[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 7, 2016

Dear Shareholders:

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

Notice of Convocation of the 89th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 89th 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 Tuesday, June 28, 2016 (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, etc." 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.
The Company participates in "electronic voting platforms" for institutional investors operated by ICJ Inc.

Details

1. Time and Date of the Meeting — 10:00 A.M. [Wednesday], June 29, 2016
(the reception will start at 9:00 A.M.)

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 89th fiscal year (from April 1, 2015 to March 31, 2016);

2. Report on the non-consolidated financial statements for the 89th fiscal year (from April 1, 2015 to March 31, 2016).

Matters for Resolution

First Item of Business:	Appropriation of Surplus
Second Item of Business:	Election of Sixteen (16) Directors
Third Item of Business:	Election of Five (5) Audit & Supervisory Board Members

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 -

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/).

Electronic Voting Platform

Regarding the exercise of voting rights via electronic means at the Company's General Meeting of Shareholders, nominee shareholders such as trust and custody banks (including standing proxies) may, as an alternative to the voting via the Internet described above, use the Electronic Voting Platform organized by the Investor Communications Japan (ICJ) Inc., a joint venture company established by the Tokyo Stock Exchange, etc., provided that application for the use of the Electronic Voting Platform is made in advance.

For inquiries about the system or other matters, please contact:
Stock Transfer Agency (Help Desk), Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027 (from 9 a.m. to 9 p.m., toll free, only in Japan)

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 profit attributable to owners of parent 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:

1. Matters related to year-end dividend:

(1) Type of dividend property: Cash

(2) Matters related to distribution of cash to shareholders and total amount:
¥16 per share of common stock of the Company
The total amount: ¥2,795,398,624

(3) Effective date for dividends from surplus to shareholders:
June 30, 2016

2. Matters related to other disposal of surplus:

Item of surplus the amount of which increases, and amount thereof:
General reserve: ¥8,000,000,000

Item of surplus the amount of which decreases, and amount thereof:
Retained earnings brought forward: ¥8,000,000,000

Second Item of Business: Election of Sixteen (16) Directors

The terms of all fifteen (15) Directors of the Company will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company would like shareholders to elect sixteen (16) Directors at this Ordinary General Meeting of Shareholders.

The candidates for Directors are as follows:

Candidate number	Name	Current position in the Company	
1	Hiroshi Inoue	Honorary Chairman and Director	Re-election
2	Toshichika Ishihara	Chairman and Director	Re-election
3	Shinji Takeda	President and Representative Director	Re-election
4	Tetsuya Fujita	Senior Managing Director and Representative Director	Re-election
5	Toshiaki Kawai	Managing Director	Re-election
6	Takashi Sasaki	Managing Director	Re-election
7	Tatsuo Sugai	Director	Re-election
8	Akio Tsumura	Director	Re-election
9	Yasushi Yoshida	Director	Re-election
10	Mikio Kokubu	Executive Officer	Newly-appointed
11	Ken Sonoda	Executive Officer	Newly-appointed
12	Hiroyuki Aiko	Executive Officer	Newly-appointed
13	Shouei Utsuda	Outside Director	Re-election Outside Independent
14	Yutaka Asahina	Outside Director	Re-election Outside Independent
15	Tadashi Ishii	Outside Director	Re-election Outside
16	Keiichi Mimura		Newly-appointed Outside

Candidate number		Date of birth		Number of shares of the Company owned
1	Hiroshi Inoue	Jan. 5, 1940	Re-election	53,470 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1963:	Joined the Company	Apr. 2009:	Chairman and Representative Director of the Company
Jun. 1993:	Director, General Manager of Sales Division		
May 1995:	Director, General Manager of Programming Division		Chairman and Representative Director of Tokyo Broadcasting System Television, Inc.
Jun. 1996:	Managing Director	Apr. 2012:	President of the Japan Commercial Broadcasters Association (JBA) (to present)
Jun. 1997:	Senior Managing Director		
Jun. 2001:	Vice President and Representative Director	Apr. 2016:	Honorary Chairman and Director of the Company (to present)
Jun. 2002:	President and Representative Director		
Oct. 2004:	President and Representative Director of Tokyo Broadcasting System Television, Inc.		Honorary Chairman and Director of Tokyo Broadcasting System Television, Inc. (to present)

Important concurrent position outside the Company

President of the Japan Commercial Broadcasters Association (JBA)

Honorary Chairman and Director of Tokyo Broadcasting System Television, Inc.

Outside Director of Mainichi Broadcasting System, Inc.

Corporate Director (External) of Tokyo Electron Limited

Outside Director of FUJIFILM Holdings Corporation

Reason for nomination as Director

Mr. Hiroshi Inoue contributed to enhancing corporate value as Chairman and Representative Director, leading the management of the Group, and currently serves as Honorary Chairman and Director of the Company and, in an industry role, is President of the Japan Commercial Broadcasters Association. The Company has judged that, with his extensive experience and achievements as a top manager and a deep understanding and knowledge of the business environment, he is qualified for the post of Director of the Company.

Candidate number		Date of birth		Number of shares of the Company owned
2	Toshichika Ishihara	Oct. 2, 1945	Re-election	52,209 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1969:	Joined the Company	Jun. 2007:	Senior Managing Director of Tokyo Broadcasting System Television, Inc.
Jun. 1997:	General Manager of Programming Division		
Nov. 1998:	General Manager of BS Council	Apr. 2009:	President and Representative Director of Tokyo Broadcasting System Television, Inc.
Apr. 2002:	General Manager of Digital Media Division		
Jun. 2002:	Executive Officer, General Manager of Digital Media Division	Apr. 2011:	President and Representative Director of the Company
Jun. 2003:	Director, General Manager of Digital Media Division	Apr. 2015:	Director of Tokyo Broadcasting System Television, Inc.
May 2004:	Director, General Manager of Head Office of Programming Division	Apr. 2016:	Chairman and Director of the Company (to present)
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.		Chairman and Director of Tokyo Broadcasting System Television, Inc. (to present)

Important concurrent position outside the Company

Chairman and Director of Tokyo Broadcasting System Television, Inc.

Outside Audit & Supervisory Board Member of RKB MAINICHI HOLDINGS CORPORATION (1)

Outside Director of The Mainichi Newspapers Group Holdings Co., Ltd.

Reason for nomination as Director

Mr. Toshichika Ishihara contributed to enhancing corporate value as President and Representative Director, leading the management of the Group, and currently serves as Chairman and Director. The Company has judged that, with his extensive experience and achievements as a top manager and a deep understanding and knowledge of the business environment, he is qualified for the post of Director of the Company.

