[Translation: Please note that the following purports to be an accurate translation of excerpt contents of the original Japanese document, prepared for foreign shareholders solely as a reference material. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain explanations for the domestic voting procedures are omitted or modified in this translation. The English names of programs and events contained in this document are provisional translations and subject to possible future change.]

Securities Code: 9401
June 5, 2015

Dear Shareholders:

TOKYO BROADCASTING SYSTEM HOLDINGS, INC.
(the "Company")
Toshichika Ishihara
President and Representative Director
5-3-6 Akasaka, Minato-ku, Tokyo

Notice of Convocation of the 88th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 88th Ordinary General Meeting of Shareholders of the Company to be held as described below.

If you are unable to attend the meeting, you can exercise voting rights either in writing or via Internet. Please review the following reference materials for the General Meeting of Shareholders, complete the enclosed Voting Rights Exercise Form by indicating your approval or disapproval for each matter for resolution and send it to the Company before 5:30 P.M. on Thursday, June 25, 2015 (JST).

[Exercising Voting Rights by Mail]
Please indicate your approval or disapproval for the items of business below on the enclosed Voting Rights Exercise Form, and return it to the Company by the deadline above.

[Exercising Voting Rights via Internet]
Note: Voting via Internet is only available for registered shareholders in Japan with Japanese language only.

Please check the description entitled "Guidance for the Exercise of Voting Rights via Internet" below (*Note: intentionally omitted*), and access the designated site for exercising your voting rights (**http://www.evote.jp/** available only in Japanese), and then indicate your approval or disapproval of each of the items by the deadline above by following the instruction of the display.

Details

1. Time and Date of the Meeting 10:00 A.M. [Friday], June 26, 2015

2. Place of the Meeting Akasaka BLITZ
5-3-2 Akasaka, Minato-ku, Tokyo, JAPAN

3. Purpose of the Meeting

Matters for Reporting:

1. Report on the business report, the consolidated financial statements and the audit results of the consolidated financial statements by the Accounting Auditors and the Audit & Supervisory Board for the 88th fiscal year (from April 1, 2014 to March 31, 2015);

2. Report on the non-consolidated financial statements for the 88th fiscal year (from April 1, 2014 to March 31, 2015).

Matters for Resolution

First Item of Business: Appropriation of Surplus
Second Item of Business: Election of Fifteen (15) Directors

4. Matters Concerning Exercise of Voting Rights

(1) Exercising Voting Rights by Proxy

If you are unable to attend the General Meeting of Shareholders, you are entitled to attend the General Meeting of Shareholders by designating another shareholder with voting rights of the Company as your proxy. Provided, however, a document certifying the power of proxy needs to be submitted.

(2) Exercising Voting Rights in Contrasting Votes

If you intend to exercise voting rights in contrasting votes (that is, exercising some voting rights for and some against the same proposal), please notify the Company in writing of your intention and reasons no later than three (3) days prior to the date of the General Meeting of Shareholders.

(3) Handling of Voting Rights Exercised Twice or More

(i) In case of exercising voting rights twice or more by mail and via Internet, the content of voting rights exercised via Internet shall be treated as valid.
(ii) In case of exercising voting rights twice or more times via Internet, the content of last voting rights exercised shall be treated as valid.

- End -

When attending the meeting, please submit the enclosed Voting Rights Exercise Form to the reception at the meeting place (Akasaka BLITZ). To save resources, please bring this "Notice of Convocation of the 88th Ordinary General Meeting of Shareholders" in paper, on the day of the meeting.
Please be advised that a person without voting rights of the Company, such as a proxy who is not a shareholder of the Company or an accompanying person of yours, will not be permitted admittance into the meeting venue.
As the reception will be extremely crowded immediately before the opening of the meeting, we sincerely ask you to go to the meeting place a little earlier (the reception will start at 9:00 A.M.).
In the event of any amendment to the business report, consolidated financial statements, non-consolidated financial statements and reference materials for the General Meeting of the Shareholders, please note that amendments to such documents might be posted on the Company's website (http://www.tbsholdings.co.jp/).

Business Report

From April 1, 2014 to March 31, 2015

1. The Current Position of Tokyo Broadcasting System Holdings, Inc. and its Subsidiaries

(1) Business Activities and Results

During the fiscal year under review, the Japanese economy continued on a path to modest recovery as the economic policy of the Japanese government together with the easy monetary policy adopted by the Bank of Japan resulted in higher stock prices and a weakening yen. Although the recovery of personal consumption partially slowed down and business sentiment was somewhat weak, the overall economic recovery firmly continued based on steady improvements in the employment and income environments.

In the broadcasting industry, the spot advertising market as a whole showed steady growth and TV advertising expenditures continued to grow as the economy continued to recover and corporate earnings turned up.

In this operating environment, while the TBS Group (hereinafter referred to as "the Group") made efforts to further strengthen its core terrestrial television programs, the Group conducted sales activities to respond to the needs of the sponsors.

As a result of these developments, consolidated net sales of the Group in the fiscal year ended March 31, 2015 decreased by 1.8% from the previous fiscal year to ¥347,817 million, and ordinary income increased by 4.5% to ¥18,915 million. Net income increased by 32.8% from the previous fiscal year to ¥12,811 million.

<<Broadcasting>>

Consolidated net sales from the Broadcasting Business increased by 0.1% from the previous fiscal year to ¥212,985 million, while operating income increased by 8.1% to ¥4,171 million.

<Television>

Terrestrial television time sales fell short of the results of the previous fiscal year in which we broadcasted major specials, such as the *IAAF World Championships Moscow 2013*, the *Sochi Winter Olympics*, and a TV drama *LEADERS* broadcasted in two consecutive nights, while regular programming sales were flat at the levels of the previous fiscal year and special programming sales of the *FIFA World Cup Brazil*, the *17th ASIAN GAMES INCHEON*, and *Monodukuri: Japan's Miracles* contributed to sales.

Spot sales underperformed the results of the previous fiscal year due partly to struggles with the audience ratings, despite a larger volume of advertisements mainly in the sector of information and communications than the previous fiscal year.

The average audience ratings for the terrestrial television for the fiscal year under review stood at 5.9% across all time slots, with 9.5% in the golden time slot and 9.3% in the prime time slot. The average audience ratings across all time slots fell short of the results of the previous fiscal year due to the program revision of *Asa Zuba!* ("Morning Bang!") and *Hanamaru Market* in April, which were popular programs in the morning slot for many years. However, the audience ratings of *Asa Chan!* improved since the third quarter, which will contribute to recover the average audience ratings across all time slots.

In the variety show category, *Bakuhou! THE Friday*, *Pittanko Kan Kan*, and *Masahiro Nakai's Kinyoubi no Sumatachi e* ("To the Friday SMA-Wives") continued to deliver high ratings. In addition, Tuesday programs *REDISCOVER JAPAN* and *Matsuko no Shiranai Sekai*, Thursday program *Ningen Kansatsu Variety Monitoring*, and Saturday program *Job Tune* started based on our TV programming policy of "Developing TV programs that all family members can enjoy together," also achieved good ratings, which indicates that our TV programs are well received across weekdays and weekends. A long runner *Sekai Fushigi Hakken* ("Discover the Wonders of the World") also achieved a better average audience rating than the previous fiscal year. As for special programs, the annual program *SASUKE* has been well received by young people and other generations as well as overseas audiences, which indicates a positive outlook for the program. We broadcasted a new summer program *6-nin no Murabito! Zenin Shugo*, which was a three-hour location variety program filming the two-day and one-night trip of six entertainers whose names include "Mura" and enjoyed by many audiences.

In the drama category, Friday programs *The Thorns of Alice*, *Testimony of N*, and *Ouroboros*, *Nichiyo Gekijo* ("Sunday Theater") *Roosevelt Game*, *Fathers*, *Second Chance Chauffeur* and others were well received by

many audiences. In addition, *MOZU Season1: Night Cry of the Mozu*, a drama jointly developed with WOWOW, delivered a new wave of serial dramas with its unprecedented concept and scale. We also offer the re-distribution service of missed TV programs as one of the diversifying viewing options in order to respond to the emerging needs of viewers.

In the sports category, we broadcasted the *FIFA World Cup Brazil* in June and July, 2014. Although unfortunately the Japan national team lost in the final group stage matches, the world's largest live sporting event program continued to attract many viewers thereafter. The semi-final match of Netherlands-Argentina achieved the audience rating of 15.0%, the highest among commercial TV stations besides the matches of Japan. The *17th ASIAN GAMES INCHEON*, for which we broadcasted for long hours, a total of about 80 hours, in September and October fully delivering the performance of athletes who were competing for the Olympic Games to be held in Rio de Janeiro and Tokyo to the audience. The program achieved the average audience rating of 10.2% in the golden time slot and that of 9.9% in the prime time slot.

In the news category, *N Studio* and *NEWS23*, among others, reported high-quality news on a daily basis. The year 2015 marks the 70th year since the end of World War II and we broadcasted two programs sending a message vowing to never repeat terrible wars, *Day of News*, which became a regular long-hour year-end program, and *SUNDAY MORNING* in the beginning of 2015. In the category of information programs, *HIRUOBI!* achieved the highest average audience ratings for four consecutive years in the relevant time slot. The Saturday program *New Information 7 Days Newscaster* broadcasting one-week information is also popular among viewers.

We started a long-hour special series *TV Mirai Isan* ("TV Future Heritage") in 2013 to pursue the theme of "important messages to be relayed to future generations." The series dealt with various topics on a grand scale in a variety of fields such as news report, sports and science. We delivered a program in April thinking about life after the consumption tax hike with Akira Ikegami, a program in May thinking of the future of Japan as "a volcanic country" based on the lessons from the Mount Vesuvius eruption disaster in Ancient Rome, a program in June questioning the value of life in Japan's aging society, a special drama in August commemorating the end of World War II under the theme of war-time Manchuria, a program in October disseminating Japan's technologies once again to the world, a drama program in January looking back at the past 20 years since the 1995 Great Hanshin Earthquake, and a program in February recalling the aftermath of the Great East Japan Earthquake. In addition to the above various topics, we also continued broadcasting the program of our lifetime's work *3.8 Billion Years of Life* to shed light on the mystery of human bodies. In March, we broadcasted *Monodukuri Japan's Miracle* for five consecutive days as a special program commemorating the 60th anniversary of TBS TV, filming the history of Japan as a "leading manufacturing country" in the world since the end of World War II, which was well received by many viewers.

As of March 31, 2015, 28 companies throughout Japan were affiliated with the Group's JNN television network. The number was unchanged from the previous fiscal year.

The BS digital broadcasting market has been performing well during the fiscal year under review as well, although we should keep our cautious stance due to stagnant growth in subscription rates. Since the audience rating research method will change to that of meter measurements from fiscal year 2015, which will further increase competition to win viewers in the BS digital broadcasting market. BS-TBS, INC. continued to deliver high-quality programs to viewers by strategic production and programming, and hit a record high in operating revenues for the fiscal year under review as well. However, operating income remained almost at the same level as that of the previous fiscal year due to increases in program development costs and general and administrative expenses as a result of enhanced programming efforts. BS-TBS, INC. became our wholly-owned subsidiary in April this year. We will further strengthen collaboration with the company as one of our group companies, and further develop our business by leveraging synergy effects from both terrestrial and BS digital broadcasting.

* All audience ratings are household audience ratings in the Kanto region, surveyed by Video Research Ltd.

<Radio>

Time sales for the fiscal year under review remained at the same level as that of the previous fiscal year due to mixed factors such as a demand decrease caused by backlash from the consumption tax hike; the booming sponsorship for single-company time-sales slots—which had been absent in recent years—such as the sponsorship by a law firm for a large-scale regular program; the acquisition of new major sponsors of consumer product-related companies such as Kao Corporation and Kracie Holdings, Ltd.; and the implementation of promotional campaigns. These positive factors supported the sales at the level higher than that of the previous fiscal year in the second quarter and thereafter.

Spot sales outperformed the results of the same period in the previous fiscal year due to some positive factors such as strong growth in sales from time signal slots throughout the year; the acquisition of large orders

from sponsors focusing on radio advertisements; and strong growth in sales from live commercials given by radio personalities as well as long commercials. As a result, the total time and spot sales increased from the previous fiscal year for the first time in the past three years.

In terms of programming, we had favorable outcomes from programs such as *Jane Su's Let's So Dance!* started in April 2014, which achieved high ranking in the audience rating surveys in the Tokyo Metropolitan Area. In the baseball-off programming, we produced a new program *OLÉRA* targeting men in their 40s and 50s. We also strengthened collaboration with JRN stations such as the syndication with ABC Radio in Osaka for *Dojo Yozo no Kenko Dojo* and with MBS Radio for *AKB48 Kizaki Yuria - The Cinderella of 2014*. TBS Radio maintained the top rank in the audience rating surveys for 82 consecutive periods, or 13 years and 8 months. In the event *Radifes2014* hosted by TBS Radio after three years' absence, a total of 12 programs including regular and special ones enlivened the event.

In the broadcast related business, we opened the 20th TBS housing stage at AEON MALL Ota in November 2014. In the sales related business, we completed the project *Tohoku Kibo Concert*, which was started in 2012 and visited schools in 39 cities and villages, which were struck by the Great East Japan Earthquake and Tsunami, for three years. Meanwhile, the final game of the rubber baseball tournament "*Maruhan Dream Cup*" with a full entry of 953 teams from across Japan was conducted at the Tokyo Dome in November. As for the entertainment events, *Kentaro Kobayashi Solo Performance: Potsunen-shi no Kimyo de Heibon na Hibi*, for which the tickets were sold out across Japan, and *Sogetsu Hall Series* with 11 events including program-related ones were well received. However, some new self-sponsored events struggled to attract audience, which is one of the factors causing a decrease in the overall sales of the broadcast related business.

As of March 31, 2015, 34 companies throughout Japan were affiliated with the TBS radio network JRN. This number is unchanged from the previous fiscal year.

<<Multi Visual Ventures and Cultural Events>>

Net sales from the Multi Visual Ventures and Cultural Events Business decreased by 5.6% from the previous fiscal year to ¥119,553 million, while operating income decreased by 20.3% to ¥4,406 million.

In the cultural events business, *Hakushaku Reijo* performed by the Takarazuka Revue SNOW Troupe at the Nissay Theatre was popular. At Tokyu Theatre Orb, the Broadway musical *SINGIN' IN THE RAIN* and the production of National Theatre in London, *War Horse,* were played. These internationally acclaimed plays were well received. At Akasaka ACT Theater, *Jeanne d'Arc* starred by Kasumi Arimura, the replay of *Sanada Juyushi* starred by Takaya Kamikawa, and the highly publicized *Kafka on the Shore* directed by Yukio Ninagawa received positive reviews. Meanwhile, the K-Ballet Company led by Tetsuya Kumakawa presented various works such as *Romeo and Juliet, Carmen, The Nutcracke*r, and *Cinderella,* which enchanted its fans.

In the exhibition business, the special exhibition *Medicine as a Philanthropic Art* held at the National Museum of Nature and Science attracted more than 130,000 visitors. We also sponsored the following events: *Ballets Russes: The Art of Costume* displaying the costumes of dancers of the legendary ballet company at the National Art Center Tokyo, which fascinated ballet fans as well as other art admirers; *Arte a Firenze da Botticelli a Bronzino: verso una 'maniera moderna'* at the Tokyo Metropolitan Art Museum, where the works of the Italian Renaissance painter Sandro Botticelli including the famous *Pallas and the Centaur* were displayed in one location and attracted many visitors; and *THE GREAT AMAZON* at the National Museum of Nature and Science under the theme of biodiversity in the Amazon River valley.

In *2014 Summer Sacas: Deliciacas*, which was held at Akasaka Sacas for 44 days, we set up gourmet/cooking booths in collaboration with programs attracting more than 1.33 million visitors, the same level as that of the event held in the summer 2013.

In the video business, we released *LUPIN THE 3RD* which generated box office revenues of ¥ 2.45 billion. Meanwhile, *CAPE NOSTALGIA* received two prizes at the 38th Montreal World Film Festival as well as the highest best prizes count in many categories of the 38th Japan Academy Prize and earned high recognition. In addition, we released several cinema films one after another, such as *Crows Explode, WOOD JOB!, ALL-ROUND APPRAISER Q –The Eyes of Mona Lisa–, Clover, otoko no isshou*, and *furiko,* which attracted public attention.

In the DVD/Blu-ray Disc business, drama titles such as *Nichiyo Gekijo* ("Sunday Theater") *Ando Roid: A.I. knows LOVE?* ("Ando Roid") and *S The Last Policeman*, and *Mokuyo Drama Gekijo* ("Thursday Drama Theater") *MOZU Season1* were popular. In the animation business, we broadcasted *Amagi Brilliant Park* produced by Kyoto Animation in October, which had an enduring popularity and sold software well.

In the business targeting overseas, *SASUKE* had been sold to 165 countries and regions, and it was broadcasted in Asia, the U.S. and Europe as well as former communist countries and Africa. The U.S. version of *SASUKE, American Ninja Warrior Season 6* was broadcasted as a regular program by the U.S. NBC and

maintained the top in the audience rating rankings for 14 consecutive weeks in the relevant time slot. In addition, the format sales (the sales of TV concept) of *SASUKE* grew steadily. Localized versions of the program, which have already been produced in the U.S. and Asia (Malaysia and Singapore), were also produced in Sweden for the first time in Europe and Turkey for the first time in the Middle East in the fiscal year under review. It can be said that *SASUKE* is now a "global content released from Japan." Meanwhile, the movie *LUPIN THE 3RD* was sold to 30 countries and regions, while animation and drama films were sold widely as well.

