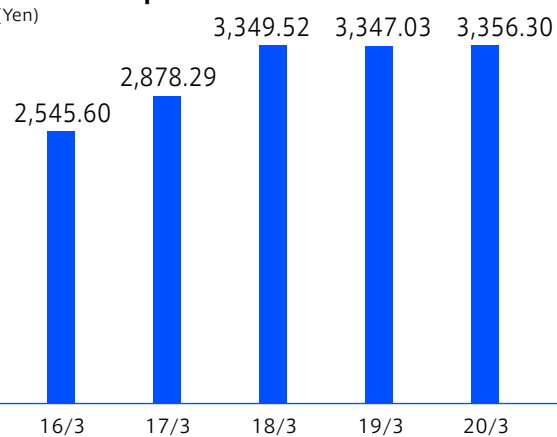
## Equity Ratio

(%)



## Net Assets per Share

(Yen)

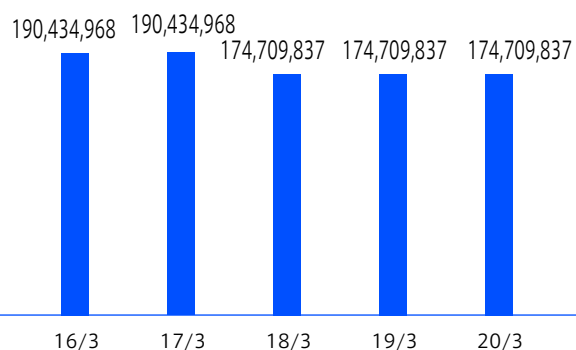




# Major Indices

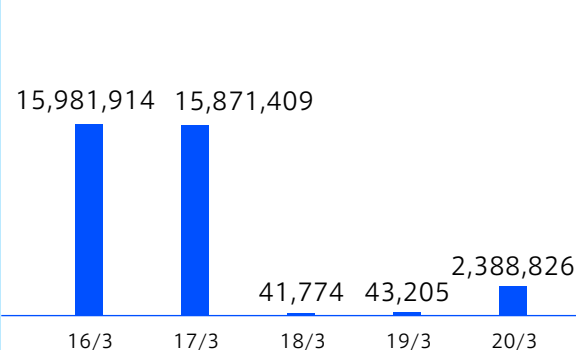
## Number of Shares Issued at the End of the Term (Including Treasury Shares)

(Shares)



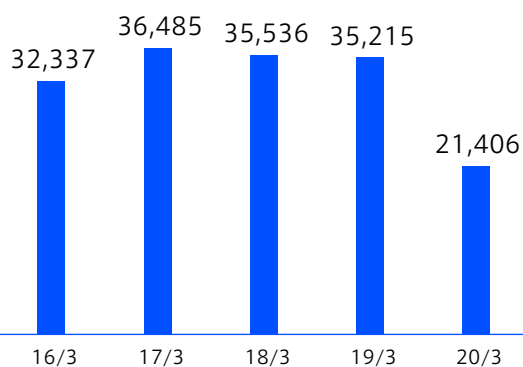
## Number of Treasury Shares at the End of the Term

(Shares)



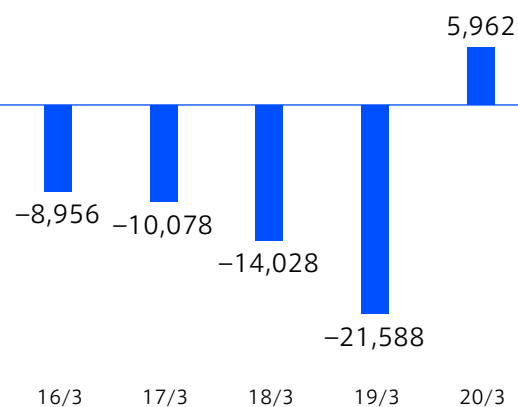
## Cash Flows from Operating Activities

(Millions of yen)