Candidate number				
3	Shinji Takeda	Date of birth Jul. 5, 1952	Re-election	Number of shares of the Company owned 17,662 shares

Summary of career and position and areas of responsibility in the Company

Nov. 1991:	Joined the Company	Apr. 2012:	Senior Managing Director of the Company
May 2004:	General Manager of Sales Division		Senior Managing Director of Tokyo Broadcasting System Television, Inc.
Jun. 2005:	Executive Officer, Deputy General Manager of Head Office of Sales Division		
Apr. 2007:	Executive Officer, General Manager of Management Media Division	Apr. 2014:	Director of Tokyo Broadcasting System Television, Inc.
Jun. 2007:	Director, General Manager of Management Media Division	Jun. 2014:	Director of the Company
Apr. 2009:	Director of Tokyo Broadcasting System Television, Inc.		President and Representative Director of BS-TBS, INC.
Jun. 2009:	Director and Chairman of TBS Radio, Inc. (2)	Apr. 2015:	President and Representative Director of Tokyo Broadcasting System Television, Inc. (to present)
Apr. 2011:	Managing Director of the Company	Apr. 2016:	President and Representative Director of the Company (to present)
	Managing Director of Tokyo Broadcasting System Television, Inc.		

<Areas of responsibility>

Office of Internal Business Audit

Important concurrent position outside the Company

President and Representative Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Shinji Takeda assumed top management positions in major companies of the Group, and currently supervises the policy for enhancing the corporate value of the Group as President and Representative Director. The Company has judged that, with his extensive experience and achievements in corporate management, as well as a deep understanding and knowledge of the business environment, he is qualified for the post of Director of the Company.

Candidate number				Number of shares of the Company owned
4	Tetsuya Fujita	Date of birth Jun. 24, 1957	Re-election	13,001 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1980:	Joined the Company	Apr. 2012:	Director of Tokyo Broadcasting System Television, Inc.
May 2008:	General Manager of Human Resources and Labor Division	Mar. 2014:	Director of TBS Radio, Inc. (2)
Jun. 2010:	General Manager of Human Resources and Labor Division of Tokyo Broadcasting System Television, Inc.	Apr. 2014:	Managing Director of the Company Director and Chairman of TBS Radio, Inc. (to present)
Mar. 2011:	Director, General Manager of Human Resources and Labor Division of Tokyo Broadcasting System Television, Inc.		Managing Director of Tokyo Broadcasting System Television, Inc.
		Apr. 2016:	Senior Managing Director and Representative Director of the Company (to present)
Apr. 2011:	Executive Officer, General Manager of Human Resources and Labor Division of the Company		Senior Managing Director and Representative Director of Tokyo Broadcasting System Television, Inc. (to present)
Jun. 2011:	Director, General Manager of Human Resources and Labor Division of the Company		

<Areas of responsibility>

In charge of General Business Affairs and President's Office

Important concurrent position outside the Company

Senior Managing Director and Representative Director of Tokyo Broadcasting System Television, Inc.	Board Director of WOWOW INC.
Director of BS-TBS, INC.	Outside Director of Broadcasting System of Niigata Inc.
Director and Chairman of TBS Radio, Inc. (2)	Director of StylingLife Holdings Inc.
Corporate Auditor (Non-Standing) of SKY Perfect JSAT Holdings Inc.	

Reason for nomination as Director

Mr. Tetsuya Fujita contributed to enhancing the corporate value of the Group as Managing Director, supervising group corporate management, capital policy, internal controls, and the general administrative section, and currently oversees general operations as Senior Managing Director and Representative Director. The Company has judged that, with his extensive experience and achievements in corporate management, he is qualified for the post of Director of the Company.

Candidate number				Number of shares of the Company owned
5	Toshiaki Kawai	Date of birth Nov. 1, 1959	Re-election	10,298 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1982:	Joined the Company	Mar. 2014:	Director of Tokyo Broadcasting System Television, Inc.
Apr. 2012:	General Manager of Technology Division of Tokyo Broadcasting System Television, Inc.	Apr. 2014:	Executive Officer of the Company
Apr. 2013:	Executive Officer, General Manager of Technology Division of Tokyo Broadcasting System Television, Inc.	Jun. 2014:	Director of the Company
		Apr. 2015:	Managing Director of Tokyo Broadcasting System Television, Inc. (to present)
Feb. 2014:	Executive Officer of Tokyo Broadcasting System Television, Inc.	Apr. 2016:	Managing Director of the Company (to present)

<Areas of responsibility>

In charge of Overall Businesses, Overall Technology of Television Business, Overall Media and Finance Division

Important concurrent position outside the Company

Managing Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Toshiaki Kawai contributed to enhancing the corporate value of the Group as Director in charge of the technology division, and currently supervises the general administrative section and the technology section as Managing Director. The Company has judged that, with his extensive experience and achievements in corporate management, he is qualified for the post of Director of the Company.

Candidate number				Number of shares of the Company owned
6	Takashi Sasaki	Date of birth Jul. 5, 1959	Re-election	4,798 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1982:	Joined the Company
Jun. 2009:	General Manager of Finance Division of Tokyo Broadcasting System Television, Inc.
Nov. 2010:	General Manager of Group Managerial 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
	Director of Tokyo Broadcasting System Television, Inc.
Jun. 2015:	Director of the Company
Apr. 2016:	Managing Director of the Company (to present)
	Managing Director of Tokyo Broadcasting System Television, Inc. (to present)

<Areas of responsibility>

In charge of Overall Site Operations of Television Business and General Strategy Division

Important concurrent position outside the Company

Managing Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Takashi Sasaki contributed to enhancing the corporate value of the Group as Director in charge of the general administrative section, and currently supervises the day-to-day operations of the television broadcasting segment as Managing Director. The Company has judged that, with his extensive experience and achievements in corporate management, he is qualified for the post of Director of the Company.

Candidate number				Number of shares of the Company owned
7	Tatsuo Sugai	Date of birth Sep. 28, 1959	Re-election	4,838 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1983:	Joined the Company
May 2010:	General Manager of Sales Division of Tokyo Broadcasting System Television, Inc.
Apr. 2012:	General Manager of Group Managerial Planning Division of the Company
Apr. 2013:	Executive Officer, General Manager of Group Managerial 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
Mar. 2014:	Director of Tokyo Broadcasting System Television, Inc. (to present)
Jun. 2015:	Director of the Company (to present)

<Areas of responsibility>

In charge of Multi Visual Ventures and Cultural Events of Television Business

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Tatsuo Sugai contributed to enhancing the corporate value of the Group as Director in charge of business activities, and currently supervises Multi Visual Ventures and Cultural Events. The Company has judged that, with his extensive experience and achievements in corporate management, he is qualified for the post of Director of the Company.