In the communication satellite business, the sales from TBS On Demand (video distribution service) showed strong growth thanks in part to the hit of serial drama *MOZU*. As for the communication satellite programs, the professional baseball game YOKOHAMA DeNA BAYSTARS live stream was shifted from "TBS News Bird" to "TBS Channel 2" in April 2014. At the same time, "TBS Channel 2" started the broadcasting at J:COM and other cable stations and HIKARI TV, which increased the number of its viewers.

In the license business, we conducted the tie-up with convenience stores for our dramas *Second Chance Chauffeur* and *Ouroboros*, and the sales performed well. For the drama *Saving My Stupid Youth(Regret from My School Days),* the producer effectively used character goods such as "Gomenne Unagi" designed by herself, which attracted many fans. In addition, the character design "gudetama" broadcasted in *Asa Chan!* gained much popularity since the summer. The gudetama specialty shop opened at Tokyo Station with limited time offer attracted many visitors every day, while TBS original gudetama goods were also sold very well.

In the shopping business, we took up the challenge to broadcast the live shopping TV program for the first time in the day time slot, which resulted in the sales better than expected due to the positive effect of product introduction on live TV. The StylingLife Group, which has retailing as its core business, secured operating income at the same level as the previous fiscal year thanks to improved cost rates and the controlled expenses, even though there was a slowdown in the growth of sales in the certain businesses due to the effect of the consumption tax hike.

In the mobile and Internet business, we streamed game highlights on the website of the *17th ASIAN GAMES INCHEON* program and recorded an average of about 500,000 page views per day and about 100,000 replays. We also offered live streaming of the entire play of Ryo Ishikawa on the first day of the *CASIO WORLD OPEN* golf tournament, as well as *2014 Queen's Ekiden in Miyagi*, *NEW YEAR EKIDEN 2015*, *ALL JAPAN HIGH SCHOOL WOMEN'S FOOTBALL CHAMPIONSHIP*, etc., which contributed to an increase in website adverting revenue. In the digital signage service *Campus TV* expanded its scale up to 122 boards of 68 universities across Japan and started smartphone application services.

<<Real Estate Business>>

Net sales from the Real Estate Business increased by 2.3% from the previous fiscal year to ¥15,277 million, and operating income increased by 13.6% to ¥7,157 million.

Akasaka Sacas, which has reached the eighth anniversary of its opening, has established itself as a popular cultural and entertainment center. Revenue from the office floors of Akasaka Biz Tower increased due to the acquisition of new tenants, while revenue from its commercial complex showed strong growth as a result of our concerted efforts leveraging various performances and events such as *Mamasacas* held at the Sacas Square.

(2) Capital Investment

Total capital investment in the fiscal year under review was ¥7,700 million.

For the core sales and broadcasting systems, we upgraded our large-scale CG telop system which comprehensively controls CG telops to be supplied to OA sub control rooms and the editor booths. We also plan the digitalization of CG telop orders and the release of functions for file based systems.

For onsite production facilities, we upgraded small-size SNG outdoor broadcasting vehicles, which can be useful for broadcasting onsite news and current affairs reports, football and baseball games, and for outdoor drama shootings.

For networking equipment, we upgraded SNG main station antennas at broadcasting centers and UPS equipment at the Oyama FPU Base Station in order to increase safety and reliability at the time of emergency.

For news reporting equipment, we continuously introduce new cameras and recorders with memory cards, and make efforts to improve the efficiency of workflows by adopting file based systems.

We ended the satellite safety net business that provided re-distribution of terrestrial digital broadcasting at the end of March. We will continue working on maintenance and upgrading works for digital transmission stations through collaboration with other commercial TV broadcasting companies and NHK in order to maintain a sound TV reception environment in the wider Kanto region.

(3) Capital Procurement

Total interest-bearing debt of the Group at the end of the fiscal year under review was ¥55.0 billion (excluding lease obligations), consisting of ¥200 million in short-term loans payable, ¥30.0 billion in bonds payable (including current portion of bonds) and ¥24.8 billion in long-term loans payable (including the current portion).

In order 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 the commitment lines agreements, totaling ¥4.0 billion with multiple financial institutions (the balance of the funds drawn is nil, and the available balance is ¥4.0 billion).

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

(4) Assets and Income in the Past Three Business Years

	85th Business Term Year ended March 31, 2012	86th Business Term Year ended March 31, 2013	87th Business Term Year ended March 31, 2014	88th Business Term Year ended March 31, 2015 (fiscal year under review)
Net sales (millions of yen)	346,538	352,351	354,338	347,817
Ordinary income (millions of yen)	14,313	17,671	18,096	18,915
Net income (millions of yen)	11,671	9,173	9,644	12,811
Net income per share (yen)	74.71	60.27	61.22	79.12
Net assets (millions of yen)	322,597	344,473	385,971	456,118
Total assets (millions of yen)	555,159	559,626	579,039	653,732

(5) Status of Parent Company and Principal Subsidiaries

1. Parent Company

Tokyo Broadcasting System Holdings, Inc. has no parent company.

2. Principal Subsidiaries

Company name	Capital stock (millions of yen)	Voting rights owned (%)	Main business activities
Tokyo Broadcasting System Television, Inc.	300	100	Television broadcasting Planning, production and sales of television programs etc.
TBS Radio & Communications, Inc.	478	100	Radio broadcasting Planning and production of radio programs
TBS Service, Inc.	200	100	Planning and production of sound and video recordings, printing, sales of broadcast programs
TBS-Vision, Inc.	100	100	Planning and production of television programs etc.
Nichion, Inc.	50	100	Administration and development of copyright, scout and development of artists, song pitching, planning and production of master recordings etc.
Midoriyama Studio City Inc.	100	100	Leasing, operation and management of buildings, studios etc.
Art Communication System Inc.	30	100	Planning, production and procurement of studio sets, costumes, and designs, sound effect, management and operation of studio equipment etc.
Tokyo Broadcasting System International, Inc.	US$3.28 million	100	Collection of media information and news coverage in the United States
TBS Kikaku Co., Ltd.	150	100	Operation and management of parking lots, insurance agency services
TBS Sun Work, Inc.	40	100	Operation, maintenance and management of buildings and auxiliary facilities, temporary staffing service, transport service, repair and maintenance of cars, car service arrangement etc.
TBS Media Research Institute Inc.	12	100	Surveys and research on broadcasting and multimedia, collection and supply of media information
OXYBOT, Inc.	200	100	Planning, production and sales of computer-generated video, cinema film investment
TBS-TEX, Co., Ltd.	150	100	Production and sales of broadcast programs, general video and sound recordings, recording and transmitting services, etc. of broadcast programs
TBS ProNex, Inc.	10	100	Planning and production of broadcasting programs, planning and production of music, audio contents, cinema, video contents etc.
Akasaka Heat Supply Co., Ltd.	400	70	Heat supply services under the Heat Supply Business Law
Grand Marché, Inc.	360	100	Mail order sales, mail order sales agency services, store operation etc.

Company name	Capital stock (millions of yen)	Voting rights owned (%)	Main business activities
TC Entertainment, Inc.	200	51	Planning, production and duplication etc. of video and audio software and computer software
StylingLife Holdings Inc.	1,048	51	Planning of management strategy as an operating holding company, general imported merchandise retail business, production and sales of cosmetics etc.
BS-TBS, INC. (Note 1)	5,844	51.9	Provision of broadcast services via broadcast satellites, planning, production and sales of programming etc.
FF TOHO Inc.	30	* 100	VTR editing of news and collation of materials, editing and filming etc. of information programs
TBS TriMedia, Inc.	10	* 100	Planning and production of television and radio programs, planning and production of events, food service business, operation of convenience stores, advertising agency business etc.
Akasaka Graphics Art, Inc.	10	* 100	Planning, production and sales of computer graphic screens
Dreamax Television Inc.	220	* 74.7	Planning and production of programs, production of commercials, production staff dispatch services
TOTSU Inc.	453	* 52.1	Technical services related to broadcast program production and services incidental thereto
Jasc, Inc.	10	* 100	Temporary staffing services, broadcast program production services
VuCast, Inc.	10	* 100	Production of videos, including television programs and video packages, temporary staffing services
TLC Inc.	21	* 100	Planning and operation etc. of lighting mainly for TV, theater, movies and various events
LightUp Shopping Club Inc.	100	* 100	Store and non-store sales of cloths, sports and leisure goods, electronic products, and household products
CP Cosmetics Inc.	100	* 100	Planning, production and sales of cosmetics and quasi drugs
Maxim's de Paris Corporation	100	* 100	Operation of French restaurants, light meal restaurants and coffee shops, production and sales of confectionary

Note 1: The Company made BS-TBS, INC. a wholly-owned subsidiary of the Company through a share exchange as of April 1, 2015.

Note 2: B&C Laboratories (China) Inc., which was listed in the table up to the previous convocation notice, is no longer a principle subsidiary because the Company transferred all equity interest in the said company as of December 8, 2014.

Note 3: The Company's consolidated subsidiaries are the 30 principal subsidiaries listed above.

Note 4: An asterisk (*) indicates the shareholding ratio, including shares held by subsidiaries, parties closely connected with the Company, and parties having agreements with the Company.

(6) Priorities

The environmental surrounding the broadcasting industry is changing at a dizzy speed. The momentum toward the "next-generation broadcasting," such as wide spread of smart TVs and practical responses to 4K broadcasting, is expected to increase as time passes toward 2020 Olympics in Tokyo.

Given the wide spread use of diverse devices, the five commercial TV broadcasting companies located in Tokyo will start free-of-charge, sponsored Internet broadcasting from this autumn mainly as a response to the younger generation's increasing indifference to TV and a countermeasure to illegal movie streaming.

In response to these changes in the environment, we have established "Comprehensive Strategy Division" at the end of 2014 in order to operate all media that are available to the Group including terrestrial television, radio, BS, CS, and the Internet in a more integrated and efficient manner.

To become a leader in the broadcasting industry in such a period of change, it is essential for the Group to create powerful high-quality contents. We will further strengthen our program production capability by trying to create something new, while continuing to hone our existing strengths.

The long-hour special series *TV Mirai Isan* ("TV Future Heritage") in pursuit of the theme of "important messages to be relayed to future generations" is an example of such initiatives and we will continue to broadcast high-quality programs such as this one.

While striving to strengthen news and information programs regarding them as the foundation of a broadcasting company, we also focused our increased efforts on entertainment programs. The results of these efforts included stable high audience ratings of variety show programs *Matsuko no Shiranai Sekai* and *Ningen Kansatsu Variety Monitoring*.

We also received a highly favorable review on the *17th ASIAN GAMES INCHEON* we broadcasted in September 2014 using over 80 hours of broadcasting time slots and *Monodukuri Japan's Miracle* we broadcasted over five nights in March of this year as a special program commemorating the 60th anniversary of TBS TV. While working to streamline the production process, we will ensure to produce high-quality programs such as above to gain further support by the audience and the sponsors alike.

As for the rest of businesses of the Group, while securing the basic sources of non-broadcasting revenue through the existing movie, event and shopping channels as well as events at Akasaka Sacas, we will continue to aggressively expand overseas leveraging our contents that have already gained popularity in overseas markets such as "*SASUKE*." We will pursue high profitability on a group-wide basis, by responding quickly to changes in our times and user needs and striving to achieve growth based on a diversification of revenue sources.

BS-TBS, INC. has become a wholly-owned subsidiary of the Company effective April 1, 2015. Net sales of BS-TBS, INC. has been increasing and we will work to maximize the synergy effect among Group companies so that BS-TBS, INC. will contribute to the reinforcement of the revenue basis of the Group based on its steady growth.

TBS Radio & Communications, Inc. has maintained the top audience rating in the Tokyo Metropolitan area during 82 consecutive terms (13 years and 8 months) since August 2001. The increase in young listeners in their teens and twenties appears to indicate that listening to *radiko* programs using PCs and smartphones has come to stay among them. However, the operating environment surrounding the radio business continues to be demanding and there is no room for optimism. While practicing strict cost control, we will search for new sources of revenue linking to broadcasting.

Aiming to become a "broadcasting company with a strong responsibility for the future of Japan," the Group is focusing on strengthening the Broadcasting Business, strengthening comprehensive media strategies, improving group-wide profitability, and improving the diversity of profitability through new business development including strategic investment, as our core initiatives.

We see 2015 as a year of major turning point as well as a year marking the 70th year since the end of World War II and the 60th anniversary since the start of TBS TV broadcasting. This will be the year in which we will be more than ever accountable for "what and how we report" as news media. TBS has presented a number of fascinating programs to the world based on high aspiration and outstanding creativity since the start of its operation. We are committed to continue on such achievement and fulfill our mission as a broadcasting station. Wishing a lot of happiness for people in the future, we will push ahead upholding a banner of "Building a bridge from TBS to the future."

The Group will make all-out efforts to respond to the shareholders' mandate.

Continued support by the current and future shareholders will be much appreciated.

(7) Main Business Activities (As of March 31, 2015)

The core activities of the Group are television and radio broadcasting, and the production and sales of video and audio software and cultural events. Other areas of activity include maintenance, services relating to these core activities.

Activities in the fiscal year under review were as follows:

Segment	Activities
Broadcasting	* Broadcasting-related business Broadcasting, program production, video technology, art production, computer graphics, audio technology, lighting technology, camera filming, cable TV investment, video investment, surveys and research etc.
Multi Visual Ventures and Cultural Events	* Events, planning and production of video software etc. Production and sales of video and audio software, events and programs, program syndication, production and sales of video and audio software, mail-order marketing, retail of general merchandise, production and sales of cosmetics, restaurant operation, production and sales of confectionary etc.
Real Estate	* Real estate leasing, maintenance and services Studio management, cooling and heating control services, parking lot management, equipment leasing, insurance agency services, real estate leasing etc.

(8) Principal Sales Office (As of March 31, 2015)

1. Tokyo Broadcasting System Holdings, Inc.

Sales Office	Address
Head office and studios	5-3-6 Akasaka, Minato-ku, Tokyo

2. Subsidiaries

Company name	Location
Tokyo Broadcasting System Television, Inc. (Note 1), TBS Radio & Communications, Inc., TBS Service, Inc., TBS-Vision, Inc., Nichion, Inc., Art Communication Systems, Inc., TBS Kikaku Co., Ltd., TBS Sun Work, Inc., TBS Media Research Institute Inc., OXYBOT, Inc., TBS-TEX, Co., Ltd., TBS ProNex, Inc., Akasaka Heat Supply Co., Ltd., Grand Marché, Inc., TC Entertainment, Inc., BS-TBS, INC., FF TOHO Inc., TBS TriMedia, Inc., Akasaka Graphics Art, Inc., Dreamax Television Inc., TOTSU Inc., Jasc, Inc., VuCast, Inc., TLC Inc.	Minato-ku, Tokyo
StylingLife Holdings Inc. (Note 2) LightUp Shopping Club Inc. CP Cosmetics Inc. (Note 3)	Shinjuku-ku, Tokyo
Maxim's de Paris Corporation	Chuo-ku, Tokyo
Midoriyama Studio City Inc.	Yokohama City, Kanagawa Prefecture
Tokyo Broadcasting System International, Inc.	New York, U.S.A.

Note 1: Tokyo Broadcasting System Television, Inc. has Kansai Branch Office in Osaka City, Osaka Prefecture, a TV studio in Yokohama City, Kanagawa Prefecture, and a TV transmitter station in Sumida-ku, Tokyo.

Note 2: StylingLife Holdings Inc. operates a nationwide store network in Japan consisting of 79 Plaza stores, etc. and a sales office in Osaka City, Osaka Prefecture and has its main plant in Yaizu City, Shizuoka Prefecture.

Note 3: CP Cosmetics Inc. also has sales offices in Minato-ku, Tokyo, Sapporo City, Hokkaido, Yokohama City, Kanagawa Prefecture, Nagoya City, Aichi Prefecture, Osaka City, Osaka Prefecture, and Fukuoka City, Fukuoka Prefecture.

(9) Work Force (As of March 31, 2015)

Segment	Number of employees	Change since end of previous fiscal year
Broadcasting	2,980	Increase of 5
Multi Visual Ventures and Cultural Events	2,168	Decrease of 49
Real Estate	88	Increase of 2
Corporate (shared)	349	Decrease of 7
Total	5,585	Decrease of 49

Note: Employees classed as "corporate (shared)" are administrative employees who cannot be allocated to any specific segment.

(10) Main Lenders (As of March 31, 2015)

Lender	Amount
Syndicated loan	¥7.80 billion
Nippon Life Insurance Company	¥10.00 billion
Meiji Yasuda Life Insurance Company	¥3.00 billion
Sumitomo Life Insurance Company	¥2.00 billion
TAIYO LIFE INSURANCE COMPANY	¥2.00 billion
Mizuho Bank, Ltd.	¥0.10 billion
Sumitomo Mitsui Banking Corporation	¥0.10 billion

Note 1: The syndicated loan was provided by six financial institutions, with the Sumitomo Mitsui Banking Corporation acting as an arranger.

Note 2: StylingLife Holdings, Inc., a consolidated subsidiary, has signed contracts with multiple financial institutions to establish a ¥4.0 billion commitment line.
(Refer to "1. The Current Position of Tokyo Broadcasting System Holdings, Inc. and its Subsidiaries (3) Capital Procurement": the balance of the funds drawn is nil, and the available balance is ¥4.0 billion)

2. The Current Position of Tokyo Broadcasting System Holdings, Inc.

(1) Common Stock (As of March 31, 2015)

1. Total Number of Shares Issuable 400,000,000 shares

2. Issued Number of Shares 190,434,968 shares
(no change from the end of the previous fiscal year)

3. Number of Shareholders 13,811
(a decrease of 2,484 compared with the end of the previous fiscal year)

4. Major Shareholders and Number of Shares Held (Top 10)

Shareholders	Number of shares held (shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Pension Account-Pension Trust Account held for DENTSU INC.)	9,310,500	5.73
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,957,100	5.51
MITSUI & CO., LTD.	7,691,000	4.73
Mainichi Broadcasting System, Inc.	6,576,100	4.04
Sumitomo Mitsui Banking Corporation	5,745,267	3.53
Mitsui Fudosan Co., Ltd.	5,713,728	3.51
NTT DOCOMO, INC.	5,713,000	3.51
Nippon Life Insurance Company	5,006,235	3.08
BIC CAMERA INC.	4,190,000	2.58
Kodansha Ltd.	3,771,200	2.32

Note 1: The Company holds treasury stock of 28,035,642 shares as of March 31, 2015; however, it is excluded from the list of major shareholders shown above.