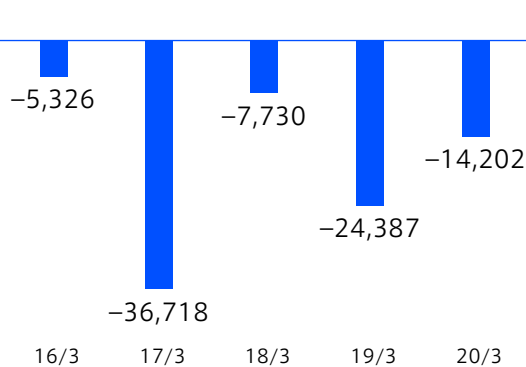
## Cash Flows from Investing Activities

(Millions of yen)



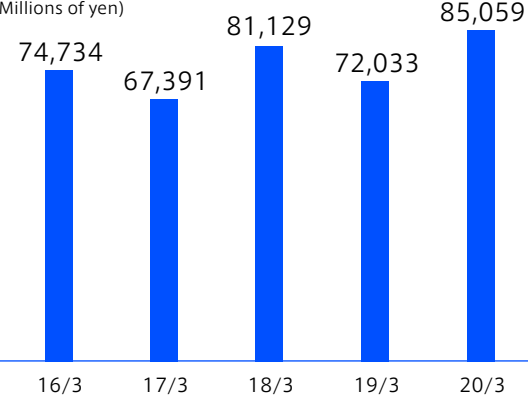
## Cash Flows from Financing Activities

(Millions of yen)



## Cash and Cash Equivalents, at End of Period

(Millions of yen)



# Segment Information

## Consolidated Results by Business Segment

(Millions of yen)

	FY2020			
	External sales	y/y change	Operating income	y/y change
Media and Content	¥270,265	-7,923	¥ 2,409	-5,481
Lifestyle	70,007	-1,888	2,751	-143
Real Estate and Others	16,523	+254	7,942	+155
Consolidated	¥356,796	-9,557	¥13,103	-5,469

## Capital Expenditures and Depreciation

(Millions of yen)

Consolidated	FY2020
Capital expenditures	¥ 18,862
Depreciation	14,375

TBS Television	FY2020
Capital expenditures	¥ 7,937
Depreciation	8,514

## FY2021 Consolidated Business Results Forecasts

(Millions of yen)

2021	Consolidated	FY2021
	Net sales	¥323,800
	Operating income	2,900
	Ordinary income	10,200
	Profit attributable to owners of parent	5,500

Note: The estimated figures above, which were announced on May 14, 2020, are subject to revision. For the most up-to-date estimated figures, please see the Company's web site.