Candidate number				
8	Akio Tsumura	Date of birth: Aug. 15, 1960	Re-election	Number of shares of the Company owned: 4,586 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1984:	Joined the Company
Apr. 2012:	General Manager of TV 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 TV Programming Division of Tokyo Broadcasting System Television, Inc.
Mar. 2014:	Director, General Manager of TV Programming Division of Tokyo Broadcasting System Television, Inc.
Dec. 2014:	Executive Officer, General Manager of General Strategy Division of the Company
Apr. 2015:	Executive Officer of the Company
	Director of Tokyo Broadcasting System Television, Inc. (to present)
Jun. 2015:	Director of the Company (to present)

<Areas of responsibility>

In charge of Office of Compliance, Administration Division, and Human Resources and Labor Division

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Akio Tsumura contributed to enhancing the corporate value of the Group as Director in charge of programming, and currently supervises the internal control sections. The Company has judged that, with his extensive experience and achievements in corporate management, he is qualified for the post of Director of the Company.

Candidate number				
9	Yasushi Yoshida	Date of birth: Jan. 20, 1961	Re-election	Number of shares of the Company owned: 3,613 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1991:	Joined the Company
Feb. 2014:	General Manager of TV Sales Division of Tokyo Broadcasting System Television, Inc.
Mar. 2015:	Director, General Manager of TV Sales Division of Tokyo Broadcasting System Television, Inc.
Apr. 2015:	Executive Officer of the Company
	Director of Tokyo Broadcasting System Television, Inc. (to present)
Jun. 2015:	Director of the Company (to present)

<Areas of responsibility>

Overall Sales of Television Business

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Yasushi Yoshida contributed to enhancing the corporate value of the Group as Director in charge of the sales section to the present. The Company has judged that, with his extensive experience and achievements in corporate management, he is qualified for the post of Director of the Company.

Candidate number				
10	Mikio Kokubu	Date of birth Feb. 14, 1960	Newly-appointed	Number of shares of the Company owned 7,780 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1983:	Joined the Company	Mar. 2016:	Director, General Manager of Finance Division of Tokyo Broadcasting System Television, Inc.
Jun. 2013:	General Manager of Finance Division		
	General Manager of Finance Division of Tokyo Broadcasting System Television, Inc.	Apr. 2016:	Executive Officer of the Company (to present)
			Director of Tokyo Broadcasting System Television, Inc. (to present)

<Areas of responsibility>

In charge of News and Information of Television Business

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Mikio Kokubu served as General Manager of Finance Division, and currently supervises news and information as Executive Officer of the Company and Director of Tokyo Broadcasting System Television, Inc. The Company has judged that he is qualified for the post of Director of the Company as a talented person who will contribute to enhancing the corporate value of the Group.

Candidate number				
11	Ken Sonoda	Date of birth Mar. 24, 1962	Newly-appointed	Number of shares of the Company owned 1,626 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1985:	Joined the Company	Mar. 2016:	Director, General Manager of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc.
Feb. 2014:	General Manager of Group Managerial Planning Division		
	General Manager of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc.	Apr. 2016:	Executive Officer of the Company (to present)
			Director of Tokyo Broadcasting System Television, Inc. (to present)

<Areas of responsibility>

In charge of Production and Sports of Television Business

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Ken Sonoda served as General Manager of Group Managerial Planning Division, and currently supervises production and sports as Executive Officer of the Company and as Director of Tokyo Broadcasting System Television, Inc. The Company has judged that he is qualified for the post of Director of the Company as a talented person who will contribute to enhancing the corporate value of the Group.

Candidate number				
12	Hiroyuki Aiko	Date of birth Jun. 12, 1960	Newly-appointed	Number of shares of the Company owned 3,240 shares

Summary of career and position and areas of responsibility in the Company

Apr. 1985:	Joined the Company	Mar. 2016:	Director, General Manager of Media Strategy Office of Tokyo Broadcasting System Television, Inc.
Dec. 2014:	General Manager of Media Strategy Office	Apr. 2016:	Executive Officer of the Company (to present)
	General Manager of Media Strategy Office of Tokyo Broadcasting System Television, Inc.		Director of Tokyo Broadcasting System Television, Inc. (to present)

<Areas of responsibility>

In charge of HD Comprehensive Media Council, Group Managerial Planning Division, Business Innovation Office and Media Strategy Office

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Hiroyuki Aiko served as General Manager of Media Strategy Office, and currently supervises group corporate management, next-generation businesses, and media strategy as Executive Officer of the Company and Director of Tokyo Broadcasting System Television, Inc. The Company has judged that he is qualified for the post of Director of the Company as a talented person who will contribute to enhancing the corporate value of the Group.

Candidate number			Re-election Outside Director Independent Director Attendance to meetings of Board of Directors:	Number of shares of the Company owned
13	Shouei Utsuda	Date of birth Feb. 12, 1943	11/12 (91%)	– shares

Summary of career and position and areas of responsibility in the Company

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:	Outside 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.
Jun. 2015:	Counselor of MITSUI & CO., LTD. (to present)

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.
Counselor of MITSUI & CO., LTD.
Outside Director of Isetan Mitsukoshi Holdings Ltd.
Outside Director of Nomura Research Institute, Ltd.
Outside Director and Chairman of Overseas Demand Development Committee, Cool Japan Fund Inc.

Reason for nomination as Director

Mr. Shouei Utsuda has plenty of experiences and a high degree of knowledge as a member of top management of a general trading company. The Company has judged that, having offered useful opinions and comments about the management of the Company, he is qualified for the post of Outside Director of the Company.

Candidate number			Re-election Outside Director Independent Director Attendance to meetings of Board of Directors:	No. of Company shares held
14	Yutaka Asahina	Date of birth Sep. 14, 1947	10/12 (83%)	– shares

Summary of career and position and areas of responsibility in the Company

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. (3) (to present)
Jun. 2009:	Outside 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)

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.
President and Representative Director of The Mainichi Newspapers Group Holdings, Co., Ltd.
President and Representative Director of The Mainichi Newspapers Co., Ltd.
Outside Director of Mainichi Broadcasting System, Inc.
Outside Director of RKB MAINICHI HOLDINGS CORPORATION (1)

Reason for Nomination as Director

Mr. Yutaka Asahina has plenty of experiences and a high degree of knowledge as a member of top management of a newspaper company. The Company has judged that, having offered useful opinions and comments about the management of the Company, he is qualified for the post of Outside Director of the Company.