Note 2: Percentage of shares held was calculated excluding treasury stock and rounded down to two decimals.

Note 3: The percentage of voting rights held by foreign shareholders at the end of the fiscal year under review, as defined in Radio Law, was 12.31%.

Note 4: 9,310,500 shares held by the Master Trust Bank of Japan, Ltd. Pension Account-Pension Trust Account held for DENTSU INC. are the Company's shares owned by DENTSU INC. and deposited in DENTSU INC.'s pension trust.

5. Other Important Matters Concerning the Company's Stock

On April 1, 2015, the Company completed a share exchange between the Company as a parent company and BS-TBS, INC. as a wholly-owned subsidiary. The Company allocated 12,314,784 shares of its common stock from treasury shares to BS-TBS through the share exchange. As a result, the number of shares owned by the Company became 15,720,858 shares. The percentage of shares allocated (12,314,784 shares) against a total number of shares issued excluding treasury shares after the share exchange is 7.04%.

Upon resolution of the Board of Directors meeting held on February 5, 2015, the Company determined the provision of voting rights to the shareholders of BS-TBS, who will receive the allotment of the Company's shares through the share exchange, for the 88th Ordinary General Meeting of Shareholders to be held on June 26, 2015.

(2) Corporate Officers

1. Directors and Audit & Supervisory Board Members (As of March 31, 2015)

Position	Name	Areas of responsibility
Chairman and Representative Director	Hiroshi Inoue	
Vice Chairman and Representative Director	Keizo Zaitsu	
President and Representative Director	Toshichika Ishihara	(Office of Internal Business Audit)
Managing Director	Tetsuya Fujita	In charge of Overall Businesses and President's Office
Director	Shinji Takeda	In charge of Overall Comprehensive Media Strategy, HD Comprehensive Media Council and Media Strategy Office
Director	Kazuhiro Namba	In charge of Overall Operations of Television Business
Director	Yoshikazu Kato	In charge of Production and Information of Television Business
Director	Makoto Hoshino	In charge of Overall Sales of Television Business
Director	Ryoichi Nitta	In charge of Overall Programming of Television Business
Director	Toshiaki Kawai	In charge of Overall Technology of Television Business
Director	Masahiro Yamamoto	
Director	Shouei Utsuda	
Director	Yutaka Asahina	
Director	Tadashi Ishii	
Standing Statutory Audit & Supervisory Board Member	Takafumi Kannari	
Standing Statutory Audit & Supervisory Board Member	Tatsuo Tanaka	
Audit & Supervisory Board Member	Keiichiro Okabe	
Audit & Supervisory Board Member	Takeo Tanaka	
Audit & Supervisory Board Member	Yasushi Akashi	

Note 1: At the 87th Ordinary General Meeting of Shareholders held on June 27, 2014, Mr. Toshiaki Kawai and Mr. Tadashi Ishii were newly elected as Directors and assumed the office.
Upon completion of their term, Mr. Ichiro Nobukuni, Mr. Toshiei Toyonaka, Mr. Kazuo Hiramoto and Mr. Tatsuyoshi Takashima retired from the office of Director, respectively, on June 27, 2014.

Note 2: At the 87th Ordinary General Meeting of Shareholders held on June 27, 2014, Audit & Supervisory Board Member, Mr. Kunio Ogawa resigned. In addition, Mr. Tatsuo Tanaka was newly elected as an Audit & Supervisory Board Member at the said general meeting of shareholders and assumed the office on June 27, 2014.

Note 3: The position and responsibilities of the Directors were changed as follows, effective April 1, 2015, after the end of the fiscal year under review.

Managing Director	Tetsuya Fujita	In charge of Overall Businesses, HD Comprehensive Media Council, President's Office, Group Management and Planning Division, Comprehensive Strategy Division and Business Innovation Office
Director and Executive Advisor	Keizo Zaitsu	
Director	Yoshikazu Kato	In charge of Production and Information of Television Business
Director	Toshiaki Kawai	In charge of Overall Technology of Television Business and Media Strategy Office
Director	Kazuhiro Namba	
Director	Makoto Hoshino	
Director	Ryoichi Nitta	
Director	Shinji Takeda	President and Representative Director of Tokyo Broadcasting System Television, Inc.

Note 4: Among the Directors, Mr. Masahiro Yamamoto, Mr. Shouei Utsuda, Mr. Yutaka Asahina and Mr. Tadashi Ishii are Outside Directors.

Note 5: Among the Audit & Supervisory Board Members, Mr. Keiichiro Okabe, Mr. Takeo Tanaka and Mr. Yasushi Akashi are Outside Audit & Supervisory Board Members.

Note 6: The Company has registered Directors, Mr. Shouei Utsuda and Mr. Yutaka Asahina, and Audit & Supervisory Board Members, Mr. Keiichiro Okabe, Mr. Takeo Tanaka and Mr. Yasushi Akashi as independent directors/audit & supervisory board members with the Tokyo Stock Exchange.

Note 7: Standing Statutory Audit & Supervisory Board Member, Mr. Takafumi Kannari has an experience as General Manager of Finance Division and Director in charge of accounting at the Company and has considerable knowledge of finance and accounting.

Note 8: Audit & Supervisory Board Member, Mr. Keiichiro Okabe has an experience as the director in charge of financial affairs and accounting at COSMO OIL CO., LTD. and has considerable knowledge of finance and accounting.

Note 9: Audit & Supervisory Board Member, Mr. Takeo Tanaka has an experience as the head of financial affairs and accounting at Tokyo Electron Ltd. and has considerable knowledge of finance and accounting.

Note 10: Important positions of other organizations concurrently assumed by Directors and Audit & Supervisory Board Members relevant to the fiscal year under review are as follows:

Category	Name	Company in which Directors and Audit & Supervisory Board Members of the Company hold a concurrent position	Concurrent position held	Specific notes
Directors	Hiroshi Inoue	The Japan Commercial Broadcasters Association (JBA)	President	
		Tokyo Broadcasting System Television, Inc.	Chairman and Representative Director	
		Mainichi Broadcasting System, Inc.	Outside Director	
		Tokyo Electron Ltd.	Outside Director	
		FUJIFILM Holdings Corporation	Outside Director	
	Keizo Zaitsu	Tokyo Broadcasting System Television, Inc.	Vice Chairman and Director	Assumed the office of Director and Executive Advisor of Tokyo Broadcasting System Television, Inc. on April 1, 2015
	Toshichika Ishihara	Tokyo Broadcasting System Television, Inc.	President and Representative Director	Assumed the office of Director of Tokyo Broadcasting System Television, Inc. on April 1, 2015
		RKB Mainichi Broadcasting Corp.	Outside Audit & Supervisory Board Member	
		The Mainichi Newspapers Group Holdings, Co., Ltd.	Outside Director	
	Tetsuya Fujita	Tokyo Broadcasting System Television, Inc.	Managing Director	
		BS-TBS, INC.	Director	
		TBS Radio & Communications, Inc.	Director and Chairman	
		SKY Perfect JSAT Holdings Inc.	Outside Audit & Supervisory Board Member	
		WOWOW INC.	Outside Director	
	Shinji Takeda	Tokyo Broadcasting System Television, Inc.	Director	Assumed the office of President and Representative Director of Tokyo Broadcasting System Television, Inc. on April 1, 2015
		BS-TBS, INC.	President and Representative Director	Resigned from the office of Director of BS-TBS, INC. on March 31, 2015
	Kazuhiro Namba	Tokyo Broadcasting System Television, Inc.	Managing Director	Resigned from the office of Director of Tokyo Broadcasting System Television, Inc. on March 31, 2015
		Broadcasting System of Niigata Inc.	Outside Director	

Category	Name	Company in which Directors and Audit & Supervisory Board Members of the Company hold a concurrent position	Concurrent position held	Specific notes
Directors	Yoshikazu Kato	Tokyo Broadcasting System Television, Inc.	Director	
	Makoto Hoshino	Tokyo Broadcasting System Television, Inc.	Managing Director	Resigned from the office of Director of Tokyo Broadcasting System Television, Inc. on March 31, 2015
	Ryoichi Nitta	Tokyo Broadcasting System Television, Inc.	Managing Director	Resigned from the office of Director of Tokyo Broadcasting System Television, Inc. on March 31, 2015
	Toshiaki Kawai	Tokyo Broadcasting System Television, Inc.	Director	Assumed the office of Managing Director of Tokyo Broadcasting System Television, Inc. on April 1, 2015
	Masahiro Yamamoto	Tokyo Broadcasting System Television, Inc. Mainichi Broadcasting System, Inc.	Outside Director Supreme Advisor	
	Shouei Utsuda	Tokyo Broadcasting System Television, Inc. MITSUI & CO., LTD. Isetan Mitsukoshi Holdings Ltd. Nomura Research Institute, Ltd. Cool Japan Fund Inc.	Outside Director Director and Chairman Outside Director Outside Director Outside Director and Chairman of Overseas Demand Development Committee	Assumed the office of Director of MITSUI & CO., LTD. on April 1, 2015
	Yutaka Asahina	Tokyo Broadcasting System Television, Inc. The Mainichi Newspapers Group Holdings, Co., Ltd. The Mainichi Newspapers Co., Ltd. Mainichi Broadcasting System, Inc. RKB Mainichi Broadcasting Corp.	Outside Director President and Representative Director President and Representative Director Outside Director Outside Director	
	Tadashi Ishii	Tokyo Broadcasting System Television, Inc. DENTSU INC.	Outside Director President and Representative Director and Chief Executive Officer	

Category	Name	Company in which Directors and Audit & Supervisory Board Members of the Company hold a concurrent position	Concurrent position held	Specific notes
Audit & Supervisory Board Members	Takafumi Kannari	Tokyo Broadcasting System Television, Inc. TBS Radio & Communications, Inc. StylingLife Holdings Inc.	Audit & Supervisory Board Member Audit & Supervisory Board Member Outside Audit & Supervisory Board Member	
	Tatsuo Tanaka	Tokyo Broadcasting System Television, Inc.	Audit & Supervisory Board Member	
	Keiichiro Okabe	Tokyo Broadcasting System Television, Inc. COSMO OIL CO., LTD.	Outside Audit & Supervisory Board Member Executive Adviser	
	Takeo Tanaka	Tokyo Broadcasting System Television, Inc.	Outside Audit & Supervisory Board Member	
	Yasushi Akashi	Tokyo Broadcasting System Television, Inc. International House of Japan JOICFP Peace-Building, Rehabilitation and Reconstruction in Sri Lanka	Outside Audit & Supervisory Board Member Chairman President Representative of the Government of Japan	

2. Amounts of Fees etc. Paid to Directors and Audit & Supervisory Board Members

Category	Recipients	Total amount of fees etc.
Directors (subtotal: outside directors)	18 (5)	¥529 million (¥32 million)
Audit & Supervisory Board Members (subtotal: outside audit & supervisory board members)	6 (3)	¥75 million (¥24 million)

Note 1: Resolutions were passed at the 87th Ordinary General Meeting of Shareholders held on June 27, 2014 stipulating maximum amounts of ¥900 million per year (of which the portion for Outside Directors will be an amount not exceeding ¥60 million) for directors' fees and ¥100 million per year for audit & supervisory board members' fees. This does not include salaries paid to directors who were also employees.

Note 2: The amounts of fees, etc. paid to directors include the amounts paid to four directors and one audit & supervisory board member during their term of office, who retired at the conclusion of the 87th Ordinary General Meeting of Shareholders.

Note 3: Outside directors and outside audit & supervisory board members, who concurrently serve at the subsidiaries of the Company, do not receive fees from said subsidiaries.

3. Items Pertaining to Outside Officers

(a) Principal Activities in the Fiscal Year under Review

- Activities of Outside Directors
  Of the meetings of the Board of Directors held in the fiscal year under review, Mr. Masahiro Yamamoto attended 10 out of 13, Mr. Shouei Utsuda attended 10 out of 13, Mr. Yutaka Asahina attended 12 out of 13, and Mr. Tadashi Ishii attended 6 out of 10. All four outside directors provided appropriate advice based on their extensive experiences and knowledge as corporate managers and others, in positions independent from TBS executives.
- Activities of Outside Audit & Supervisory Board Members
  There were 13 meetings of the Board of Directors and 12 meetings of the Audit & Supervisory Board in the fiscal year under review, of which Mr. Keiichiro Okabe attended 12 and 12, respectively, and Mr. Takeo Tanaka attended 13 and 12, respectively. Mr. Yasushi Akashi attended 12 and 11, respectively. All three outside audit & supervisory board members offered questions, advice and other contributions based on their extensive experiences and knowledge acquired as managers of business corporations or in activities in the international organizations.

(b) General Intent of Limited Liability Agreement

The Articles of Incorporation of the Company was amended at the 82nd Ordinary General Meeting of Shareholders held on June 26, 2009 to include provisions on limited liability agreements with outside directors and outside audit & supervisory board members.

The general intent of the limited liability agreement that the Company entered into with each of the outside directors and outside audit & supervisory board members pursuant to the Articles of Incorporation is as follows:

- The liability of an outside director or an outside audit & supervisory board member pursuant to Article 423, Paragraph 1 of the Companies Act is limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act in the absence of ill intent and gross negligence on the part of the relevant director or audit & supervisory board member in the execution of his or her responsibilities.

(c) Relationships between the Company and Other Companies Where Positions Are Held Concurrently

Directors Mr. Masahiro Yamamoto, Mr. Shouei Utsuda, Mr. Yutaka Asahina and Mr. Tadashi Ishii concurrently serve as Outside Directors, and Audit & Supervisory Board Members Mr. Keiichiro Okabe, Mr. Takeo Tanaka and Mr. Yasushi Akashi concurrently serve as Outside Audit & Supervisory Board Members of Tokyo Broadcasting System Television, Inc., which as a subsidiary of the Company, forms the core of the Group.

The relationships between the Company and other significant companies, where outside directors of the Company concurrently serve, are as follows:

- Tokyo Broadcasting System Television, Inc. competes in the broadcasting business, but also has an ongoing business relationship in areas such as broadcast syndication and television frequency fees, with Mainichi Broadcasting System, Inc., where Director Mr. Masahiro Yamamoto serves as Supreme Advisor.

- Tokyo Broadcasting System Television, Inc. has an ongoing business relationship, in areas such as the placement of advertisement and provision of news materials, with The Mainichi Newspapers Co., Ltd. where Director Mr. Yutaka Asahina serves as President and Representative Director. Further, Tokyo Broadcasting System Television, Inc. competes in the broadcasting business, but also has an ongoing business relationship in areas such as broadcast syndication and television frequency fees with Mainichi Broadcasting System, Inc. and RKB Mainichi Broadcasting Corp. where Mr. Asahina concurrently serves as an Outside Director.
- Tokyo Broadcasting System Television, Inc. has an ongoing business relationship, in areas such as the sale of airtime and programming, with DENTSU INC. where Director Mr. Tadashi Ishii serves as the President and Representative Director and Chief Executive Officer.

(3) Accounting Auditors

(i) Name of Accounting Auditor: KPMG AZSA LLC

(ii) Fees etc. Paid to Accounting Auditors in the Fiscal Year under Review

	Amount paid
A. Fees etc. pertaining to the fiscal year under review	¥43 million
B. Total amount of cash and other asset-based benefits payable to the accounting auditors of Tokyo Broadcasting System Holdings, Inc. and its subsidiaries	¥84 million

Note: The audit agreement between the Company and the accounting auditor does not separate the amounts of fees etc., for audits under the Companies Act from the amounts of fees etc., for audits under the Financial Instruments and Exchange Act. Since it is essentially impossible to separate these amounts, the amount shown for A. above represents the sum of both.

(iii) Policy on Dismissal or Non-Reappointment of Accounting Auditor

If there are grounds for dismissal under the provisions of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board of the Company will dismiss the accounting auditor, subject to approval by all audit & supervisory board members.

In addition, when the Audit & Supervisory Board deems there is a clear need for action, such as when the Audit & Supervisory Board recognizes it would be difficult for the accounting auditor to execute their duties, it may decide upon the content of a proposal concerning the dismissal or non-reappointment of the accounting auditor and the Board of Directors may submit this as an item for approval at the general meeting of shareholders.

Note: The Company changed a decision-making body from the Board of Directors to the Audit & Supervisory Board regarding the dismissal or non-reappointment of an accounting auditor in accordance with the Act for Partial Amendment of the Companies Act (Act No. 90 of 2014) enacted on May 1, 2015.

3. Systems Ensuring that Directors Perform their Duties in Accordance with the Laws and Regulations and the Articles of Incorporation and that Other Operations are Conducted Appropriately

The Company adopted the "policy concerning the establishment of the system necessary to ensure appropriate operation as a stock company," as stipulated in Item 6, Paragraph 4 of Article 362 of the Companies Act and Paragraphs 1 and 3 of Article 100 of the Ordinances for Enforcement of the Companies Act.

Introduction

As a certified broadcast holding company, with broadcasters under its umbrella that are entrusted with the use of finite and valuable radio waves, Tokyo Broadcasting System Holdings, Inc. is profoundly aware of the social responsibilities and public mission, as stated in the TBS Group Activities Charter, and will continue to fulfill and strengthen its corporate governance.