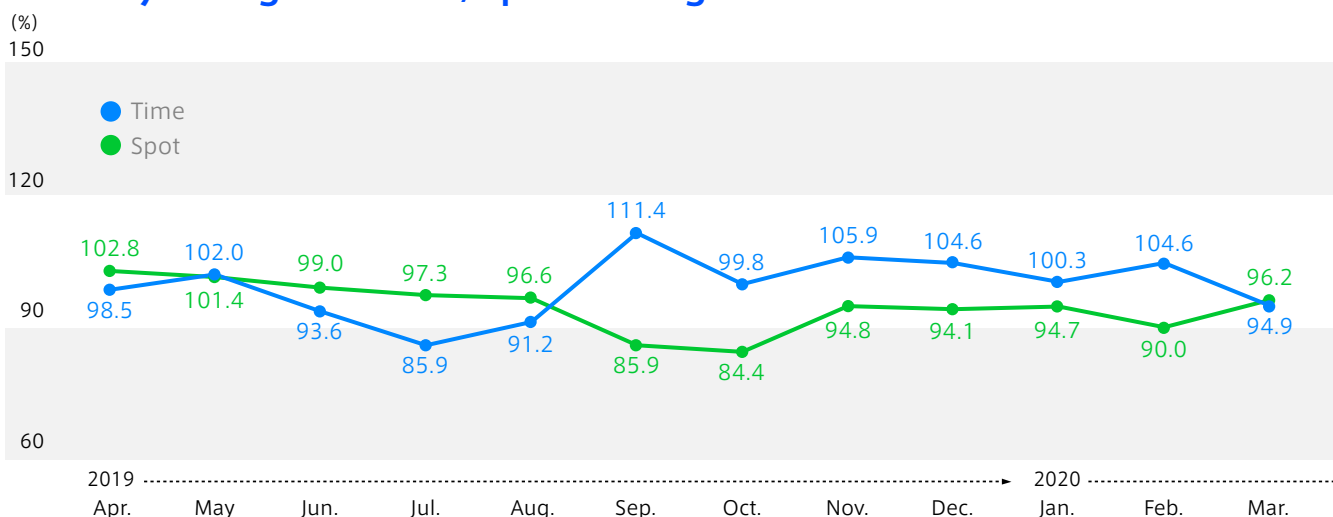
# TBS Television 1

## Breakdown of TBS Television Income

(Millions of yen)

	FY2020	y/y change
Television	¥182,083	-4,106
Time advertising	87,230	-669
Spot advertising	79,275	-4,331
Content	10,892	+62
Others	4,684	+831
Operations	25,304	-2,926
Real estate	2,996	+36
Total income	¥210,384	-6,997

## Monthly Changes in Time/Spot Earnings



	1Q	2Q	3Q	4Q	Full year
● Time	97.9	95.8	103.4	99.6	99.2
● Spot	101.1	93.2	91.2	93.9	94.8
TBS share among five key broadcasters	20.2	19.2	19.1	18.9	19.3



No Side Manager



An Incurable Case of Love



Ship of Theseus

# TBS Television 2

## Spot Advertising Sales Ranks by Business Category

(%)

	FY2020	Growth rate	Share
1	Information, telecommunications and broadcasting	-2.1	15.0
2	Food	+1.7	10.2
3	Alcoholic and other beverages	-10.7	9.3
4	Pharmaceuticals	-8.0	8.3
5	Cosmetics and toiletries	-18.9	7.1
6	Eating-out and services	+12.9	7.0
7	Transportation and leisure	-1.9	6.9
8	Automobiles and transportation equipment	-11.4	5.6
9	Financial services	-11.9	5.3
10	Real estate and construction	-2.1	4.2

(Ranked in order of sales)

## TBS Television Business Segment Income

(Millions of yen)

Segment		Full year y/y change		Remarks	
Operations bureau	Show / events business	¥ 7,342	-1,972	Revenue from theaters decreased dramatically due to increased cancellation of shows and events from the impact of the COVID-19 coronavirus. The exhibition <i>Mummies of the World</i> , held at the National Museum of Nature and Science, Tokyo, had over 460,000 visitors, a historical high since its opening as the autumn/winter exhibition.	
	Movies and Animations business	Movies	1,641	-250	<i>Kaguya-sama: Love Is War</i> , which was released in September 2019, was a smash hit and DVD sales were also solid. However, revenue decreased because the number of released movies fell by 50% compared with last year.
		Animations	904	+158	Revenue increased partially thanks to solid DVD sales of <i>The Quintessential Quintuplets</i> and <i>The Demon Girl Next Door</i> .
Content business bureau	Media business	11,002	+464	Regarding on-demand, revenue increased from the Paravi-related business because of strong sales from <i>An Incurable Case of Love</i> and <i>Ship of Theseus</i> . On the CS business front, revenue from the TBS Channel increased thanks to prime content, such as <i>BTS</i> .	
	Overseas business	2,528	-590	Revenue decreased reflecting difficulties in content sales to China and other Asian countries and weak sales of formats.	
	Licensing business	1,289	-320	Although some projects such as sales of goods for <i>An Incurable Case of Love</i> were strong, revenue decreased reflecting weak overall sales in the product commercialization business.	
	Extended field business	595	-415	Revenue declined due to the transfer of program-related businesses to other departments.	
Total		¥25,304	-2,926		



Todaioh



Sunday Morning



Hiruobi!