Candidate number				
15	Tadashi Ishii	Date of birth Mar. 10, 1951	Re-election Outside Director Attendance to meetings of Board of Directors: 10/12 (83%)	Number of shares of the Company owned – shares

Summary of career and position and areas of responsibility in the Company

Apr. 1973:	Joined DENTSU INC.	Apr. 2011:	President and CEO of DENTSU INC. (3) (to present)
Jun. 1999:	General Manager, Sales Division of DENTSU INC.		
Jun. 2002:	Senior Vice President of DENTSU INC.	Jun. 2014:	Outside Director of the Company (to present)
Jun. 2004:	Managing Executive Officer of DENTSU INC.		Director of Tokyo Broadcasting System Television, Inc. (to present)
Jun. 2006:	Managing Director of DENTSU INC.		
Apr. 2009:	Director and Executive Vice President of DENTSU INC.		

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.　　President and CEO of DENTSU INC.

Reason for nomination as Director

Mr. Tadashi Ishii has plenty of experiences and a high degree of knowledge as a member of top management of an advertising company. The Company has judged that, having offered useful opinions and comments about the management of the Company, he is qualified for the post of Outside Director of the Company.

Candidate number				
16	Keiichi Mimura	Date of birth Jan. 2, 1955	Newly-appointed Outside Director	Number of shares of the Company owned – shares

Summary of career and position and areas of responsibility in the Company

Apr. 1977:	Joined Mainichi Broadcasting System, Inc.	Jun. 2009:	Director and General Manager, TV Sales Division of Mainichi Broadcasting System, Inc.
Jun. 2003:	General Manager, Production Division of Mainichi Broadcasting System, Inc.	Jun. 2011:	Managing Director of Mainichi Broadcasting System, Inc.
Jun. 2007:	Director and General Manager, Production Division of Mainichi Broadcasting System, Inc.	Jun. 2015:	President and Representative Director of Mainichi Broadcasting System, Inc. (to present)

Reason for nomination as Director

Mr. Keiichi Mimura has plenty of experiences and a high degree of knowledge as a member of top management of a broadcasting company. The Company has judged that he is qualified for the post of Outside Director of the Company because he can be expected to give us useful opinions and comments, based on his deep understanding and knowledge of the sources of corporate value and business characteristics of the Company.

Note 1: RKB MAINICHI HOLDINGS CORPORATION changed its trade name from RKB Mainichi Broadcasting Corp. to the present one, effective April 1, 2016.

Note 2: TBS Radio, Inc. changed its trade name from TBS Radio & Communications, Inc. to the present one, effective April 1, 2016.

Note 3: 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 CEO of DENTSU INC., which is a major business partner of the Group, and a person who executes the business of a company that has a specified relationship with the Company.
DENTSU INC. has continued business transactions with TBS TV, a key subsidiary of the Group, with respect to sale of airtime and programming.
Mr. Keiichi Mura is the President and Representative Director of Mainichi Broadcasting System, Inc. which belongs in the same business sector as TBS TV, a key subsidiary of the Group, and TBS TV has an ongoing business relationship with Mainichi Broadcasting System Inc. in areas such as broadcast syndication and television frequency fees.
Each of other candidates has no special interest in the Company.

Note 4: Messrs. Shouei Utsuda, Yutaka Asahina, Tadashi Ishii and Keiichi Mimura 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 at this

Ordinary General Meeting of Shareholders, the Company will register them as independent directors.

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

(1) Number of years since the candidates assumed the office of Outside Directors:

1. The term of office of Mr. Shouei Utsuda as Outside Director, at the close of this Ordinary General Meeting of Shareholders, will have been nine (9) years.
2. The term of office of Mr. Yutaka Asahina as Outside Director, at the close of this Ordinary General Meeting of Shareholders, will have been seven (7) years.
3. The term of office of Mr. Tadashi Ishii as Outside Director, at the close of this Ordinary General Meeting of Shareholders, will have been two (2) years.

(2) 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. 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. 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. In addition, if the election of Mr. Keiichi Mimura, who has become a new candidate for Outside Director, is approved, the Company will also enter into the said contract for limitation of liability with him.

Note 6: The candidates have consented to updating its policy for responding to takeover proposals, which was approved at the 80th Ordinary General Meeting of Shareholders of the Company. For a summary of the current policy, please refer to “Basic Policy Regarding Control of the Company” (available only in Japanese) that is posted on the Company’s website (http://www.tbsholdings.co.jp/).

Note 7: For the areas of responsibility of each of the candidates, their responsibilities as Directors and Executive Officers as of April 1, 2016, are presented.

Third Item of Business: Election of Five (5) Audit & Supervisory Board Members

The terms of all five (5) Audit & Supervisory Board Members of the Company will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company would like shareholders to elect five (5) Audit & Supervisory Board Members at this Ordinary General Meeting of Shareholders.

With respect to the submission of this item, the Company has obtained a previous consent from the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate number	Name	Current position in the Company	
1	Takafumi Kannari	Standing Statutory Audit & Supervisory Board Member	Re-election
2	Tatsuo Tanaka	Standing Statutory Audit & Supervisory Board Member	Re-election
3	Yasushi Akashi	Outside Audit & Supervisory Board Member	Re-election Outside Independent
4	Teisuke Kitayama		Newly-appointed Outside
5	Mie Fujimoto		Newly-appointed Outside Independent

Candidate number				Number of shares of the Company owned
1	Takafumi Kannari	Date of birth Jun. 8, 1956	Re-election	19,942 shares

Summary of career and position in the Company

Apr. 1980:	Joined the Company	Mar. 2011:	Director of Tokyo Broadcasting System Television, Inc.
Jun. 2007:	General Manager of Finance Division		
Apr. 2009:	General Manager of Finance Division of Tokyo Broadcasting System Television, Inc.	Apr. 2012:	Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc. (to present)
Jun. 2009:	Director of the Company Executive Officer, and General Manager of Finance Division of Tokyo Broadcasting System Television, Inc.	Jun. 2012:	Standing Statutory Audit & Supervisory Board Member of the Company (to present)

Important concurrent position outside the Company

Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc.