As part of our efforts to carry out our business activities appropriately and efficiently while maintaining and enhancing the corporate value of the TBS Group, we have established the TBS Group Corporate Activities Committee to build and implement internal control systems for the Group. The Committee is chaired by the President and made up of directors from the Company and its Group companies, as well as outside members. Its responsibilities are as follows:

1. Matters pertaining to the development, evaluation and improvement of internal control systems
2. Matters pertaining to upholding business ethics
3. Matters pertaining to the risk management and the appropriate and efficient performance of operations
4. Matters pertaining to information disclosure
5. Matters pertaining to questions from the Board of Directors of TBS Group Companies

(1) Systems Ensuring that Directors Perform their Duties in Accordance with the Laws and Regulations and the Articles of Incorporation

(a) All officers and employees swear a basic oath under the TBS Group Activities Charter, which defines the corporate philosophy under which the TBS Group is working to achieve growth based on excellence as a corporate Group. We are working to ensure the full implementation of the TBS Group Activities Standards, which were formulated as standards for the realization of the Charter.

(b) We have formulated the TBS Group Information Disclosure Policies, and we will fulfill our responsibilities to provide good explanations to shareholders as a corporate Group through the timely disclosure of accurate information.

(c) The Special Committee for Appraising Corporate Value, consisting of outside directors, outside audit & supervisory board members and outside experts, assesses policies from the perspective of maximizing corporate value in response to questions submitted by the Board of Directors, and advises the Board of Directors of the results of its deliberations.

(d) Tokyo Broadcasting System Holdings, Inc. is audited by the Audit & Supervisory Board, formed by standing statutory audit & supervisory board members and outside audit & supervisory board members. The important subsidiary, Tokyo Broadcasting System Television, Inc. does not set the Audit & Supervisory Board but is audited by outside audit & supervisory board members on the basis of the structure of Tokyo Broadcasting System Holdings, Inc.

(2) Systems Concerning the Storage and Management of Information Pertaining to the Performance of Directors' Duties

(a) We have formulated the Document Handling Regulations, which define standards for the handling of documents containing information pertaining to the performance of directors' duties. Documents are stored and managed appropriately and reliably during the periods stipulated in those regulations.

(b) We will maintain document storage and management systems capable of responding promptly to requests from directors and audit & supervisory board members who wish to peruse documents pertaining to the performance of directors' duties.

(3) Risks of Loss Management Regulations and Other Systems

(a) We will set the TBS Group Risk Management Policies, TBS Group Risk Management Regulations and other regulations required to support ongoing control of the risk of losses affecting our business activities and operations, and establish risk management systems. We will maintain risk management systems to evaluate the risk management condition for the previous financial term and implement those systems appropriately. In this context, the risk management plan for the coming financial term will be approved by the TBS Group Risk Management Committee, which is the sub-committee of the TBS Group Corporate Activities Committee.

(b) We have formulated Basic Policies for Managing Market Risk. This policy is reviewed semi-annually to ensure an appropriate response to the risk of share price, foreign exchange rate and interest rate fluctuations.

(c) We have formulated the Investment and Financial Management Regulations to support the management, coordination and efficient use of investments and finance. The appropriateness of investments and loans is assessed by the Investment and Financial Judging Committee after consultation with the Group Managerial Strategy Council.

(d) To ensure an appropriate response to risks, we have formulated the TBS Group Crisis Response Regulations, which define organizational structures, operational procedures, information management methods and other systems to be employed in the event of a serious risk situation, such as damage to our corporate brand.

(e) We have formulated the Information Security Policy to ensure appropriate network use and prevent threats, such as unauthorized access, system damage caused by computer viruses etc., and data leakage or tampering etc.

(4) Systems Ensuring the Efficient Performance of Directors' Duties

(a) In principle, the Board of Directors meets regularly once every month. This is the basic system for ensuring the efficient performance of directors' duties.

(b) Important matters pertaining to management policy and strategies are discussed at the Group Managerial Strategy Council, which is in principle held once a week. Decisions on executive actions are taken after these deliberations.

(c) The Group Managerial Strategy Council, which advises the President, supports comprehensive long-term management planning by facilitating and coordinating long-term management planning activities.

(5) Systems Ensuring that Employees Perform their Duties in Compliance with Laws and Regulations and the Articles of Incorporation

(a) We have formulated the TBS Group Activities Charter as a basic oath that all officers and employees are required to uphold. We have also adopted the TBS Group Activities Standards as standards for the realization of the Charter.

(b) We will ensure that the Office of Compliance is able to function effectively and appropriately as the coordinating unit for the development and operation of our internal control and compliance system, and that the Office of Internal Business Audit can function effectively and appropriately as the internal audit unit.

(c) We will maintain the TBS Hotline as an internal reporting system for the Group, and we will make effective use of the Office of Internal Business Audit and outside law offices as contact points for the reporting of problems, such as situations that contravene laws and regulations or corporate rules.

(d) We will maintain internal checks and balances, such as personnel-related systems, to eliminate the concentration of authority in the hands of individual employees.

(6) Systems Ensuring the Appropriateness of the Business Operations of the Group Consisting of Tokyo Broadcasting System Holdings, Inc. and Its Subsidiaries

(a) We will apply the TBS Group Activities Charter and the TBS Group Activities Standards as the oath and behavior guidelines for the Group.
(b) Tokyo Broadcasting System Television, Inc. and TBS Radio & Communication, Inc., broadcasters under its umbrella, will set the Broadcast Council in accordance with the Broadcast Law, and Broadcast Council will be the committee for consultation and proposal of all queries, aiming for the improvement and the development of broadcast programs.
(c) For Tokyo Broadcasting System Television, Inc., which has a large influence, the Broadcasting and Human Rights Special Committee, formed mainly by the outside experts, will counsel with the President of Tokyo Broadcasting System Television, Inc. about any needs on human rights at broadcasting environments. The Company will then receive a report from Tokyo Broadcasting System Television, Inc. to handle given situations.
(d) The Company will set the Office of Internal Business Audit to audit the operations of all related Group companies.
(e) Each company within the Group will lay down the TBS Group Corporate Governance, aim the penetration of formulation and operation of internal control systems, and straighten the system to maintain the soundness of the parent and subsidiary relationships in the Group.
(f) Each company within the Group will participate in the TBS Hotline and set out and operate a structure to raise awareness of the participation.
(g) We have formulated the Subsidiaries and Affiliates Management Regulations as the basis for efforts to enhance the management efficiency of the Group and accelerate their development through the provision of guidance.

(7) Systems Ensuring the Effectiveness of Audits Conducted by the Audit & Supervisory Board Members

1. Items Pertaining to Employees in the Audit & Supervisory Board Member Support Organization and the Independence of those Employees from Directors

    (a) We will ensure that the Office of Audit & Supervisory Board Members is able to function as a support unit for the activities of the audit & supervisory board members, and we will maintain regulations pertaining to the employees who provide that support.
    (b) The Audit & Supervisory Board will establish an Audit & Supervisory Board Headquarters if required, such as when there are matters requiring investigation by the audit & supervisory board members. Employees nominated by the Audit & Supervisory Board will provide assistance to the Audit & Supervisory Board Headquarters or the audit & supervisory board members.
    (c) The approval of the audit & supervisory board members will be obtained for personnel appraisals and transfers of employees who assist in the work of the audit & supervisory board members, and for any disciplinary action against such employees.

2. Systems for Reporting to the Audit & Supervisory Board Members by Directors and Employees and for Other Reports to the Audit & Supervisory Board Members

    (a) The directors and employees will report to Audit & Supervisory Board Members whenever there are important matters affecting operations or performance.
    (b) The Audit & Supervisory Board Members may require reports from directors or employees as required at any time.
    (c) We will operate the TBS Hotline appropriately and maintain appropriate reporting systems, so that the Audit & Supervisory Board Members can be informed of any compliance issues, including violations of laws and regulations.
    (d) The Audit & Supervisory Board Members will receive reports on the results of internal audits conducted by the Office of Internal Business Audit.
    (e) The Audit & Supervisory Board Members can attend important meetings, peruse documents concerning important decisions, and require directors to provide reports concerning the performance

of operations. If necessary, the Audit & Supervisory Board Members can also hold direct hearings in any department.

(f) The Audit & Supervisory Board Members, Accounting Auditors and Office of Internal Business Audit will share information to maintain effective and efficient internal control systems.

4. Basic Policy Regarding Parties Deciding on Financial and Business Policies of Tokyo Broadcasting System Holdings, Inc.

The Basic Policy Regarding Parties Deciding on Financial and Business Policies of the Company (hereinafter "Basic Policy") was implemented by the Company at the Board of Directors' meeting held on February 28, 2007. In connection with the formulation and execution of "Group Medium-term Management Plan 2015," a new medium-term management plan of the Group, the sections of the Basic Policy that are related to the medium-term management plan were revised as follows at the Board of Directors' meeting held on May 10, 2013.

(1) Basic Policy

As a listed company, the Company has a responsibility to contribute to the development of market economy. We also have an important public mission as a certified broadcast holding company, with broadcasters under our umbrella that are entrusted with the use of finite and valuable radio waves. The corporate characteristics of the Company are expressed as follows in "II. Activities Charter" of the "TBS Group Activities Charter," which was formulated by the Company. "We consistently commit ourselves to the freedom of expression and make efforts to transmit fair, honest and accurate information that contributes to both society and culture, thereby fulfilling the mission expected of a news medium" and "We place a great importance on relations with society and harmonious coexistence with nature, and commit ourselves to a positive social contribution as well as in the realization of a better global environment through our business and individual activities across the board." In addition, the Company is given a vital role as a certified broadcast holding company with broadcasters under its umbrella that are, as our country's key media, expected to perform the function of social lifeline particularly at the time of disasters and emergencies without any delay.

With the emergence of full-scale digital terrestrial broadcasting and the arrival of the multimedia era, the challenge for the broadcasting industry is the improvement of program production, planning and development capabilities and program quality.

We recognize our work force, including the employees and associated workers of Tokyo Broadcasting System Holdings, Inc. and its subsidiaries and affiliates as a business resource that is vital to the fulfillment of our public mission and social role, and to our efforts to improve program production, planning and development capabilities and program quality, which are key to our competitiveness as a broadcaster. Furthermore, the relationships of trust that we have built over many years with our contractors and suppliers, and with all of the people who contribute to the development of programs and content, play an extremely important role as a business resource. These above all are the sources of our corporate value.

To maximize our corporate value and the common interests of our shareholders, we must develop and strengthen the sources of our corporate value from a medium to long-term perspective. Decisions concerning our financial and business policies need to be based on an awareness of these facts.

As a listed company, we are not opposed to a Large-Scale Acquisition of our shares if this contributes to the maximization of our corporate value and the common interests of our shareholders. Nor are we opposed to the proposal of ideas relating to these actions. However, if decisions on our corporate financial and business policies are controlled by parties who do not share our belief in the need to strengthen the aforementioned sources of our corporate value from a medium to long-term perspective, there is a risk that these resources will be impaired in the medium to long-term. If so, this would compromise our efforts to maximize our corporate value and the common interests of all shareholders.

For these reasons, and in keeping with the spirit of the Broadcasting Act and the Radio Act, Tokyo Broadcasting System Holdings, Inc. may, under certain circumstances, take steps to secure and maximize its corporate value and the common interests of all shareholders, within the limits allowable under the laws and regulations and the Articles of Incorporation of Tokyo Broadcasting System Holdings, Inc. We may take such steps if there is a risk that a specific party or group, or its related parties (hereinafter collectively referred to as the "acquirer etc.,"), may damage the sources of our corporate value from a medium to long-term perspective, for instance through the acquisition of voting rights equivalent to 20% or more of the total voting rights in Tokyo Broadcasting System Holdings, Inc., where the acquirer etc., is unsuitable as a party controlling decisions concerning the financial or business policies of Tokyo Broadcasting System Holdings, Inc.

The certified broadcast holding company structure is intended to provide new management platforms that enable broadcasters to further promote management efficiency in line with the purport of the principle of excluding multiple ownerships of the media by granting broadcasters avail of the holding company structure. Under the structure, those shareholders with the legal voting right more than 33% are restricted from holding the portion of

the voting right in excess of 33% for the purpose of securing pluralism, diversity and regionality of broadcasting. Thus, this restriction is already applied to the Company shareholders as the result of the Company's shift to a certified broadcast holding company.

Even after the shift to a certified broadcast holding company, the Company has been placing "all-around business alliance policy" in a tie-up policy that aims at adherence to the impartiality of broadcasting and realization of optimal tie-ups with optimal business partners in each field, thereby building all-around relationships with various business partners as a whole. In light of this policy, however, the appearance of shareholders with a shareholding ratio exceeding 20% still remains unfavorable for the Company's corporate value as well as the common interest of our shareholders unless it is expected to bring more benefit than the case where the tie-up policy above is strictly observed. Accordingly, regardless of an application of the voting right holding restriction structure to the Company as the result of the shift to a certified broadcast holding company system, the Company will continuously maintain its engagement to prevent controls over the decision on the Company's financial and business policies by inappropriate parties in light of the Basic Policy. Further, the Company formulated "Group Medium-term Management Plan 2015" on May 10, 2013 as a new medium-term management plan of the Group.

(2) Raising Corporate Value and Maximizing the Common Interests of Shareholders under the Group Medium-term Management Plan 2015

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, in order to make further progress as a leading company in the digital content business, the Company formulated "V! up Plan" in 2006 as a medium-term management plan of the Group and worked on the implementation of the plan from that time. Then the Company revised the medium-term management plan to "Group Management Plan 2014" and worked on the implementation of the revised plan during the period leading to 2014. Now, after taking into account the development and evolution of digital devices along with the changes to the business environment, the Company has newly formulated "Group Medium-term Management Plan 2015."

Through "Group Medium-term Management Plan 2015," the Group aims to establish a 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 interests of the shareholders. At the same time, the Group will aspire to fulfill the mandate of our shareholders.

(3) Outline of Approaches to Prohibiting Control by Inappropriate Parties in Light of Basic Policy

In accordance with a resolution adopted by the Board of Directors on February 28, 2007, the Company has made the amendments to its policy for responding to takeover proposals, which was announced on May 18, 2005 (hereinafter referred to as the "year 2005 plan"). We have retained the essence of the plan, which is intended to secure and improve our corporate value and the common interests of all shareholders, while making the changes to place an even greater emphasis on the wishes of shareholders. The amended policy will be referred to hereinafter as "the Plan." The Plan and its continuation was approved at the 80th Ordinary General Meeting of Shareholders held on June 28, 2007 (hereinafter referred to as the "2007 shareholders' meeting") by a majority vote of the shareholders present who may exercise their right to vote. Subsequently, the Plan was partially amended, within the necessary and minimum scope, within a frame of the resolution approved at the 2007 shareholders' meeting with the prior and unanimous approval of all incumbent members of the Special Committee for Appraising Corporate Value (hereinafter referred to as the "Special Committee"). As described above, the amendment was in line with the Company's shift to a certified broadcast holding company as of April 1, 2009 and such changes in the legal environment as the amendment and enforcement of the Companies Act and the Financial Instruments and Exchange Act. Details of the Plan are as indicated below. It is partially simplified/rationalized to secure the understandability of descriptions as in a business report.

1. Plan Details

(a) Procedures for Triggering the Plan

(i) Acts Subject to the Plan

The Plan is applied when an act that falls under any item from I. through III. below (hereinafter, "Large-Scale Acquisition") is implemented and the Plan procedures shall be initiated when a party emerges that maintains a policy of conducting such act (including a party that the Company's Board of Directors reasonably determines as having such policy based on the recommendations of the Special Committee, but excluding cases in which the Board of Directors has given a prior approval).

The details of the countermeasures against a Large-Scale Acquisition are as set out in (iv) below. The countermeasures under the Plan shall not be triggered as a matter of course when a party as described above emerges, and the decision to trigger the countermeasures against such party shall be determined in strict accordance with the procedures in (ii), (iii) and (v) or (vii) below.

I. A tender offer intended to result in the holding ratio of share certificates, etc. of the tender offeror group amounting to a total of 20% or more of the share certificates, etc. issued by the Company after the acquisition;

II. An acquisition, etc. that would result in the owning ratio of share certificates, etc. of a Large-Scale Acquisition group amounting to 20% or more of the share certificates, etc. issued by the Company after the acquisition;

III. Notwithstanding the implementation by the Company of a tender offer or other acquisition of share certificates, etc. issued by the Company, (i) an agreement or other act made or conducted between the Large-Scale Acquisition group and another shareholder of the Company whose total owning ratio of share certificates, etc. together with the Large-Scale Acquisition group is 20% or more of the total ownership in the Company's share certificates, and results in such other shareholder becoming a joint holder of such Large-Scale Acquisition group, or (ii) an act that establishes a relationship between the Company's core shareholders in the Large-Scale Acquisition group and other shareholders where one party has substantial control over the other party, or that leads to the parties taking joint or collaborative action.

The tender offeror group, the Large-Scale Acquisition group and the other shareholders in III. above, shall be collectively referred to as the "Acquirer Group."

(ii) Request etc. of Information from the Acquirer Group

Unless the Company's Board of Directors determines otherwise, the Acquirer Group shall, before the commencement or implementation of the Large-Scale Acquisition, submit a written document with the information set out in the items below ("Necessary Information"), and if during the Board of Directors evaluation period (as defined in (iii) below) or as a result of the evaluation period, the Company's Board of Directors resolves to convene a General Meeting of Shareholders pursuant to (vi) below, a written document stating that the Company's share certificates may not be purchased during the waiting period of 21 days following such point of time ("Waiting Period"), and a covenant pledging its compliance with the Plan procedures (together with the Necessary Information, collectively, the "Statement of Acquisition Intent").