# TBS Television 3

## FY2020 Viewer Ratings

(%)

	All day	Golden time*	Prime time**
<b>TBS</b>	<b>6.0 (4th)</b>	<b>9.1 (4th)</b>	<b>9.1 (3rd)</b>
NTV	7.9 (1st)	11.6 (1st)	11.2 (1st)
TV Asahi	7.7 (2nd)	10.8 (2nd)	11.0 (2nd)
TV Tokyo	2.6 (6th)	6.0 (6th)	5.5 (6th)
Fuji TV	5.7 (5th)	8.3 (5th)	8.0 (5th)
NHK	6.5 (3rd)	10.5 (3rd)	9.1 (3rd)
HUT	40.1	59.4	56.8

Ratings for April 1, 2019 to March 29, 2020, on a weekly basis  
(According to research by Video Research Ltd. in the Kanto region)

\* 19:00–22:00

\*\* 19:00–23:00

## TV Program Costs (Production Expenses)

(Millions of yen)

	FY2020	FY2019	y/y change
1Q	¥24,066	¥25,246	-1,180
2Q	24,598	25,136	-538
3Q	25,748	24,394	+1,353
4Q	25,059	24,546	+513
Direct expenses	19,996	19,287	+709
Indirect expenses	5,063	5,259	-196
Fiscal year cumulative	¥99,471	¥99,322	+148

### Major expenses included in TV program costs:

Direct expenses: Program production expenses, fees for broadcasting rights, fine arts production expenses, technical production expenses

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



Pittanko Kan-kan



Monitoring



The World Unknown To Matsuko

# Financial Data of Major Group Companies

## TBS Radio Inc.

(Millions of yen)

	FY2020	
	Amount	y/y change
Net sales	¥9,567	-217
Operating income	113	-177
Ordinary income	105	-189
Net income	64	-127



## BS-TBS, INC.

(Millions of yen)

	FY2020	
	Amount	y/y change
Net sales	¥16,849	+450
Operating income	1,640	-705
Ordinary income	1,686	-708
Net income	1,145	-489



## StylingLife Holdings Inc. (Consolidated)

(Millions of yen)

	FY2020	
	Amount	y/y change
Net sales	¥70,010	-1,886
Operating income	3,412	-142
Ordinary income	3,396	-162
Net income	1,617	-211