Audit & Supervisory Board Member of StylingLife Holdings Inc.

Audit & Supervisory Board Member of TBS Radio, Inc. (1)

Reason for nomination as Audit & Supervisory Board Member

Mr. Takafumi Kannari has considerable knowledge of finance and accounting through his experience as General Manager of Finance Division and Director in charge of accounting. The Company has judged that he can appropriately execute the duties of Audit & Supervisory Board Member of the Company.

Candidate number				Number of shares of the Company owned
2	Tatsuo Tanaka	Date of birth Sep. 13, 1953	Re-election	3,356 shares

Summary of career and position in the Company

Apr. 1977:	Joined the Company	Jun. 2014:	Standing Statutory Audit & Supervisory Board Member of the Company (to present)
May 2008:	General Manager of Office of Compliance of the Company		Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc. (to present)
Apr. 2009:	General Manager of Office of Compliance of Tokyo Broadcasting System Television, Inc.		

Important concurrent position outside the Company

Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc.

Audit & Supervisory Board Member of BS-TBS, INC.

Reason for nomination as Audit & Supervisory Board Member

Mr. Tatsuo Tanaka has considerable knowledge of internal controls and legal compliance through his experience as General Manager of Office of Compliance. The Company has judged that he can appropriately execute the duties of Audit & Supervisory Board Member of the Company.

Candidate number				
3	Yasushi Akashi	Date of birth Jan. 19 1931	Re-election Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member Attendance to meetings of Board of Directors: 11/12 (91%) Attendance to meetings of the Audit & Supervisory Board: 10/11 (90%)	Number of shares of the Company owned – shares

Summary of career and position in the Company

May 1979:	Under-Secretary-General for Public Information of the United Nations	May 2007:	President of the Japanese Organization for International Cooperation in Family Planning (present JOICFP) (to present)
Jan. 1992:	Special Representative of the United Nations Secretary-General for Cambodia	Jun. 2008:	Outside Audit & Supervisory Board Member of the Company (to present)
Jan. 1994:	Special Representative of the United Nations Secretary-General for the former Yugoslavia	Apr. 2009:	Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc. (to present)
Apr. 1998:	President of the Hiroshima Peace Institute	Jun. 2009:	Chairman of International House of Japan (to present)
Jul. 1999:	Chairman of the Japan Center for Conflict Prevention		
Oct. 2002:	Representative of the Government of Japan on Peace-Building, Rehabilitation and Reconstruction in Sri Lanka (to present)		

Important concurrent position outside the Company

Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc.

Chairman of International House of Japan

President of JOICFP

Representative of the Government of Japan on Peace-Building, Rehabilitation and Reconstruction in Sri Lanka

Reason for nomination as Audit & Supervisory Board Member

Mr. Yasushi Akashi has a cosmopolitan outlook and a wide range of knowledge and experience, principally developed at the United Nations. He has no experience of corporate management other than in his capacity as an outside officer. However, the Company has judged that, having given us useful opinions and comments about the management of the Company from a standpoint that is outside the industry to which we belong, he can appropriately execute the duties of Outside Audit & Supervisory Board Member of the Company.

Candidate number				
4	Teisuke Kitayama	Date of birth Oct. 26, 1946	Newly-appointed Outside Audit & Supervisory Board Member	Number of shares of the Company owned – shares

Summary of career and position in the Company

Jun. 2005:	Representative Director & President of Sumitomo Mitsui Financial Group, Inc. Representative Director & Chairman of the Board of Sumitomo Mitsui Banking Corporation	Apr. 2011:	Director & Chairman of the Board of Sumitomo Mitsui Banking Corporation (to present)

Important concurrent position outside the Company

Director & Chairman of the Board of Sumitomo Mitsui Banking Corporation

Outside Director of FUJIFILM Holdings Corporation

Outside Audit & Supervisory Board Member of Isetan Mitsukoshi Holdings Ltd.

Outside Audit & Supervisory Board Member of Toyota Motor Corporation

Reason for nomination as Audit & Supervisory Board Member

Mr. Teisuke Kitayama has extensive experience and excellent knowledge as a top manager of a financial institution. The Company has judged that, because he can be expected to provide useful opinions and comments about the management of the Company from an objective standpoint, he can appropriately execute the duties of Outside Audit & Supervisory Board Member of the Company.

Candidate number				
5	Mie Fujimoto	Date of birth Aug. 17, 1967	Newly-appointed Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Number of shares of the Company owned – shares

Summary of career and position in the Company

Apr. 1993:	Certified as an attorney	Apr. 2015:	Joined TMI Associates (to present)
	Joined Shin-Tokyo Sohgoh Law Office (which later merged with Bingham Sakai Mimura Aizawa (Foreign law joint enterprise))	Jun. 2015:	Outside Audit & Supervisory Board Member of SEIKAGAKU CORPORATION (to present)
Jun. 2009:	Outside Corporate Auditor of KURARAY CO., LTD. (to present)		

Important concurrent position outside the Company

Partner of TMI Associates

Outside Audit & Supervisory Board Member of SEIKAGAKU CORPORATION

Outside Corporate Auditor of KURARAY CO., LTD.

Reason for nomination as Audit & Supervisory Board Member

Ms. Mie Fujimoto has extensive experience and excellent knowledge as a lawyer specializing in corporate legal affairs. She has no experience of corporate management other than in the capacity of an outside officer. However, for the above reasons, the Company has judged that, because she can be expected to provide useful opinions and comments about the management of the Company from an objective standpoint, she can appropriately execute the duties of Outside Audit & Supervisory Board Member of the Company

Note 1: TBS Radio, Inc. changed its trade name from TBS Radio & Communications, Inc. to the present one, effective April 1, 2016.

Note 2: Special interest between the candidates and the Company:
Each of the candidates has no special interest in the Company.

Note 3: Messrs. Yasushi Akashi and Teisuke Kitayama, and Ms. Mie Fujimoto are candidates for Outside Audit & Supervisory Board Members.
The Company has registered Mr. Yasushi Akashi as independent Audit & Supervisory Board Member with the Tokyo Stock Exchange. If the re-election of Mr. Yasushi Akashi is approved at this Ordinary General Meeting of Shareholders, the Company will continue to register him as independent Audit & Supervisory Board Member. Furthermore, the election of Ms. Mie Fujimoto, a newly appointed candidate for Outside Audit & Supervisory Board Member, is approved, the Company will register her as independent Audit & Supervisory Board Member with the Tokyo Stock Exchange.