If the Special Committee finds the submitted information insufficient as Necessary Information, it may request the Acquirer Group to provide additional information by a suitable reply deadline (as a general rule, 60 days).

I. A Summary of the Acquirer Group

II. The purpose, method and details of the Large-Scale Acquisition

III. Whether or not there was communication of intent between a third party in regards to the Large-Scale Acquisition and if the communication of intent occurred, the name of the other party, a brief description of the party, the specific manner in which the intent was communicated and the details thereof

IV. The basis for the calculation of the consideration for the Large-Scale Acquisition and the process of calculation

V. The underlying funds for the Large-Scale Acquisition

VI. The Company and the Group's management policy, business plan, financial plan, funding plan, investment plan, capital and dividend policies, and program scheduling policy planned for after the Large-Scale Acquisition is conducted, and other policies dealing with the treatment of the Company and the Group's officers, employees, clients, customers, business collaborators and other interested parties after the completion of the Large-Scale Acquisition

VII. Existence of connections with antisocial powers or terrorist organizations and policies for dealing with such

VIII. The Company's approach to fulfilling its public mission as a certified broadcast holding company and Tokyo Broadcasting System Television, Inc. as a broadcasting station

IX. Other information that the Company's Board of Directors or the Special Committee reasonably deems necessary

(iii) Consideration by the Board of Directors and the Special Committee

The Company's Board of Directors and the Special Committee shall stipulate either I. or II. stated below that complies with the details of the Large-Scale Acquisition disclosed by the Acquirer Group, as the period for the Company's Board of Directors to evaluate, consider, form an opinion, devise an alternative proposal and negotiate with the Acquirer Group (hereinafter referred to as the "Board of Directors Evaluation Period").

I. If all the Company's shares etc. are acquired through a tender offer where the consideration is only in cash (yen): 60 days

II. If a Large-Scale Acquisition other than I. above is conducted: 90 days

The Company's Board of Directors shall, within the Board of Directors Evaluation Period, evaluate, consider, form an opinion, devise an alternative proposal and negotiate with the Acquirer Group with respect to a Large-Scale Acquisition proposed by the Acquirer Group based on the Necessary Information provided by the Acquirer Group with a view to maximizing the corporate value of the Company and the common interests of the shareholders.

At that time, the Special Committee shall also evaluate and consider the Acquirer Group's proposal and may obtain advice from third-party professionals independent from the Company's Board of Directors during such evaluation and consideration as necessary, and the expenses shall be borne by the Company.

The Special Committee may, when it acknowledges that the Acquirer Group has initiated the Large-Scale Acquisition without complying with the Plan procedures herein, recommend for the Company's Board of Directors to trigger the required countermeasures provided in (iv) below, such as the gratis allotment of the Stock Acquisition Rights, except in unusual situations where further consultations and negotiations with the Acquirer Group are required in order to obtain the Necessary Information. In such case, the Company's Board of Directors shall trigger the required countermeasures in (iv) below, such as the gratis allotment of the Stock Acquisition Rights, with the utmost respect to the Special Committee's aforementioned recommendation, except in unusual situations where the director has obviously breached the duty of care as a good manager.

(iv) Specific Details of the Countermeasure

The countermeasures against the Large-Scale Acquisition to be triggered by the Company in accordance with the Plan shall be, as a general rule, a gratis allotment of the Stock Acquisition Rights. Provided, however, that if it is determined that the triggering of other countermeasures granted under the Companies Act, other laws and regulations, or the Company's Articles of Incorporation are appropriate, such countermeasures shall be triggered instead.

A summary regarding the gratis allotment of the Stock Acquisition Rights as a countermeasure against the Large-Scale Acquisition is as set out in "3. Outline of Gratis Allotment of Stock Acquisition Rights" below, but for the actual gratis allotment of the Stock Acquisition Rights to take place the following, as well as the exercise period, exercise terms and acquisition terms etc., in view of its effectiveness as a countermeasure for the Large-Scale Acquisition, shall be included:

(i) Terms that prohibit the Exceptional Party (defined in (c) of "3. Outline of Gratis Allotment of Stock Acquisition Rights" below) from exercising their Stock Acquisition Rights;
(ii) Acquisition provisions which provide that the Company may acquire the Stock Acquisition Rights through various considerations depending on whether or not the Acquisition Rights holder is an Exceptional Party (provisions that provide that the Stock Acquisition Rights held by a Stock Acquisition Rights holder who is not an Exceptional Party shall be acquired by the Company in exchange for shares of common stock, and if the Company deems it appropriate, a Stock Acquisition Rights holder who is an Exceptional Party, may acquire new stock acquisition rights and other assets as a replacement for the Stock Acquisition Rights), or
(iii) Acquisition provisions which provide that when acquiring a part of the Stock Acquisition Rights, the Company may only acquire the Stock Acquisition Rights held by a Stock Acquisition Rights holder who is not an Exceptional Party.

(v) Recommendation to Non-trigger the Countermeasures

Regardless of whether or not the Directors Evaluation Period is complete, the Special Committee shall make a recommendation to the Company's Board of Directors that the countermeasure of a gratis allotment of the Stock Acquisition Rights should not be triggered if the Special Committee determines that the Acquirer Group is not, overall, an abusive acquirer in accordance with the Company's guidelines after considering the Acquirer Group's Large-Scale Acquisition and the acquisition proposal details, consulting or negotiating with such group, and the incumbent members of the Special Committee reaching a unanimous decision.

If the Special Committee recommends to non-trigger the gratis allotment of Stock Acquisition Rights and other countermeasures, the Company's Board of Directors shall follow such recommendation and resolve not to trigger the gratis allotment of Stock Acquisition Rights and other countermeasures in accordance with the recommendation except in an unusual situation where the director has obviously breached the duty of care as a good manager.

(vi) Convocation of a General Meeting of Shareholders

If, after exploring the Acquirer Group's Large-Scale Acquisition and its proposal and as a result of consultations and negotiations with the Acquirer Group, the Special Committee cannot reach a unanimous decision by the incumbent Special Committee members to make the recommendation in (v) above, the Special Committee shall recommend for the Company's Board of Directors to seek the judgment of a General Meeting of Shareholders in order to determine whether to make a gratis allotment of the Stock Acquisition Rights, trigger the acquisition provision and other countermeasures. In such case, the Company's Board of Directors shall promptly carry out convocation procedures for a General Meeting of Shareholders at which the agenda items shall be to seek approval regarding the gratis allotment of Stock Acquisition Rights, and triggering of the acquisition provision and other countermeasures.

The resolution of the General Meeting of Shareholders shall be adopted by a majority vote of the shareholders present who may exercise their right to vote. The result of the General Meeting of Shareholders shall be disclosed promptly after such resolution is made.

(vii) Resolution of the Board of Directors

The Company's Board of Directors shall make a resolution regarding the gratis allotment of Stock Acquisition Rights, the triggering of the acquisition provision, and the triggering or non-triggering of other countermeasures without delay, as an entity under the Companies Act, by following the prescribed Plan procedures and paying the utmost respect to the Special Committee's recommendations (recommendations regarding the triggering of the countermeasures pursuant to (iii) above, or the non-triggering of countermeasures pursuant to (v) above), and in accordance with the above resolution of the General Meeting of Shareholders, except in an unusual situation where a director has obviously breached the duty of care as a good manager.

The Acquirer Group shall not conduct the Large-Scale Acquisition unless the Company's Board of Directors has resolved not to trigger the gratis allotment of Stock Acquisition Rights or other such countermeasures by following the prescribed Plan procedures.

(b) The Plan's Effective Period, Abolition and Changes

The Plan will automatically renew for a successive period of three years and the same shall apply thereafter unless a resolution is passed to abolish the Plan at the first Ordinary General Meeting of Shareholders convened after April 2016.

However, if a resolution is made by the Company's Board of Directors or at the Company's General Meeting of Shareholders to abolish the Plan or the Special Committee unanimously resolves to abolish the Plan, the Plan shall be abolished at that point, even during the effective period.

The Plan may also be modified or changed prior to the expiration of the effective period by the Company's Board of Directors to the extent approved by the General Meeting of Shareholders subject to the approval of a majority of the incumbent members and a majority of the third-party professional members of the Special Committee.

2. Outline of the Company's Special Committee for Appraising Corporate Value

The Company's Special Committee for Appraising Corporate Value is an outside advisory body separate from the Board of Directors that will consider the adequacy of measures for matters such as those inquired about by the Company's Board of Directors based on the Plan and other such matters in determining whether such items will maximize the Company's corporate value, and give recommendations based upon the results. The Company's Board of Directors will respect the Special Committee's recommendation to the utmost degree and make final decisions on preliminary responses based on the response policy and matters that are necessary to the countermeasures. The Company's Audit & Supervisory Board shall supervise the Board of Directors' and the Special Committee's decision making process.

The Special Committee shall consist of: (1) one or two of the Company's or Tokyo Broadcasting System Television Inc.'s outside directors; (2) one or two of the Company's or Tokyo Broadcasting System Television Inc.'s outside audit & supervisory board members, and (3) three or four experts from outside the Company with achievements as attorneys-at-law, public accountants, persons experienced in investment banking companies, management, and experienced scholars knowledgeable about the Companies Act. The term of office for each committee member shall be two years.

3. Outline of Gratis Allotment of Stock Acquisition Rights

(a) Entitled Shareholders

The Company will make a gratis allotment of stock acquisition rights to the shareholders whose names are entered or recorded in the last register of shareholders on the record date determined by the Company's Board of Directors (the date immediately following the occurrence of the acts subject to the Plan as set out in the body of (a)(i) of "1. Plan Details" above), for one stock acquisition right per share in the Company held by those shareholders (excluding shares of common stock held by the Company).

(b) Class and Number of Shares to be Issued upon Exercise of Stock Acquisition Rights

The class of shares to be issued upon exercise of stock acquisition rights will be shares of common stock in the Company and the number of shares to be issued upon exercise will be one share or a fraction of one share of common stocks in the Company as determined by the Company's Board of Directors.

(c) Conditions for Exercise of Stock Acquisition Rights

The Company's Board of Directors will determine the conditions for exercise of stock acquisition rights. (The Company may attach a condition for exercise that the Company will not allow an exercise of the rights by any party it designates pursuant to the procedures prescribed by the Board of Directors as a party who belongs to an Acquirer Group (the "Exceptional Party")).

(d) Acquisition of Stock Acquisition Rights by the Company

(i) The Company may establish, by resolution of its Board of Directors, an acquisition clause allowing only an acquisition of (x) all stock acquisition rights or (y) the stock acquisition rights owned by stock acquisition rights holders other than the Exceptional Party upon the occurrence of certain events or the arrival of certain dates that are determined by the Board of Directors.

(ii) If the Company establishes an acquisition clause set out in (i) above and acquires stock acquisition rights from a stock acquisition rights holder other than the Exceptional Party, the Company will, in exchange for one stock acquisition right, deliver to the stock acquisition rights holder the number of shares of common stock in the Company to be predetermined by the Board of Directors as one share or a fraction of one share. Also, if the Company acquires stock acquisition rights from a stock acquisition rights holder who is the Exceptional Party, the Company may, in exchange for one stock acquisition right, deliver to the stock acquisition rights holder new stock acquisition rights issued in place of the existing stock acquisition rights or other property.

(iii) If, as a result of acquiring the stock acquisition rights pursuant to the acquisition clause set out in (i) above, foreign shareholders that do not fall under the Exceptional Party will hold 20% or more of the total voting rights of the Company, for those shares of common stock to be issued to those foreign shareholders as consideration for acquisitions that will compose 20% or more of the total voting rights of the Company, the Company will, in exchange for one stock acquisition right, deliver new stock acquisition rights or other property in place of the existing stock acquisition right, both in proportion to the holding ratio of each such foreign shareholders.

(4) Positions of the Board of Directors Concerning Specific Initiatives, and Reasons for Those Positions

The Plan aimed at ensuring and improving both the Company's corporate value and the common interests of shareholders and based on the year 2005 plan, adopted at the Board of Directors' meeting held on May 18, 2005, was repositioned and partially amended at the Board of Directors' meeting held on February 28, 2007 to prohibit inappropriate parties from controlling the decisions on the Company's financial and business policies, and approved at the 80th Ordinary General Meeting of Shareholders held on June 28, 2007. The partial amendment was made of the Board of Directors on April 3, 2009, which we assessed that the amendment made was within the resolution approved at the 2007 shareholders' meeting.

The response policy after the revision (the "Plan") was developed, adheres to the corporate legal systems such as the Companies Act, the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" jointly released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (the "Government Guidelines"), the "Partially Revised Listing Examination Criteria for Share Certificates Following an Overhaul of the Listing System Pertaining to the Introduction of Takeover Defense Policies" released by Tokyo Stock Exchange Inc. on March 7, 2006, and various Tokyo Stock Exchange Inc. rules, with sufficient regard to the shareholder's rights, the exercise thereof, and the Company shares' impact on the stock markets on which the Company's shares are listed, and a General Meeting of Shareholders will be convened as a general rule to allow direct canvassing of the wishes of shareholders before the countermeasures are triggered, and to ensure fairness and objectivity, a Special Committee for Appraising Corporate Value, consisting of highly independent outside directors, outside audit & supervisory board members and outside experts, shall give advice about triggering or not triggering the countermeasures, and such advice shall be followed to the greatest possible extent, and the Plan can be terminated by a single resolution of a General Meeting of Shareholders. Accordingly the amended policy is seen as contributing to our corporate value and the common interests of shareholders and not as a policy designed to maintain the positions of officers of the Company.

Consolidated Balance Sheets

(As of March 31, 2015)

(Millions of yen)

ASSETS		LIABILITIES	
Current assets:	**131,127**	**Current liabilities:**	**63,072**
Cash and deposits	55,773	Notes and accounts payable-trade	32,716
Notes and accounts receivable-trade	38,309	Short-term loans payable	200
Securities	1,206	Current portion of long-term loans payable	1,200
Inventories (1)	15,703	Accounts payable-other	9,495
Prepaid expenses	11,124	Income taxes payable	3,752
Deferred tax assets	3,381	Accrued consumption taxes	3,688
Other current assets	5,733	Accrued expenses	5,481
Allowance for doubtful accounts	(104)	Provision for directors' bonuses	107
		Other current liabilities	6,431
Noncurrent assets:	**522,604**		
Property, plant and equipment: (2&4)	**203,104**	**Noncurrent liabilities:**	**134,541**
Buildings and structures	101,072	Bonds payable	30,000
Machinery, equipment and vehicles	9,133	Long-term loans payable	23,600
Tools, furniture and fixtures	2,524	Deferred tax liabilities	50,486
Land	84,010	Provision for environmental measures	120
Lease assets	2,458	Net defined benefit liability	14,942
Construction in progress	3,904	Other noncurrent liabilities	15,391
		Total liabilities	**197,613**
Intangible assets:	**27,234**	**NET ASSETS**	
		Shareholders' equity:	**322,474**
Software	3,755		
Goodwill	21,699	Capital stock	54,986
Lease assets	180	Capital surplus	59,523
Other intangible assets	1,598	Retained earnings	244,714
		Treasury stock	(36,749)
Investments and other assets:	**292,265**	**Accumulated other comprehensive income:**	**113,315**
Investment securities	276,383	Valuation difference on available-for-sale securities	112,309
Deferred tax assets	1,995	Deferred gains or losses on hedges	663
Other investments and other assets	14,224	Foreign currency translation adjustment	57
Allowance for doubtful accounts	(337)	Remeasurements of defined benefit plans	285
		Minority interests	**20,328**
		Total net assets	**456,118**
Total assets	**653,732**	**Total liabilities and net assets**	**653,732**

Consolidated Statements of Income

(Fiscal Year from April 1, 2014 to March 31, 2015)

(Millions of yen)

Accounting Item	Amount	
Net sales		347,817
Cost of sales		241,152
Gross profit		**106,665**
Selling, general and administrative expenses		90,936
Operating income		**15,728**
Non-operating income		
Interest and dividends income	3,456	
Equity in earnings of affiliates	968	
Other non-operating income	672	5,096
Non-operating expenses		
Interest expenses	949	
Loss on retirement of noncurrent assets	250	
Other non-operating expenses	709	1,909
Ordinary income		**18,915**
Extraordinary income		
Gain on sales of investment securities	3,004	3,004
Extraordinary loss		
Loss on valuation of investment securities	594	
Loss on business withdrawal	547	
Impairment loss	157	
Loss on sales of investments in securities	119	
Loss on sales of shares of subsidiaries and affiliates	62	1,482
Income before income taxes		**20,437**
Income taxes-current	**5,649**	
Income taxes-deferred	**1,255**	**6,904**
Income before minority interests		**13,533**
Minority interests in income		**722**
Net income		**12,811**

Consolidated Statements of Changes in Net Assets

(Fiscal Year from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2014	54,986	59,512	235,548	(36,970)	313,076
Cumulative effects of changes in accounting policies			(254)		(254)
Restated balance	54,986	59,512	235,294	(36,970)	312,822
Changes of items during the period					
Dividends from surplus			(3,391)		(3,391)
Net income			12,811		12,811
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		10		224	235
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	10	9,420	221	9,652
Balance at March 31, 2015	54,986	59,523	244,714	(36,749)	322,474

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at April 1, 2014	52,860	306	(31)	146	53,282	19,611	385,971
Cumulative effects of changes in accounting policies						(6)	(260)
Restated balance	52,860	306	(31)	146	53,282	19,605	385,710
Changes of items during the period							
Dividends from surplus							(3,391)
Net income							12,811
Purchase of treasury stock							(3)
Disposal of treasury stock							235
Net changes of items other than shareholders' equity	59,448	356	89	138	60,032	723	60,755
Total changes of items during the period	59,448	356	89	138	60,032	723	70,408
Balance at March 31, 2015	112,309	663	57	285	113,315	20,328	456,118

Notes to Consolidated Financial Statements

Basis of Preparing Consolidated Financial Statements

1. Scope of Consolidation
   (1) Consolidated Subsidiaries
   Number of consolidated subsidiaries: 30 (excluded: 1 company)
   Names of principal consolidated subsidiaries
   Principal subsidiaries are as listed in Business Report 1. The Current Position of Tokyo Broadcasting System Holdings, Inc. and its Subsidiaries (5).
   B&C Laboratories (China) Inc., formerly a consolidated subsidiary of the Company, was excluded from the scope of consolidation due to the sales of the shares held by the Company on December 8, 2014.