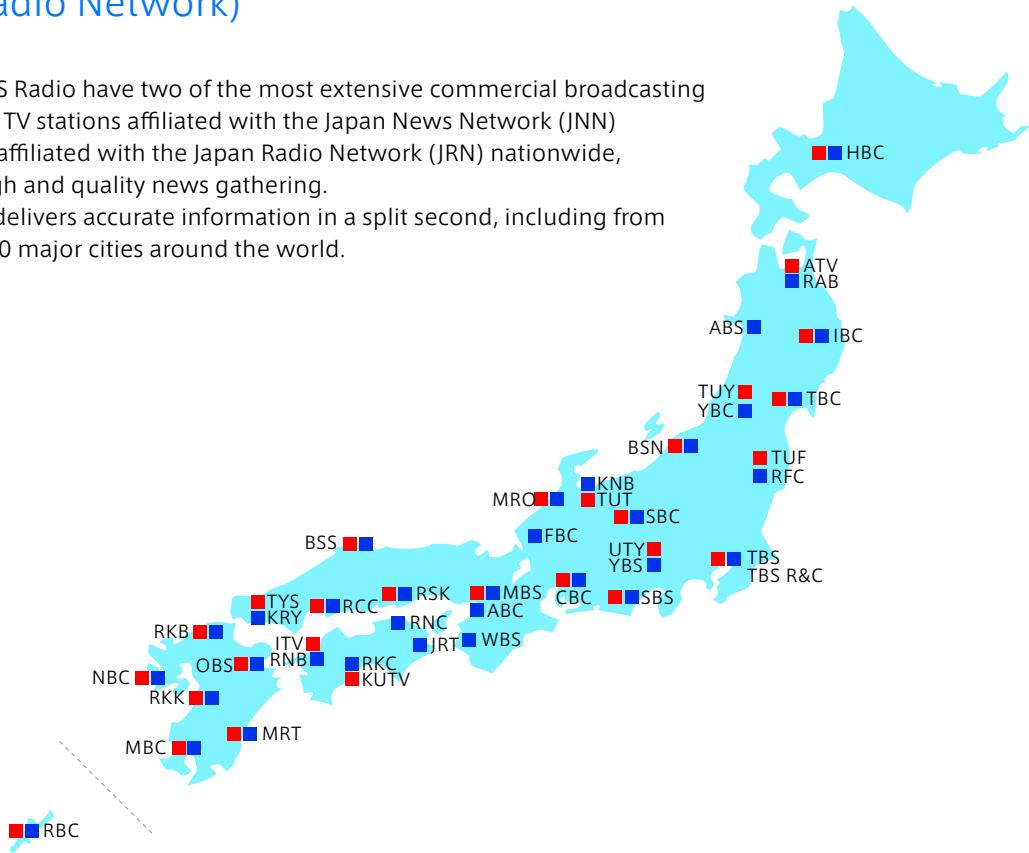
# TBS Networks

## JNN (Japan News Network)

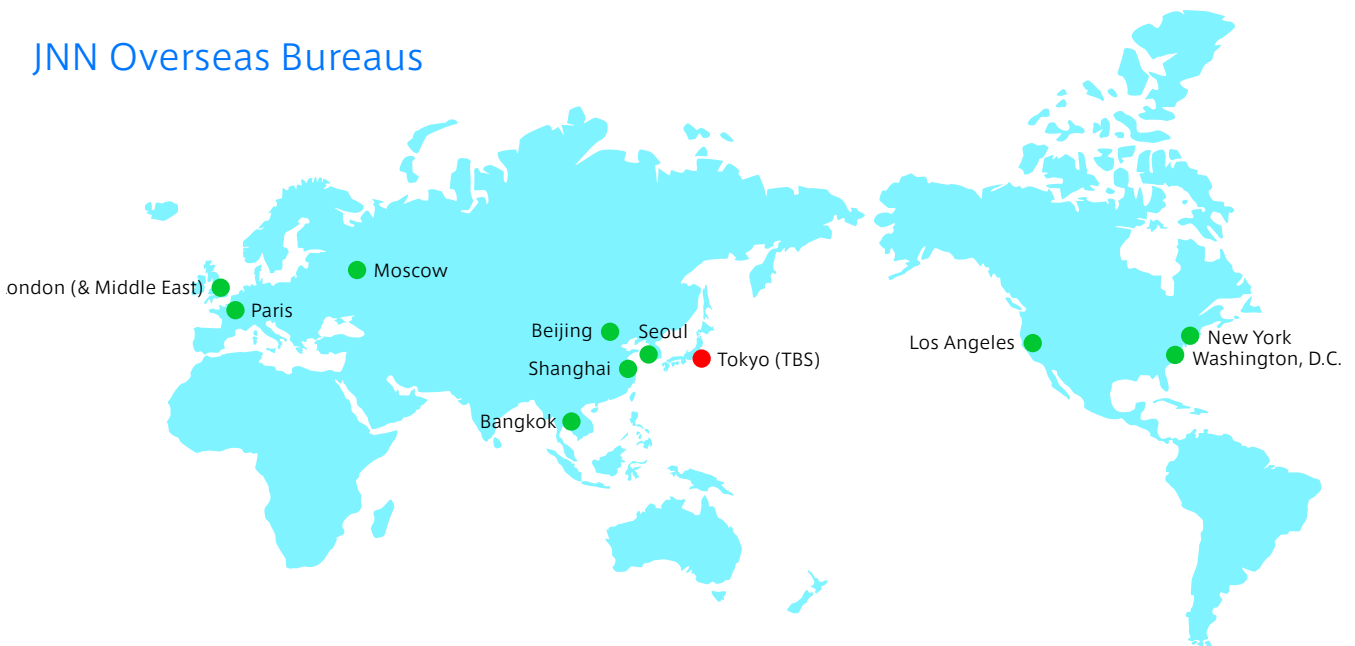
## JRN (Japan Radio Network)

TBS Television and TBS Radio have two of the most extensive commercial broadcasting networks in Japan: 28 TV stations affiliated with the Japan News Network (JNN) and 34 radio stations affiliated with the Japan Radio Network (JRN) nationwide, guaranteeing thorough and quality news gathering.

Our news network delivers accurate information in a split second, including from overseas bureaus in 10 major cities around the world.



## JNN Overseas Bureaus



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