Note 4: The followings are specific notes on the candidates for Outside Audit & Supervisory Board Members:

(1) Number of years since the candidates assumed the office of Outside Audit & Supervisory Board Members:
The term of office of Mr. Yasushi Akashi as Outside Audit & Supervisory Board Member, at the close of this Ordinary General Meeting of Shareholders, will have been eight (8) years.

(2) Liability Limitation Agreement with the Audit & Supervisory Board Members:
The Company prescribes in the Articles of Incorporation that it may enter into a contract with an Outside Audit & Supervisory Board Member limiting his or her liability for compensation pursuant to Article 423, Paragraph 1 of the Companies Act, in order to enable the Outside Audit & Supervisory Board Member to fully exercise his or her duties as expected. The Company has entered the contract for limitation of liability with the candidate for Outside Audit & Supervisory Board Member, Mr. Yasushi Akashi. The amount of limited liability under the contract is the minimum amount provided for in laws and ordinances. If the re-election of Mr. Yasushi Akashi is approved at this Ordinary General Meeting of Shareholders, the Company will continue the said contract for limitation of liability with him. In addition, if the election of Mr. Teisuke Kitayama and Ms. Mie Fujimoto, who have become new candidates for Outside Audit & Supervisory Board Members, are approved, the Company will also enter into the said contract for limitation of liability with them.

Business Report

From April 1, 2015 to March 31, 2016

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

(1) Business Activities and Results

During the fiscal year under review, Japan's economy continued on a path of modest recovery. Although some sluggishness was observed in the recovery of personal consumption and capital investment in the private sector, partly due to a slowdown in emerging economies including China, employment and income conditions are expected to improve on the back of the government's economic measures and Quantitative and Qualitative Monetary Easing with a Negative Interest Rate adopted by the Bank of Japan.

Against this backdrop, consolidated net sales of the Group in the fiscal year ended March 31, 2016 increased by 0.2% from the previous fiscal year to ¥348,539 million, operating income increased by 9.2% to ¥17,179 million, ordinary income increased by 19.9% to ¥22,678 million, and profit attributable to owners of parent increased by 13.2% to ¥14,497 million.

<<Broadcasting>>

Consolidated net sales from the Broadcasting Business segment increased by 0.4% from the previous fiscal year to ¥213,878 million, while operating income increased by 15.1% to ¥4,800 million.

Tokyo Broadcasting System Television, Inc., the core of the Broadcasting Business, posted a 0.3% decline in time revenue and a 0.4% decrease in spot revenue for the fiscal year under review from the previous year. Regarding times sales, sales of regular programs remained almost flat from the previous year, while one-off programs, such as "*IAAF World Championships Beijing 2015*" in August and "*WBSC Premier12*™" in November, contributed to sales. Spot sales failed to exceed the previous year on a full-year basis, although the volume of advertisements sponsors targeted in the Kanto Region outperformed the previous year from late October.

BS-TBS, INC. continued to perform well, posting a 3.2% increase in sales from the previous year through programing and program production with the top priority on customer satisfaction as the BS digital broadcasting market remained firm. Despite factors including an increase in production costs accompanying efforts to strengthen programing, such as the production of the 15th anniversary "big and special" programs, operating income also increased 7.2% from the previous year.

TBS Radio Inc. (Formerly TBS Radio & Communications, Inc.) continued to rank No. 1 in radio listener ratings research conducted by Video Research Ltd. in the Tokyo metropolitan area in February. Since the research undertaken for August 2001, the company has retained top position for 88 consecutive terms covering 14 years and eight months. Amid the continuing difficult situation surrounding radio broadcasting, sales and operating income increased 0.2% and decreased 28.7% for the fiscal year under review, respectively, from the previous year, despite comprehensive efforts to enhance profitability and control costs.

<<Multi Visual Ventures and Cultural Events>>

Net sales from the Multi Visual Ventures and Cultural Events Business segment decreased by 0.3% from the previous fiscal year to ¥119,181 million, while operating income increased by 9.9% to ¥4,842 million.

Movies continued to perform well with "*Flying Colors*," released in May, becoming a smash hit, grossing ¥2.83 billion, and "*Library Wars: The Last Mission*," released in October, outperforming the last episode by grossing ¥1.8 billion. Among exhibitions, "*The Great Amazon*," held by National Museum of Nature Science from March to June, attracted 270,000 visitors. Nearly 200,000 people visited *"Vermeer and Rembrandt: The Masters of the 17th Century Dutch Golden Age*" at the Mori Arts Center Gallery from January. Among concerts and stage performances, "*Take Five*" and "*No.9-Immotal Melodies*" were presented at the Akasaka ACT Theater in May and in October, respectively. Both received good reviews. At other theaters, the world premiere of "*Prince of Broadway*," the latest musical from Harold Prince, and the world tour of "*Kafka on the Shore*" received particularly favorable headlines. Akasaka Sacas presented a variety of events throughout the year with "*Mama Sacas*" in the spring, "*Deliciacas*" in the summer, and "*White Sacas*" in the winter.

In the media business, while growth in the number of subscribers on each platform slowed in the CS business, TBS News Bird started broadcasting regular season baseball games of Chiba Lotte Marines live. With

regular season games of Yokohama DeNA Baystars aired by TBS Channel 2, we broadcast baseball games of two teams and succeeded in adding a considerable number of viewers. In the on-demand business, sales increased due to the growing popularity of the serial drama "*Downtown Rocket*" and the conclusions of new distribution contracts with multiple distribution companies. In the business targeting overseas, with sales of the "*SASUKE*" format launched, sales rose steadily in all of its genres.

In the StylingLife Group, "*PLAZASTYLE COMPANY*," its core retailing business, continued to perform well, posting a sales increase from the previous fiscal year. Although the cosmetics business achieved solid growth, sales decreased, as a whole, due to the liquidation of a group company during the term. On the other hand, as a result of efforts to control costs, we secured an increase in income.

<<Real Estate Business>>

Net sales from the Real Estate Business segment increased by 1.3% from the previous fiscal year to ¥15,479 million, and operating income increased by 5.2% to ¥7,532 million.

Operational status remained sound at all offices and stores in Akasaka Biz Tower and Akasaka The Residence. Regarding Akasaka Sacas, we aim to cement its status as a mecca for a creative broadcasting culture by continuing to hold various events that bring the TBS Group and its programs closer to customers and viewers.

(2) Capital Investment

Total capital investment in the fiscal year under review was ¥11.0 billion.