   (2) Non-consolidated Subsidiaries
   Name of principal non-consolidated subsidiary: Telepac Co. Ltd.
   The 42 non-consolidated subsidiaries are all minor in terms of various items, including total assets, net sales, net income/loss (based on the Company's share interest) and retained earnings (based on the Company's share interest), and their overall effect on the Company's consolidated financial statements is minimal.

2. Application of Equity Method
   (1) Affiliated Companies to Which Equity Method Is Applied
   Number of companies: 2
   WOWOW INC. and Tomo-Digi Corp.

   (2) Affiliated Companies to Which Equity Method Is Not Applied
   Name of principal non-equity-method company: Kids Station Inc.
   The 42 non-consolidated subsidiaries and 30 affiliated companies are all minor in terms of net income/loss (based on the Company's share interest) and retained earnings (based on the Company's share interest), and have minimal effect on the Company's consolidated financial statements. Because of their limited overall significance the equity method has not been applied and the companies have instead been valued at cost.

3. Fiscal Year Ends of Consolidated Subsidiaries
   Tokyo Broadcasting System International, Inc. had fiscal year that ended on December 31, 2014. The consolidated financial statements were prepared using its financial statements as of its term-end and have been adjusted to reflect important transactions that took place between the term-end of the company and March 31, 2015.

4. Notes on Accounting Standards
   (1) Basis and Method of Valuation of Major Assets
   a. Basis and method of valuation of securities
   Held-to-maturity securities: Amortized cost method (straight-line method)
   Shares in subsidiaries and affiliated companies: At cost, using the moving average method
   Available-for-sale securities:
   Those with market value: At market value, based on market price at fiscal year-end (Net unrealized gains/losses are shown in net assets. Realized gains/losses are calculated using the moving average method.)
   Those without market value: At cost based on the moving average method
   b. Basis of valuation of derivatives: At market value
   c. Basis and method of valuation of inventories
   Programs and work in progress:
   Mainly at cost, using the identified cost method (book value written down based on decline in profitability)

Merchandise and finished goods:
Mainly at cost, using the moving average or total average method (book value written down based on decline in profitability)
Raw materials and supplies:
Mainly at cost, using the moving average or total average method (book value written down based on decline in profitability)

(2) Method of Depreciation of Major Depreciable Assets
Property, plant and equipment (excluding lease assets)
Declining balance method (straight-line method for buildings)
Intangible assets (excluding lease assets)
Straight-line method: Software (items used in-house) is amortized using the straight-line method over the estimated useful life of the item (five years).
Lease assets
Lease assets under finance leases that transfer ownership
Depreciated based on the same depreciation method as is applied to our own noncurrent assets.
Lease assets under finance leases that do not transfer ownership
Depreciated using the straight-line method over the lease period with no residual value.
Long-term prepaid expenses
Amortized using the straight-line method

(3) Accounting Policies for Major Provisions
a. Allowance for doubtful accounts:
To provide against losses on defaults of notes and accounts receivable-trade and loans receivable, the Company provides the allowance for doubtful accounts based on a historical experience for general claims and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.
b. Provision for directors' bonuses:
The Company provides a provision for bonus payments to directors and audit & supervisory board members based on the amount estimated at the end of the fiscal year.
c. Provision for environmental measures:
The Company provides a provision for the expenditure for environmental measures based on the amount reasonably estimated at the end of the fiscal year.

(4) Standards for Foreign Currency Translation of Important Foreign Currency-denominated Assets or Liabilities
All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates as of the consolidated balance sheets date with translation differences recorded as profit or loss. Assets, liabilities, income and expenses of overseas subsidiaries are translated into Japanese yen at the spot exchange rate with translation adjustments included in foreign currency translation adjustment and minority interests under net assets.

(5) Other Significant Items for Preparing Consolidated Financial Statements
a. Major hedge accounting

Accounting method for hedges:	Deferral hedge accounting is applied.
Hedging instruments:	Derivatives (forward exchange contracts) covering accounts payable-trade Derivatives (interest rate swaps) covering interest expenses on borrowings
Hedged items:	Items exposed to risk of loss resulting from market fluctuations but whose fluctuations are not reflected in its fair value, and items for which fluctuations can be avoided by fixing cash flows

Hedging policy

Foreign exchange fluctuation risk:

Hedged items are limited and hedging is used, in principle, only for actual needs.

Interest rate fluctuation risk:

Fixed and floating interest rates are swapped to reduce interest on borrowings.

Assessment of hedging effectiveness:

Hedging effectiveness is assessed by analyzing fluctuation in cash flows and fair values.

b. Accounting Treatment for Retirement Benefits

To provide for retirement and severance payments to employees, net defined benefit liability is accounted for based on the estimated amount at the end of the fiscal year and the difference between benefit obligations and fair value of pension assets is recognized. In calculating the benefit obligations, the Company has mainly adopted the straight-line basis while some subsidiaries have adopted benefit formula basis as a method of attributing the estimated amount to the period up to the fiscal year under review. Prior service cost is mainly amortized starting at the time of occurrence of such cost, and actuarial gains and losses are mainly amortized starting from the following fiscal year after the period in which such cost is incurred.

Unrecognized actuarial gains and losses and unrecognized prior service cost are recorded after adjusting tax effects in remeasurements of defined benefit plans in accumulated other comprehensive income under net assets.

c. Amortization of Goodwill

Goodwill is amortized on a straight-line basis within 20 years from the year of acquisition. However insignificant goodwill is charged or credited to income in the year of acquisition.

d. Consumption Taxes

In respect to consumption tax and local consumption tax, the Company has adopted the tax-exclusive method.

Notes on Changes in Accounting Policies

1. Application of Accounting Standard for Retirement Benefits, etc.

For the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015), the Company has applied the provisions of the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits effective from the fiscal year under review and reviewed the calculation method for benefit obligations and service cost and changed the attributing method of the estimated amount and the method of determining discount rates.

Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits. In accordance with such measures, the effect of the change in the calculation methods of benefit obligations and service cost has been added to or deducted from retained earnings as of the beginning of the fiscal year under review.

This change has minimal effect on the Company’s consolidated statement of income and financial position.

Notes on Consolidated Balance Sheets

1. Inventories

Merchandise and finished goods	¥7,353 million
Programs and work in progress	¥7,759 million
Raw materials and supplies	¥589 million

2. Accumulated depreciation of property, plant and equipment ¥204,445 million

3. Guarantee liabilities

Employees' housing loans	¥2,297 million
Joint guarantee on loans payable for Kyusyu-totsu, Inc.	¥15 million
Joint guarantee on lease agreement for Kyusyu-totsu, Inc.	¥2 million
Total	¥2,315 million

4. Amount deducted from acquisition prices of property, plant and equipment for state subsidies etc. received ¥2,637 million

Notes on Consolidated Statements of Changes in Net Assets

1. Class and Total Numbers of Shares Issued, and Class and Numbers of Shares of Treasury Stock

(Shares)

	Number of Shares at Beginning of Fiscal Year under Review	Increase during Fiscal Year under Review	Decrease during Fiscal Year under Review	Number of Shares at End of Fiscal Year under Review
Numbers of Shares Issued				
Common stock	190,434,968	–	–	190,434,968
Total	190,434,968	–	–	190,434,968
Treasury stock				
Common stock (Note)	28,590,009	2,288	187,780	28,404,517
Total	28,590,009	2,288	187,780	28,404,517

Notes:
1. The increase of common stock in treasury stock is due to the purchase of less-than-one-unit shares.
2. The decrease of common stock in treasury stock is due to the sales of the shares of the parent company held by the consolidated subsidiaries.

2. Dividends

(1) Cash dividends paid

Resolution	Class of Shares	Total Dividends (Millions of Yen)	Dividends Per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 27, 2014	Common stock	1,786	11	Mar. 31, 2014	Jun. 30, 2014
Board of Directors' meeting on November 6, 2014	Common stock	1,624	10	Sep. 30, 2014	Dec. 5, 2014

(2) Dividends for which the record date is in the fiscal year under review, and the effective date is in the following fiscal year.

Scheduled Resolution	Class of Shares	Total Dividends (Millions of Yen)	Source of Dividends	Dividends Per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 26, 2015	Common stock	1,948	Retained earnings	12	Mar. 31, 2015	Jun. 29, 2015

Notes on Financial Instruments

1. Status of Financial Instruments

The Company and the Group limit our fund management options to short-term savings and the like, procuring funding through loans from banks and other financial institutions, as well as the issuance of bonds.

Efforts are made to reduce client credit risk regarding notes and accounts receivable-trade by regularly monitoring clients' financial positions. Investment securities mainly consist of stock of companies which have business relationships with the Company and are exposed to market price fluctuation risks. However, the market values of listed stocks are monitored on a quarterly basis.

Loans were made and bonds were issued mainly to provide funds for working capital, capital investments, business finance and repayment of loans.

The purpose of derivative transactions is to hedge risks of fluctuations in foreign exchange and interest rates. They are conducted within actual demand in accordance with internal management rules.

2. Fair Values of Financial Instruments

The consolidated balance sheets amounts, fair values, and differences between the two as of March 31, 2015 (the consolidated balance sheets date) are as follows:

(Millions of yen)

	Consolidated balance sheets amount (*)	Fair value (*)	Difference
(1) Cash and Deposits	55,773	55,773	–
(2) Notes and Accounts Receivable-trade	38,309	38,309	–
(3) Securities and Investment Securities			
a. Held-to-maturity securities	349	350	0
b. Stocks of subsidiaries and affiliates	5,504	16,110	10,606
c. Available-for-sale Securities	253,423	253,423	–
(4) Notes and Accounts Payable-trade	(32,716)	(32,716)	–
(5) Short-term loans payable	(200)	(200)	–
(6) Accounts Payable-other	(9,495)	(9,495)	–
(7) Bonds Payable	(30,000)	(30,375)	(375)
(8) Long-term Loans Payable	(24,800)	(25,591)	(791)
(9) Derivative Transactions	886	886	–

(*) The liability items are in brackets ( ).

Notes:

1. Fair value measurement of financial instruments and securities & derivative transactions

(1) Cash and deposits, (2) Notes and accounts receivable-trade

Since they are settled within a short period, the fair values thereof are essentially equal to the book values. Accordingly, the corresponding book value is used as the fair value.

(3) Securities and Investment securities

The market quotation at the exchange is used as the fair value for shares and the market quotation at the exchange or the price presented by the correspondent financial institution and other entities is used as the fair value for bonds and others.

(4) Notes and accounts payable-trade, (5) Short-term loans payable, and (6) Accounts payable-other

Since they are settled within a short period, the fair values thereof are essentially equal to the book values. Accordingly, the corresponding book value is used as the fair value.

(7) Bonds payable

The market price is used as the fair value for a bond issued by the Company.

(8) Long-term loans payable

The fair value of a long-term loans payable is calculated by discounting the aggregate amount of the principal and interest by the interest rate deemed applicable to newly arranged loans of the similar quality and amount.

(9) Derivative transactions

The fair value is calculated based on the price and other information presented by the correspondent financial institution and other entities.

2. Unlisted stocks (consolidated balance sheets amount of ¥18,312 million) are not included in "(3) Securities and Investment securities," since the fair values thereof are deemed extremely difficult to determine because no market price is available and it is impossible to estimate future cash flows.
3. Long-term loans payable include ¥1,200 million of Current portion of long-term loans payable.

Notes on Investment and Rental Properties

1. Status of Investment and Rental Properties

   The Company and some of its subsidiaries own office buildings (including land) for rent in Tokyo and other locations.

2. Fair Values of Investment and Rental Properties

(Millions of yen)

Consolidated balance sheets amount	Fair value at the end of the fiscal year under review
82,301	251,025

Notes:

1. The consolidated balance sheets amount was obtained by deducting the accumulated depreciation from the acquisition cost.
2. The fair values of major properties at the end of the fiscal year under review were based on the appraisal report(s) prepared by an external real-estate appraiser(s). However, in case that no significant changes have occurred in certain estimated values and the index that seems to reflect market price appropriately since the latest evaluation, the corresponding estimated value and index are used for adjustment. The fair values of other properties were evaluated internally with reference to the "Real Estate Appraisal Standard."

Per Share Information

1. Net assets per share ¥2,689.56
2. Net income per share ¥79.12

Notes on Significant Subsequent Events

The Company and BS-TBS, INC. (hereinafter "BS-TBS") each passed a resolution authorizing a share exchange transaction through which BS-TBS would become a wholly-owned subsidiary of the Company (hereinafter the "Share Exchange") at the meetings of their respective Board of Directors held on December 4, 2014 and immediately entered into a share exchange agreement. Based on the agreement, the Company acquired the shares of BS-TBS as follows and BS-TBS became a wholly-owned subsidiary of the Company as a result, effective April 1, 2015.

1. Purpose of the Share Exchange to make BS-TBS a wholly-owned subsidiary

   In July 2011, the Company made BS-TBS a consolidated subsidiary for the purpose of strengthening the business foundation of the entire television advertising broadcasting supported by terrestrial broadcasting and BS broadcasting as two pillars under a certified broadcast holding company. Given the subsequent expansion of the audience base for BS digital broadcasting, both companies have reached a conclusion that it is necessary and most appropriate that BS-TBS become a wholly-owned subsidiary of the Company through the Share Exchange in order for the Group to establish a position as the best media group in terms of delivering the most powerful contents, thereby achieving a sustainable growth. We aim to further increase the enterprise value of both companies by strengthening the Broadcasting Business through closer coordination between BS-TBS and other group companies and resulting synergy effects between terrestrial broadcasting and BS broadcasting.

2. Outline of the company to become a wholly-owned subsidiary through the Share Exchange

	Wholly owned subsidiary resulting from the share exchange
(1) Name	BS-TBS, INC.
(2) Location	5-3-6 Akasaka, Minato-ku, Tokyo
(3) Business activities	Broadcasting business

3. Form of the share exchange

   The Company and BS-TBS carried out a share exchange in which the Company was the wholly owning parent company in the Share Exchange and BS-TBS was the wholly owned subsidiary in the Share Exchange. The Company carried out the Share Exchange by way of a simplified share exchange prescribed in Article 796, Paragraph 3 of the Companies Act without an authorizing resolution of the general meeting of shareholders.

4. Details of the allotment pertaining to the Share Exchange

	The Company (wholly owning parent company resulting from the share exchange)	BS-TBS (wholly owned subsidiary resulting from the share exchange)
Share exchange rate	1	32

   Notes:

   1. Share allotment ratio
      32 common stocks of the Company per common stock of BS-TBS were allotted and delivered to the shareholders of BS-TBS. This allotment did not include the 415,163 common stocks of BS-TBS held by the Company.
   2. Number of shares to be delivered in the Share Exchange
      In the Share Exchange, the Company was obligated to allot and deliver 12,314,784 common stocks, which were actually allotted and delivered from the treasury stocks owned by the Company.
   3. Number of shares to be delivered in the Share Exchange
      In order to ensure fairness and appropriateness of the share exchange rate under the Share Exchange, the Company and BS-TBS separately appointed an independent third-party appraiser for the calculation of the share exchange rate. More specifically, the Company and BS-TBS appointed Asahi Business Solution Co., Ltd. and SMBC Nikko Securities Inc. as their respective appraisers. The Company and BS-TBS, based on the appraisal results submitted from their respective third-party appraisers, determined the share exchange rate under the Share Exchange through careful consultation between them.

5. Effective date of the Share Exchange

   April 1, 2015

6. Overview of accounting treatment

The Share Exchange was accounted for as transactions with minority shareholders under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, September 13, 2013).