Concerning equipment for producing television programs, we upgraded imaging and sound systems in the Midoriyama M5 Studio, which is a base for producing dramas. TBS Broadcasting Center in Akasaka, where comedy shows and live programs are produced, upgraded imaging and sound systems in the E-F Studio and the P Studio. To respond to production of 4K programs in the future, we are introducing image switchers that can be upgraded to 4K image systems.

Among internal core sales and broadcasting systems, a file-based system for the production of news and information programs was introduced. Coinciding with the commencement of file-based operation, we reviewed the work flow of the conventional VTR-centered program production and have put all tasks from recording raw materials and editing to distribution to sub-control rooms into the file process system, making the work flow more efficient. With the system in operation, all cameras for recording news materials were replaced with memory-card-based video camera recorders.

Regarding wireless equipment, we are upgrading FPU equipment mainly for live broadcasting road races and specific radio mic equipment according to a radio frequency shift plan. By the end of FY2016, we plan to have completed the transitions of all related equipment.

In radio broadcasting, an FM relay station was opened at Tokyo Sky Tree. The station, already popular under the pet name Wide FM, is expected to become a key to disaster prevention and respond to weak signal reception.

(3) Capital Procurement

Total interest-bearing debt of the Group at the end of the fiscal year under review was ¥53.6 billion (excluding lease obligations), consisting of ¥30.0 billion in current portion of bonds payable (including current portion of bonds) and ¥23.6 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 ¥3.5 billion with multiple financial institutions (the balance of the funds drawn is nil, and the available balance is ¥3.5 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

Assets and Income of the Group

	86th Business Term Year ended March 31, 2013	87th Business Term Year ended March 31, 2014	88th Business Term Year ended March 31, 2015	89th Business Term Year ended March 31, 2016 (fiscal year under review)
Net sales (millions of yen)	352,351	354,338	347,817	348,539
Ordinary income (millions of yen)	17,671	18,096	18,915	22,678
Profit attributable to owners of parent (millions of yen)	9,173	9,644	12,811	14,497
Earnings per share (yen)	60.27	61.22	79.12	83.12
Net assets (millions of yen)	344,473	385,971	456,118	458,208
Total assets (millions of yen)	559,626	579,039	653,732	649,970

(5) Status of Parent Company and Principal Subsidiaries

1. Parent Company

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

2. Principal Subsidiaries (As of March 31, 2016)

Company name	Capital stock (millions of yen)	Voting rights owned (%)	Main business activities
TBS Radio & Communications, Inc.	478	100	Radio broadcasting Planning and production of radio programs
Tokyo Broadcasting System Television, Inc.	300	100	Television broadcasting Planning, production and sales of television programs etc.
BS-TBS, INC.	5,844	100	Provision of broadcast services via broadcast satellites, planning, production and sales of programming etc.
TBS-Vision, Inc.	100	100	Planning and production of television programs etc.
TBS Media Research Institute Inc.	12	100	Surveys and research on broadcasting and multimedia, collection and supply of media information
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.
TBS ProNex, Inc.	10	100	Planning and production of broadcast programs, planning and production of music, audio contents, cinema, video contents etc.
Tokyo Broadcasting System International, Inc.	US$3.28 million	100	Collection of media information and news coverage in the United States
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
Tomo-Digi Corp.	420	* 100	Data broadcasting and hybridcasting
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
TLC Inc.	21	* 100	Planning and operation etc. of lighting mainly for TV, theater, movies and various events
VuCast, Inc.	10	* 100	Production of videos, including television programs and video packages, temporary staffing services
FF TOHO Inc.	30	* 100	VTR editing of news and collation of materials, editing and filming etc. of information programs
Jasc, Inc.	10	* 100	Temporary staffing services, broadcast program production services

Company name	Capital stock (millions of yen)	Voting rights owned (%)	Main business activities
Akasaka Graphics Art, Inc.	10	* 100	Planning, production and sales of computer graphic screens etc.
TBS Service, Inc.	200	100	Planning and production of sound and video recordings, printing, sales of broadcast programs
Nichion, Inc.	50	100	Administration and development of copyright, scout and development of artists, song pitching, planning and production of master recordings etc.
Grand Marché, Inc.	360	100	Mail order sales, mail order sales agency services, store operation etc.
OXYBOT, Inc.	10	100	Planning, production and sales of computer-generated video, cinema film investment
TC Entertainment, Inc.	200	51	Planning, production and duplication etc. of video and audio software and computer software
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.
StylingLife Holdings Inc.	100	51	Planning of management strategy as an operating holding company, general imported merchandise retail business, production and sales of cosmetics etc.
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 etc.
Midoriyama Studio City Inc.	100	100	Leasing, operation and management of buildings, studios etc.
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.
Akasaka Heat Supply Co., Ltd.	400	70	Heat supply services under the Heat Supply Business Law

Note 1: An asterisk (*) indicates the shareholding ratio, including shares held by subsidiaries, parties closely connected with the Company, and parties having agreements with the Company.

Note 2: The Company made BS-TBS, INC. a wholly-owned subsidiary of the Company through a share exchange as of April 1, 2015.

Note 3: Maxim's de Paris Corporation, which had been listed in the table up to the previous convocation notice, was liquidated, effective November 10, 2015.

Note 4: The Company acquired additional shares on March 22, 2016 and made Tomo-Digi Corporation a wholly-owned subsidiary (including indirect holding).

Note 5: TBS Radio & Communications, Inc. changed its trade name to "TBS Radio Inc.," effective April 1, 2016.

Note 6: The Company turned C-TBS, Incorporated into a consolidated subsidiary in which the Company owns 90% of the voting rights, effective April 1, 2016. The number of principal subsidiaries as of the same

date is 31.

Note 7: The state of specified wholly-owned subsidiaries at the end of the fiscal year under review is as in the following.

Name of specified wholly-owned subsidiary	Tokyo Broadcasting System Television, Inc.
Address of specified wholly-owned subsidiary	5-3-6 Akasaka, Minato-ku, Tokyo
Book value of shares of specified wholly-owned subsidiary of the Company or wholly-owned subsidiary thereof	¥243,580 million
Total assets of the Company	¥567,816 million

(6) Priorities

The increased diversification and sophistication of device functions over the last few years are rapidly changing people's lifestyles. In particular, smartphones and tablet devices have changed how people come into contact with information, enabling them to be a receiver or a provider of information at anytime and anywhere.

On the other hand, TV monitors, which serve as the main display screen of a household, are used in various ways, such as for interactive services via an Internet connection, not just as a receiver of terrestrial broadcasting and satellite broadcasting.