7. Matters set forth in the case of an additional acquisition of shares of a subsidiary

Acquisition cost and consideration, and their breakdown by class of the company acquired

Consideration for acquisition	Treasury stock	¥18,804 million

8. Matters concerning the change in equity of the Company pertaining to transactions with minority shareholders

(1) Major cause of change in capital surplus

Additional acquisition of shares of subsidiaries

(2) Amount of decrease in capital surplus due to transactions with minority shareholders

¥11,944 million

Non-Consolidated Balance Sheets

(As of March 31, 2015)

(Millions of yen)

ASSETS		LIABILITIES	
Current assets:	**51,534**	**Current liabilities:**	**124,374**
Cash and deposits	48,868	Accounts payable-trade (3)	1,113
Accounts receivable-trade (3)	637	Short-term loans payable to subsidiaries and affiliates (3)	121,589
Programs	238	Accounts payable-other (3)	251
Short-term loans receivable from subsidiaries and affiliates (3)	96	Income taxes payable	323
Prepaid expenses	31	Accrued consumption taxes	327
Accounts receivable-other (3)	1,078	Accrued expenses	642
Deferred tax assets	606	Other current liabilities	126
Other current assets	36		
Allowance for doubtful accounts	(59)		
Noncurrent assets:	**492,946**	**Noncurrent liabilities:**	**92,613**
Property, plant and equipment: (1)	**100,740**	Bonds payable	30,000
Buildings	45,329	Long-term loans payable	17,000
Structures	1,370	Long-term deposits received (3)	13,083
Machinery and equipment	310	Provision for retirement benefits	9,601
Vehicles	3	Provision for environmental measures	120
Tools, furniture and fixtures	448	Deferred tax liabilities	22,461
Land	53,211	Other noncurrent liabilities	347
Construction in progress	67		
Intangible assets:	**189**	**Total liabilities**	**216,988**
Software	137	**NET ASSETS**	
Other intangible assets	52		
		Shareholders' equity:	**272,624**
Investments and other assets:	**392,016**	Capital stock	54,986
Investment securities	101,442	Capital surplus	55,951
Stocks of subsidiaries and affiliates	293,552	Legal capital surplus	55,026
		Other capital surplus	925
Investments in capital of subsidiaries and affiliates	751	Gain on disposal of treasury stock	925
Long-term loans receivable	26	Retained earnings	197,991
Long-term prepaid expenses	287	Legal retained earnings	4,217
Other investments and other assets	2,020	Other retained earnings	193,774
Allowance for doubtful accounts	(44)	General reserve	186,312
Allowance for investment devaluation	(6,019)	Retained earnings brought forward	7,462
		Treasury stock	(36,305)
		Valuation and translation adjustments:	**54,868**
		Valuation difference on available-for-sale securities	54,868
		Total net assets	**327,492**
Total assets	**544,481**	**Total liabilities and net assets**	**544,481**

Non-Consolidated Statements of Income

(Fiscal Year from April 1, 2014 to March 31, 2015)

(Millions of yen)

Accounting Item	Amount	
Operating revenue (1)		
Rent income of real estate	14,984	
Other revenue	2,028	17,012
Operating expenses (1)		
Expenses of real estate rent	7,731	
Other business expenses	739	
General and administrative expenses	5,388	13,859
Operating income		**3,152**
Non-operating income		
Interest and dividends income (1)	4,352	
Other non-operating income (1)	116	4,468
Non-operating expenses		
Interest expenses (1)	1,163	
Other non-operating expenses	119	1,282
Ordinary income		**6,338**
Extraordinary income		
Gain on sales of investment securities	247	247
Extraordinary loss		
Loss on valuation of stocks of subsidiaries and affiliates	328	
Loss on valuation of investment securities	256	
Loss on sales of investments in securities	119	703
Income before income taxes		**5,882**
Income taxes-current	**220**	
Income taxes-deferred	**1,201**	**1,421**
Net income		**4,460**

Non-Consolidated Statements of Changes in Net Assets

(Fiscal Year from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings
Balance at April 1, 2014	54,986	55,026	925	55,951	4,217	186,312	6,621	197,151
Cumulative effects of changes in accounting policies							(209)	(209)
Restated balance	54,986	55,026	925	55,951	4,217	186,312	6,412	196,941
Changes of items during the period								
Dividends from surplus							(3,410)	(3,410)
Net income							4,460	4,460
Purchase of treasury stock								
Net changes of items other than shareholders' equity								
Total changes of items during the period	–	–	–	–	–	–	1,050	1,050
Balance at March 31, 2015	54,986	55,026	925	55,951	4,217	186,312	7,462	197,991

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2014	(36,302)	271,787	38,728	38,728	310,515
Cumulative effects of changes in accounting policies		(209)			(209)
Restated balance	(36,302)	271,577	38,728	38,728	310,305
Changes of items during the period					
Dividends from surplus		(3,410)			(3,410)
Net income		4,460			4,460
Purchase of treasury stock	(3)	(3)			(3)
Net changes of items other than shareholders' equity			16,139	16,139	16,139
Total changes of items during the period	(3)	1,047	16,139	16,139	17,186
Balance at March 31, 2015	(36,305)	272,624	54,868	54,868	327,492

Notes to Non-Consolidated Financial Statements

Basis of Preparing Non-Consolidated Financial Statements

1. Basis and Method of Valuation of Assets
   (1) Basis and method of valuation of securities
   Stocks of subsidiaries and affiliates: At cost, using the moving average method
   Available-for-sale securities:
   a. Those with market value: At market value, based on market price at fiscal year-end (Net unrealized gains/losses are shown in net assets. Realized gains/losses are calculated using the moving average method.)
   b. Those without market value: At cost based on the moving average method
   (2) Basis and method of valuation of inventories
   a. Programs: Mainly at cost, using the identified cost method (book value written down based on decline in profitability)

2. Method of Depreciation of Noncurrent Assets
   Property, plant and equipment
   Declining balance method (straight-line method for buildings)
   Intangible assets
   Straight-line method: Software (items used in-house) is amortized using the straight-line method over the estimated useful life of the item (five years).
   Long-term prepaid expenses
   Amortized using the straight-line method

3. Accounting Policies for Provisions
   (1) Allowance for doubtful accounts: To provide against losses on defaults of notes and accounts receivable-trade, the Company provides the allowance for doubtful accounts based on a historical experience for general claims and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.
   (2) Provision for retirement benefits: The Company provides a provision for retirement and severance payments to employees based on the benefit obligations estimated at the end of the fiscal year under review. The Company has adopted the straight-line basis as a method of attributing the estimated amount to the period up to the fiscal year under review. Actuarial gains and losses are amortized in the following fiscal year after the period in which they are incurred.
   (3) Provision for environmental measures: The Company provides a provision for the expenditure for environmental measures based on the amount reasonably estimated at the end of the fiscal year under review.

(4) Allowance for investment devaluation — The Company provides for losses from investments in its subsidiaries and affiliates etc. for the amount deemed necessary, taking into account the extent of declines in the substantial value of the companies concerned, the prospect of a future recovery, and other factors.

4. Standards for Foreign Currency Translation of Foreign Currency-denominated Assets or Liabilities
All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates as of the balance sheets date with translation differences recorded as profit or loss.

5. Other Significant Basic Items for Preparing Financial Statements
(1) Consumption Taxes
In respect to consumption tax and local consumption tax, the Company has adopted the tax-exclusive method.
(2) Accounting Treatment for Retirement Benefits
In the non-consolidated financial statements, treatment for unrecognized actuarial gains and losses for retirement benefits in the non-consolidated balance sheets is different from that in the consolidated financial statements.

Notes on Changes in Accounting Policies

1. Application of Accounting Standard for Retirement Benefits, etc.
For the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015), the Company has applied the provisions of the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits effective from the fiscal year under review and reviewed the calculation method for benefit obligations and service cost and changed the method of determining discount rates from one that is based on the average remaining working lives of employees to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.
Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits. In accordance with such measures, the effect of the change in the calculation methods of benefit obligations and service cost has been added to or deducted from retained earnings as of the beginning of the fiscal year under review.
This change has minimal effect on the Company's non-consolidated statement of income and financial position.

Notes on Non-Consolidated Balance Sheets

1. Accumulated depreciation of property, plant and equipment	¥26,248 million
2. Guarantee liabilities	
Employees' housing loans	¥2,297 million
3. Short-term receivables from subsidiaries and affiliates	¥732 million
Short-term payables to subsidiaries and affiliates	¥121,850 million
Long-term payables to subsidiaries and affiliates	¥148 million

Notes on Non-Consolidated Statements of Income

1. Transactions with subsidiaries and affiliates

Operating revenue	¥2,670 million
Operating expenses	¥1,711 million
Transactions other than ordinary operation	¥3,345 million

Notes on Non-Consolidated Statements of Changes in Net Assets

1. Class and number of shares of treasury stock

(shares)

	Number of shares at beginning of fiscal year under review	Increase during fiscal year under review	Decrease during fiscal year under review	Number of shares at end of fiscal year under review
Common stock	28,033,354	2,288	–	28,035,642
Total	28,033,354	2,288	–	28,035,642

Note: The increase of common stock in treasury stock is due to the purchase of less-than-one-unit shares.

Tax Effect Accounting

1. Main sources of deferred tax assets and liabilities

Deferred tax assets—current	Millions of yen
Accrued enterprise taxes	96
Accrued bonuses	98
Loss carried forward	392
Others	37
Subtotal	625
Valuation reserve	(19)
Total	606

Deferred tax assets—noncurrent (Deferred tax liabilities—noncurrent)	
Investment securities	3,303
Provision for retirement benefits	3,104
Valuation difference on available-for-sale securities	(26,158)
Loss carried forward	345
Others	654
Subtotal	(18,749)
Valuation reserve	(3,711)
Total	(22,461)

2. Main reasons for significant differences, if any, between the effective statutory tax rate and the effective income tax rate after applying tax effect accounting

Effective statutory tax rate	35.64%
(adjusted)	
Entertainment expenses	0.86%
Dividends income	(20.98%)
Increase (decrease) in valuation reserve	1.74%
Change in tax rate	7.20%
Others	(0.29%)
Effective income tax rate after applying tax effect accounting	24.17%

3. Adjustment to the amount of deferred tax assets and deferred tax liabilities due to changes in the corporate income tax rate, etc.
The "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 9 of 2015) and "Act on Partial Amendment of the Local Tax Act, etc." (Act No. 2 of 2015) were promulgated on March 31, 2015. With these amendments, the corporate income tax rates, etc. are to be reduced from the fiscal year beginning on or after April 1, 2015.

Following these changes, the effective statutory tax rate used in the calculation of deferred tax assets and deferred tax liabilities has been changed from the previous rate of 35.64%. The rate will be 33.10% for temporary differences expected to be reversed in the fiscal year beginning on or after April 1, 2015, and 32.34% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2016 and subsequent fiscal years.

As a result of the change, deferred tax assets (short-term) decreased by ¥47 million, deferred tax assets (long-term, after deducting deferred tax assets (long-term) decreased by ¥2,292 million and income taxes-deferred increased by ¥424 million, and valuation difference on available-for-sale securities increased by ¥2,669 million.

Transactions with Related Parties

(1) Subsidiaries

(Millions of yen)

Classification	Name of Company etc.	Voting rights ownership	Relationship	Nature of transactions	Amount	Item	Year-end balance
Subsidiary	Tokyo Broadcasting System Television, Inc.	Directly owning: 100%	Operation management Sharing of officers Borrowing of funds	Borrowings (Note 1) Interest expenses (Note 1)	12,627 (Note 2) 212	Short-term loans payable to subsidiaries and affiliates	78,183
Subsidiary	BS-TBS, INC.	Directly owning: 51.9%	Sharing of officers Borrowing of funds	Borrowings (Note 1)	2,725 (Note 2)	Short-term loans payable to subsidiaries and affiliates	11,156

Transaction terms and conditions, and policy for setting transaction terms and conditions, etc.
Notes:
1. The interest rate for loans payable is reasonably determined, taking market interest rates into account.
2. This amount is the net of borrowings and repayments of short-term loans.
3. The figures in the "amount" column do not include consumption taxes.

Per Share Information

1. Net assets per share ¥2,016.59
2. Net income per share ¥27.47

Notes on Significant Subsequent Events

Significant Subsequent Events are as described in "Consolidated Financial Statements, "Notes to Consolidated Financial Statements," Notes on Significant Subsequent Events."

Independent Auditors' Report (Consolidated Statutory Report)

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 7, 2015

The Board of Directors
Tokyo Broadcasting System Holdings, Incorporated

KPMG AZSA LLC

Ryuichi Makino
Designated and Engagement Partner
Certified Public Accountant

Tetsuaki Noda
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated statutory report, comprising the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in net assets and the related notes of Tokyo Broadcasting System Holdings, Incorporated as of March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 444 (4) of the Companies Act.

Responsibility of Management for the Consolidated Statutory Report etc.
Management is responsible for the preparation and fair presentation of the consolidated statutory report in accordance with accounting standards generally accepted in Japan. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated statutory report that are free from material misstatement due to fraud or error.

Responsibility of the Auditor
Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to develop the audit plan and conduct audit on the basis of it so as to obtain reasonable assurance about whether the consolidated statutory reports are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated statutory report. The procedure selected depends on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated statutory report due to fraud or error. In making those risk assessments, the auditor considers those internal controls that are relevant to the entity's preparation and fair presentation of the consolidated statutory report in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated statutory report.
We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Audit Opinion
In our opinion, the consolidated statutory report referred to above presents fairly, in all material respects, the financial position and the results of operations of Tokyo Broadcasting System Holdings, Incorporated and its consolidated subsidiaries for the period, for which the consolidated statutory report was prepared, in conformity with accounting principles generally accepted in Japan.

Interests
Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Independent Auditors' Report (Statutory Report)

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 7, 2015

The Board of Directors
Tokyo Broadcasting System Holdings, Incorporated

KPMG AZSA LLC

Ryuichi Makino
Designated and Engagement Partner
Certified Public Accountant

Tetsuaki Noda
Designated and Engagement Partner
Certified Public Accountant

We have audited the statutory report, comprising the balance sheets, the statements of income, the statements of changes in net assets and the related notes, and its supporting schedules of Tokyo Broadcasting System Holdings, Incorporated as of March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 436 (2) (a) of the Companies Act.

Responsibility of Management for the Statutory Report etc.
Management is responsible for the preparation and fair presentation of the statutory report and supporting schedules in accordance with accounting standards generally accepted in Japan. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the statutory report and supporting schedules that are free from material misstatement due to fraud or error.

Responsibility of the Auditor
Our responsibility is to express an opinion on the statutory report and supporting schedules based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to develop the audit plan and conduct audit on the basis of it so as to obtain reasonable assurance about whether the statutory report and supporting schedules are free of material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statutory report and supporting schedules. The procedure selected depends on the auditor's judgment including the assessment of the risks of material misstatement of the statutory report and supporting schedules due to fraud or error. In making those risk assessments, the auditor considers those internal controls that are relevant to the entity's preparation and fair presentation of the statutory report and supporting schedules in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the statutory report and supporting schedules.
We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Audit Opinion
In our opinion, the statutory report and supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Tokyo Broadcasting System Holdings, Incorporated for the period, for which the statutory report and supporting schedules were prepared, in conformity with accounting principles generally accepted in Japan.

Interests
Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Audit & Supervisory Board' Report

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

AUDIT REPORT

The Audit & Supervisory Board has received the reports of the business performance of the directors during the 88th business term from April 1, 2014 through March 31, 2015 from each of the audit & supervisory board members. After discussing the reports we have prepared this Audit Report and report as follows.

1. Method and Details of Audit Performed by Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board established the audit policy and division of responsibilities, received reports on the status and results of audits from audit & supervisory board members, received reports on the status of execution of duties from directors and independent auditors, and requested explanations when necessary.

Each of the Audit & Supervisory Board Members, in accordance with the auditing standards established by the Audit & Supervisory Board, audit plan and division of responsibilities, worked to communicate with directors, the Office of Compliance, the Office of Internal Business Audit and other employees, made efforts to gather information and establish the audit environment, in addition to attending the meetings of the Board of Directors and other important meetings, receiving reports from the directors and other managers on their duties, requesting explanations when necessary, inspecting documents concerning matters such as important decisions, and investigating the conditions of the business and financial conditions. In addition, we received periodic reports from directors and employees on the status with respect to the content of the resolution of the Board of Directors concerning the establishment of the systems necessary to ensure that the business performance by the directors, as shown in the Business Report, complies with laws and the Articles of Incorporation, and other systems necessary to ensure the properness of operations of a Stock Company stipulated in Paragraphs 1 and 3 of Article 100 of the Ordinances for Enforcement of the Companies Act and the status of the system based on such resolution (internal control system). When necessary, we expressed opinions. We examined the principal of policies and efforts of controlling the company (Item 3 (a) and (b) of Article 118 of the Ordinances for Enforcement of the Companies Act) as shown in the Business Report, understanding discussions made at the Board of Directors' meeting or other occasions. We worked to communicate and exchange information with the directors of subsidiaries and received reports on operations from subsidiaries when necessary. The above methods were used to examine the Business Report and supporting schedules for the fiscal year under review.

Furthermore, in addition to monitoring and examining whether the independent auditor maintained an independent position and performed auditing appropriately, we received reports from the independent auditor on the execution of its duties and requested explanations when necessary. In addition, we received notice from the independent auditor that "The systems for ensuring the proper execution of duties" (set forth in each Item of Article 131 of the Ordinance for Corporate Accounting) is organized in accordance with the "Standards for Quality Control of Audit" (Business Accounting Council) and other relevant standards, and sought explanations whenever necessity arose. Based on the above methods, we examined the non-consolidated financial statements (balance sheets, statements of income, statements of changes in shareholder's equity, note to non-consolidated financial statements), supporting schedules, and the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in shareholder's equity, note to consolidated financial statements) for the fiscal year under review.

2. Result of Audit

(1) Result of audit of Business Report

i) The Business Report and supporting schedules fairly represent the condition of the company in accordance with the law and the Articles of Incorporation of the company.

ii) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws or the company's Articles of Incorporation by any of the directors in carrying out their duties.

iii) We believe the details of resolutions of the Board of Directors regarding the internal control system are appropriate. We found no matters of note regarding the contents of the Business Report and the execution of duties of directors regarding the internal control system.

iv) Nothing has to be reported to point out in the principle policies for controlling the company as a part of the Business Report.
We have assured that the efforts made to realize the policies in the Business Report are accordance with Item 3 (b) of Article 118 of the Ordinances for Enforcement of the Companies Act and they are aiming at neither harming the common interest of shareholders nor protecting own interests of the directors of the company.

(2) Result of audit of non-consolidated financial statements and supporting schedules
In our opinion, the audit procedures and audit results received from the independent auditor KPMG AZSA LLC are appropriate.

(3) Result of audit of consolidated financial statements
In our opinion, the audit procedures and audit results received from the independent auditor KPMG AZSA LLC are appropriate.

May 12, 2015

Audit & Supervisory Board of
Tokyo Broadcasting System Holdings, Incorporated

Standing Statutory Audit & Supervisory Board Member
Takafumi Kannari

Standing Statutory Audit & Supervisory Board Member
Tatsuo Tanaka

Outside Audit & Supervisory Board Member
Keiichiro Okabe

Outside Audit & Supervisory Board Member
Takeo Tanaka

Outside Audit & Supervisory Board Member
Yasushi Akashi

Reference Materials for General Meeting of Shareholders

First Item of Business: Appropriation of Surplus

Since returning the Company's profits to the shareholders is one of the significant managerial issues, the Company takes policies to implement annual dividends depending upon business results, with a target of a dividend payout ratio of 30% of the consolidated net income for the fiscal year under review. With respect to the dividends for the fiscal year under review, taking elements of revenues for the fiscal year under review and the financial conditions, among other things into consideration comprehensively, it is proposed as follows:

Matters related to year-end dividend:

(1) Type of dividend property: Cash

(2) Matters related to distribution of cash to shareholders and total amount:
¥12 per share of common stock of the Company
The total amount: ¥1,948,791,912

(3) Effective date for dividends from surplus to shareholders:
June 29, 2015

Second Item of Business: Election of Fifteen (15) Directors

The terms of all fourteen (14) Directors of the Company will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company would like shareholders to elect fifteen (15) Directors at this Ordinary General Meeting of Shareholders.

The candidates for Directors are as follows:

Candidate number	Name (Date of birth)	Summary of career (Position and areas of responsibility in the Company, and important concurrent position outside the Company)	Number of shares of the Company owned
1.	Hiroshi Inoue (Jan. 5, 1940)	Apr. 1963: Joined the Company Jun. 1993: Director, General Manager of Sales Division May 1995: Director, General Manager of Programming Division Jun. 1996: Managing Director Jun. 1997: Senior Managing Director Jun. 2001: Vice President and Representative Director Jun. 2002: President and Representative Director Oct. 2004: President and Representative Director of Tokyo Broadcasting System Television, Inc. Apr. 2009: Chairman and Representative Director of the Company (to present) Chairman and Representative Director of Tokyo Broadcasting System Television, Inc. (to present) Apr. 2012: President of the Japan Commercial Broadcasters Association (JBA) (to present)	50,024 shares
2.	Toshichika Ishihara (Oct. 2, 1945)	Apr. 1969: Joined the Company Jun. 1997: General Manager of Programming Division Nov. 1998: General Manager of BS Council Apr. 2002: General Manager of Digital Media Division Jun. 2002: Executive Officer, General Manager of Digital Media Division Jun. 2003: Director, General Manager of Digital Media Division May 2004: Director, General Manager of Head Office of Programming Division Oct. 2004: Director, General Manager of Head Office of Programming and Production Division, and Head Office of TBS News Division of the Company Managing Director of Tokyo Broadcasting System Television, Inc. Apr. 2007: Director of the Company Jun. 2007: Senior Managing Director of Tokyo Broadcasting System Television, Inc. Apr. 2009: President and Representative Director of Tokyo Broadcasting System Television, Inc. Apr. 2011: President and Representative Director of the Company (to present) Apr. 2015: Director of Tokyo Broadcasting System Television, Inc. (to present) <Areas of responsibility> (Internal Business Audit)	47,719 shares

Candidate number	Name (Date of birth)	Summary of career (Position and areas of responsibility in the Company, and important concurrent position outside the Company)	Number of shares of the Company owned
3.	Tetsuya Fujita (Jun. 24, 1957)	Apr. 1980: Joined the Company May 2008: General Manager of Human Resources and Labor Division Jun. 2010: General Manager of Human Resources and Labor Division of Tokyo Broadcasting System Television, Inc. Mar. 2011: Director, General Manager of Human Resources and Labor Division of Tokyo Broadcasting System Television, Inc. Apr. 2011: Executive Officer, General Manager of Human Resources and Labor Division of the Company Jun. 2011: Director, General Manager of Human Resources and Labor Division of the Company Apr. 2012: Director of the Company Director of Tokyo Broadcasting System Television, Inc. Mar. 2014: Director of TBS Radio & Communications, Inc. Apr. 2014: Managing Director of the Company (to present) Director and Chairman of TBS Radio & Communications, Inc. (to present) Managing Director of Tokyo Broadcasting System Television, Inc. (to present) <Areas of responsibility> In charge of Overall Businesses, HD Comprehensive Media Council, President's Office, Group Management and Planning Division, Comprehensive Strategy Division and Business Innovation Office	8,507 shares
4.	Keizo Zaitsu (Sep. 16, 1945)	Apr. 1968: Joined the Company May 1996: Senior Manager of President's Office Jun. 1997: General Manager of President's Office Jun. 1999: Director, General Manager of Administration Division Jun. 2001: Managing Director Oct. 2004: Senior Managing Director Jun. 2006: Representative Director and Senior Managing Director Apr. 2009: President and Representative Director Mar. 2011: Director of Tokyo Broadcasting System Television, Inc. Apr. 2011: Representative Director of the Company Vice Chairman and Director of Tokyo Broadcasting System Television, Inc. Jun. 2011: Vice Chairman and Representative Director of the Company Apr. 2015: Director and Executive Advisor of the Company (to present) Director and Executive Advisor of Tokyo Broadcasting System Television, Inc. (to present)	49,835 shares

Candidate number	Name (Date of birth)	Summary of career (Position and areas of responsibility in the Company, and important concurrent position outside the Company)	Number of shares of the Company owned
5.	Yoshikazu Kato (May 28, 1956)	Apr. 1979: Joined the Company May 2006: Director General of Head Office of Programming and Production Division Apr. 2007: Deputy General Manager of Head Office of Operation Division of the Company General Manager of Content Business Division of Tokyo Broadcasting System Television, Inc. Jun. 2009: Executive Officer of the Company President and Representative Director of TBS Radio & Communications, Inc. Mar. 2012: Director of Tokyo Broadcasting System Television, Inc. (to present) Apr. 2012: Director and Chairman of TBS Radio & Communications, Inc. Jun. 2012: Director of the Company (to present) <Areas of responsibility> Overall Production and Information of Television Business	13,475 shares
6.	Toshiaki Kawai (Nov. 1, 1959)	Apr. 1982: Joined the Company Apr. 2012: General Manager of Technology Division of Tokyo Broadcasting System Television, Inc. Apr. 2013: Executive Officer, General Manager of Technology Division of Tokyo Broadcasting System Television, Inc. Feb. 2014: Executive Officer of Tokyo Broadcasting System Television, Inc. Mar. 2014: Director of Tokyo Broadcasting System Television, Inc. Apr. 2014: Executive Officer of the Company Jun. 2014: Director (to present) Apr. 2015: Managing Director of Tokyo Broadcasting System Television, Inc. (to present) <Areas of responsibility> In charge of Overall Technology of Television Business and Media Strategy Office	8,371 shares

Candidate number	Name (Date of birth)	Summary of career (Position and areas of responsibility in the Company, and important concurrent position outside the Company)	Number of shares of the Company owned
7.	Takashi Sasaki* (Jul. 5 1959)(1)	Apr. 1982: Joined the Company Jun. 2009: General Manager of Finance Division of Tokyo Broadcasting System Television, Inc. Nov. 2010: General Manager of Group Management and Planning Division of the Company and General Manager of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc. Apr. 2012: General Manager of Programming Division of Tokyo Broadcasting System Television, Inc. Apr. 2013: Executive Officer, General Manager of Programming Division of Tokyo Broadcasting System Television, Inc. Feb. 2014: Executive Officer of the Company (In charge of Administration, Human Resources and Labor) Executive Officer of Tokyo Broadcasting System Television, Inc. (In charge of Administration, Human Resources and Labor) Mar. 2015: Executive Officer of the Company (to present) Director of Tokyo Broadcasting System Television, Inc. (to present) <Areas of responsibility> In charge of Office of Compliance, Administration Office, Finance Division and Human Resources and Labor Division	2,471 shares
8.	Tatsuo Sugai* (Sep. 28 1959)(1)	Apr. 1983: Joined the Company May 2010: General Manager of Sales Division of Tokyo Broadcasting System Television, Inc. Apr. 2012: General Manager of Group Management and Planning Division of the Company Apr. 2013: Executive Officer, General Manager of Group Management and Planning Division of the Company Executive Officer, General Manager of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc. Feb. 2014: Executive Officer of the Company (to present) Mar. 2014: Director of Tokyo Broadcasting System Television, Inc. (to present) <Areas of responsibility> Overall Operations of Television Business	3,306 shares

Candidate number	Name (Date of birth)	Summary of career (Position and areas of responsibility in the Company, and important concurrent position outside the Company)	Number of shares of the Company owned
9.	Akio Tsumura* (Aug. 15 1960) (1)	Apr. 1984: Joined the Company Apr. 2012: General Manager of Sales Division of Tokyo Broadcasting System Television, Inc. Apr. 2013: Executive Officer, General Manager of Sales Division of Tokyo Broadcasting System Television, Inc. Feb. 2014: Executive Officer, General Manager of Programming Division of Tokyo Broadcasting System Television, Inc. Mar. 2014: Director, General Manager of Programming Division of Tokyo Broadcasting System Television, Inc. Dec. 2014: Executive Officer, General Manager of Comprehensive Strategy Division of the Company Apr. 2015: Executive Officer of the Company (to present) Director of Tokyo Broadcasting System Television, Inc. (to present) <Areas of responsibility> Overall Programming of Television Business	3,549 shares
10.	Yasushi Yoshida* (Jan. 20 1961) (1)	Apr. 1991: Joined the Company Feb. 2014: General Manager of Sales Division of Tokyo Broadcasting System Television, Inc. Mar. 2015: Director, General Manager of Sales Division of Tokyo Broadcasting System Television, Inc. Director of Tokyo Broadcasting System Television, Inc. (to present) Apr. 2015: Executive Officer of the Company (to present) <Areas of responsibility> Overall Sales of Television Business	2,060 shares
11.	Shinji Takeda (Jul. 5, 1952)	Nov.1991: Joined the Company May 2004: General Manager of Sales Division Jun. 2005: Executive Officer, Deputy General Manager of Head Office of Sales Division Apr. 2007: Executive Officer, General Manager of Management Media Division Jun. 2007: Director, General Manager of Management Media Division Apr. 2009: Director of the Company Director of Tokyo Broadcasting System Television, Inc. Jun. 2009: Director and Chairman of TBS Radio & Communications, Inc. Apr. 2011: Managing Director of the Company Managing Director of Tokyo Broadcasting System Television, Inc. Apr. 2012: Senior Managing Director of the Company Senior Managing Director of Tokyo Broadcasting System Television, Inc. Apr. 2014: Director of the Company (to present) Director of Tokyo Broadcasting System Television, Inc. Jun. 2014: President and Representative Director of BS-TBS, INC. Apr. 2015: President and Representative Director of Tokyo Broadcasting System Television, Inc. (to present)	15,593 shares

Candidate number	Name (Date of birth)	Summary of career (Position and areas of responsibility in the Company, and important concurrent position outside the Company)	Number of shares of the Company owned
12.	Masahiro Yamamoto (Jun. 17, 1940)	Apr. 1964: Joined Mainichi Broadcasting System, Inc. Jun. 1997: Director and General Manager of Radio Division of Mainichi Broadcasting System, Inc. Jun. 1999: Managing Director and General Manager of Head Office of Television Division of Mainichi Broadcasting System, Inc. Jun. 2001: Senior Managing Director and General Manager of Head Office of Television Division of Mainichi Broadcasting System, Inc. Jun. 2002: Director of the Company (to present) President and Representative Director of Mainichi Broadcasting System, Inc. Jun. 2007: Chairman and Representative Director of Mainichi Broadcasting System, Inc. Apr. 2009: Director of Tokyo Broadcasting System Television, Inc. (to present) Jun. 2010: Supreme Advisor of Mainichi Broadcasting System, Inc. (to present)	– shares
13.	Shouei Utsuda (Feb. 12, 1943)	Apr. 1967: Joined MITSUI & CO., LTD. Jun. 1997: Director and General Manager of Machinery and Information Administration Division of MITSUI & CO., LTD. Jun. 2000: Representative Director, Managing Director and General Manager of Operation Division of MITSUI & CO., LTD. Apr. 2002: Representative Director and Senior Managing Executive Officer, Chief Strategic Officer (Manager of Operation Division) of MITSUI & CO., LTD. Oct. 2002: President and Representative Director of MITSUI & CO., LTD. Jun. 2007: Director of the Company (to present) Apr. 2009: Chairman of the Board and Director of MITSUI & CO., LTD. Director of Tokyo Broadcasting System Television, Inc. (to present) Apr. 2015: Director of MITSUI & CO., LTD. (to present)	– shares
14.	Yutaka Asahina (Sep. 14, 1947)	Jul. 1971: Joined The Mainichi Newspapers Co., Ltd. Jun. 2002: General Manager of Editing Office of Tokyo Head Office of The Mainichi Newspapers Co., Ltd. Jun. 2004: Director and General Manager of President's Office of The Mainichi Newspapers Co., Ltd. Jun. 2006: Managing Director of The Mainichi Newspapers Co., Ltd. Jun. 2008: President and Representative Director of The Mainichi Newspapers Co., Ltd. (2) (to present) Jun. 2009: Director of the Company (to present) Director of Tokyo Broadcasting System Television, Inc. (to present) Apr. 2011: President and Representative Director of The Mainichi Newspapers Group Holdings, Co., Ltd. (to present)	– shares

Candidate number	Name (Date of birth)	Summary of career (Position and areas of responsibility in the Company, and important concurrent position outside the Company)	Number of shares of the Company owned
15.	Tadashi Ishii (Mar. 10, 1951)	Apr. 1973: Joined DENTSU INC. Jun. 1999: General Manager, Sales Division of DENTSU INC. Jun. 2002: Senior Vice President of DENTSU INC. Jun. 2004: Managing Executive Officer of DENTSU INC. Jun. 2006: Managing Director of DENTSU INC. Apr. 2009: Director and Executive Vice President of DENTSU INC. Apr. 2011: President and Representative Director and Chief Executive Officer of DENTSU INC. (2) (to present) Jun. 2014: Director of the Company (to present) Director of Tokyo Broadcasting System Television, Inc. (to present)	– shares

Note 1: Persons with an asterisk (*) following their names are newly-appointed candidates for Directors.

Note 2: Special interest between the candidates and the Company:
Mr. Yutaka Asahina is the President and Representative Director of The Mainichi Newspapers Co., Ltd. and it has continued business transactions with Tokyo Broadcasting System Television, Inc. ("TBS TV"), a key subsidiary of the Group, with respect to placing advertisement and supply of news materials.
Mr. Tadashi Ishii is the President and Representative Director and Chief Executive Officer of DENTSU INC. and it has continued business transactions with TBS TV, a key subsidiary of the Group, with respect to sale of airtime and programming.
Each of other candidates has no special interest in the Company.

Note 3: Please refer to the "2. The Current Position of Tokyo Broadcasting System Holdings, Inc., (2) Corporate Officers, 1. Directors and Audit & Supervisory Board Members" in the Business Report of this Notice of Convocation about the condition of incumbent candidates for Directors who concurrently assume important positions of organizations on pages 15 to 19. There will be also a change as follows.

Candidate number 13 Shouei Utsuda	Scheduled to retire from the office of Director of MITSUI & CO., LTD. and assume the office of Counselor of MITSUI & CO., LTD. on June 19, 2015.

Note 4: Messrs. Masahiro Yamamoto, Shouei Utsuda, Yutaka Asahina and Tadashi Ishii are candidates for Outside Directors. The Company has registered Mr. Shouei Utsuda and Mr. Yutaka Asahina as independent directors with the Tokyo Stock Exchange. If the re-election of these two Directors is approved, the Company will continue to have them as independent directors.

Note 5: The followings are specific notes on the candidates for Outside Directors:

(1) Reasons for the nomination of the candidates as Outside Directors:
Messrs. Masahiro Yamamoto, Shouei Utsuda, Yutaka Asahina and Tadashi Ishii have plenty of experiences and a high degree of knowledge as a member of top management of a broadcasting, general trading company, newspaper and advertisement respectively, and all of them deeply understand the source of corporate value and business characteristics of the Company. They are enthusiastic about maximizing corporate value of the Company and have affluent knowledge to achieve it. The Company believes that they can contribute to strengthen corporate governance of the Company, and maximize corporate value and common interests of the shareholders. Therefore, the Company nominates them as the candidates for Outside Directors of the Company.

(2) Number of years since the candidates assumed the office of Outside Directors:
1. The term of office of Mr. Masahiro Yamamoto as Outside Director, at the close of this Ordinary General Meeting of Shareholders, will have been thirteen (13) years.
2. The term of office of Mr. Shouei Utsuda as Outside Director, at the close of this Ordinary General Meeting of Shareholders, will have been eight (8) years.
3. The term of office of Mr. Yutaka Asahina as Outside Director, at the close of this Ordinary General Meeting of Shareholders, will have been six (6) years.

4. The term of office of Mr. Tadashi Ishii as Outside Director, at the close of this Ordinary General Meeting of Shareholders, will have been one (1) year.

(3) Liability Limitation Agreement with the Outside Director:
The Company prescribes in the Articles of Incorporation that it may enter into a contract with an Outside Director limiting his or her liability for compensation pursuant to Article 423, Paragraph 1 of the Companies Act, in order to enable the Outside Director to fully exercise his or her duties as expected. The Company has entered the contract for limitation of liability with the candidates for Outside Directors, Messrs. Masahiro Yamamoto, Shouei Utsuda, Yutaka Asahina and Tadashi Ishii, respectively. The amount of limited liability under the contract is the minimum amount provided for in laws and ordinances. If the re-election of Messrs. Masahiro Yamamoto, Shouei Utsuda, Yutaka Asahina and Tadashi Ishii is approved at this Ordinary General Meeting of Shareholders, the Company will continue the said contract for limitation of liability with each of them.

Note 6: For the areas of responsibility of each of the candidates, their responsibilities as Directors and Executive Officers as of April 1, 2015, are presented.

End