The Group has adequately responded to these changes in the environment and is committed to meeting people's various needs, including next-generation broadcasting, with the "2020 Tokyo Olympic and Paralympic Games" marking a turning point. We will work to operate all media that are available to the TBS Group, including terrestrial television, BS, CS, radio, and the Internet, in a more integrated and efficient manner, and deliver news and information, as well as the best entertainment, "anytime, anywhere and with any device," according to the way people watch programs and their lifestyles. In addition, the five commercial TV broadcasting companies located in Tokyo started a free-of-charge, sponsored Internet broadcasting portal site, "TVer ", and made efforts to expand its use as a measure responding to the younger generation's increasing indifference to TV, and as a countermeasure to illegal video streaming. Broadcast programs are aggregates of various rights including original writers, cast members, and screenwriters. Properly protecting those rights is vital to the sound growth of the content market, and market participants need to be constantly aware of that fact.

To strengthen the Broadcasting Business, it is essential for the Group to create powerful high-quality content. We will further strengthen our program production capability by trying to create something new.

This approach of the Group is steadily bearing fruit, and audience ratings in the Kanto region are on the rise due to enhanced news and information programs broadcast in the same time slot on all or most days, raising the levels of variety shows and music and sports programs, while continuing to offer high-quality dramas. We will continue to broadcast top-quality programs and work to further secure your trust and support.

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 are aggressively expanding overseas leveraging our contents that have already gained popularity in overseas markets such as "*SASUKE*." Furthermore, we will open "360° Theater StageAround TOKYO," a theater with revolving audience seats, in Toyosu, Koto-ku as a highlight of this year's business development. Look for more from the ever-evolving culture-creating entertainment of the Group.

Net sales of BS-TBS, INC. have been increasing, and we will work to maximize synergies with each company in the Group and have BS-TBS, INC. contribute to reinforcing the revenue base of the Group based on its steady growth.

TBS Radio, Inc. has maintained the top audience rating in the Tokyo Metropolitan area since August 2001. Although the operating environment surrounding the radio business continues to be demanding, we will search for new sources of revenue linked to broadcasting, while applying strict cost controls.

The Group has made efforts to achieve the aims of "Group Medium-term Management Plan 2015," however, we failed to achieve the target we set in 2015 for consolidated net sales and consolidated operating income. This was because measures we implemented during the year did not produce sufficient returns. We take this issue seriously.

In "Group Medium-term Management Plan 2018" we announced in May 2016, the Group continues to focus on strengthening the Broadcasting Business, strengthening comprehensive media strategies, improving group-wide profitability, and improving the diversity of profit sources through new business development including strategic investments, as our core initiatives, and work on building "TBS Quality," which is the Group's DNA, in what are turbulent times. We are committed to fulfilling our mission as a broadcasting station and as a "user-first and user-oriented comprehensive media group," which offers the best entertainment, while gaining overwhelming trust as a news medium and as the best media group offering the most powerful content and software.

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, 2016)

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.

Business 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., CS business 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 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

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
TBS Radio & Communications, Inc. (Note 1), Tokyo Broadcasting System Television, Inc. (Note 2), BS-TBS, INC., TBS-Vision, Inc., TBS Media Research Institute Inc., Art Communication Systems, Inc., TBS ProNex, Inc., TBS-TEX, Co., Ltd., Tomo-Digi Corp., Dreamax Television Inc., TOTSU Inc., TLC Inc., VuCast, Inc., FF TOHO Inc., Jasc, Inc., Akasaka Graphics Art, Inc., TBS Service, Inc., Nichion, Inc., Grand Marché, Inc., OXYBOT, Inc., TC Entertainment, Inc., TBS TriMedia, Inc., TBS Kikaku Co., Ltd., TBS Sun Work, Inc., Akasaka Heat Supply Co., Ltd.,	Minato-ku, Tokyo
StylingLife Holdings Inc. (Note 3) LightUp Shopping Club Inc. CP Cosmetics Inc. (Note 4)	Shinjuku-ku, Tokyo
Midoriyama Studio City Inc.	Yokohama City, Kanagawa Prefecture
Tokyo Broadcasting System International, Inc.	New York, U.S.A.

Note 1: TBS Radio & Communications, Inc. changed its name to "TBS Radio, Inc." on April 1, 2016.

Note 2: 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 3: StylingLife Holdings Inc. operates a nationwide store network in Japan consisting of 80 PLAZA stores, etc. and a sales office in Osaka City, Osaka Prefecture and has its main plant in Yaizu City, Shizuoka Prefecture.

Note 4: CP Cosmetics Inc. also has sales offices in Shinagawa-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, 2016)

Segment	Number of employees	Change since end of previous fiscal year
Broadcasting	2,950	Decrease of 30
Multi Visual Ventures and Cultural Events	2,240	Increase of 72
Real Estate	85	Decrease of 3
Corporate (shared)	366	Increase of 17
Total	5,641	Increase of 56

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

(10) Main Lenders (As of March 31, 2016)

Lender	Amount (millions of yen)
Syndicated loan	6,600
Nippon Life Insurance Company	10,000
Meiji Yasuda Life Insurance Company	3,000
Sumitomo Life Insurance Company	2,000
TAIYO LIFE INSURANCE COMPANY	2,000

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 ¥3.5 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 ¥3.5 billion)

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

(1) Common Stock (As of March 31, 2016)

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 11,953
(a decrease of 1,858 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	5.32
Mainichi Broadcasting System, Inc.	8,848,100	5.06
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,461,000	4.84
MITSUI & CO., LTD.	7,691,000	4.40
Sumitomo Mitsui Banking Corporation	5,745,267	3.28
Mitsui Fudosan Co., Ltd.	5,713,728	3.27
NTT DOCOMO, INC.	5,713,000	3.26
Panasonic Corporation	5,643,180	3.22
Nippon Life Insurance Company	5,006,235	2.86
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	4,348,000	2.48

Note 1: The Company holds treasury stock of 15,722,554 shares as of March 31, 2016; 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 14.66%.

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.

(2) Corporate Officers

1. Directors and Audit & Supervisory Board Members (As of March 31, 2016)

Position	Name	Areas of responsibility
Chairman and Representative Director	Hiroshi Inoue	
President and Representative Director	Toshichika Ishihara	Office of Internal Business Audit
Managing Director	Tetsuya Fujita	In charge of Overall Businesses, HD Comprehensive Media Council, President's Office, General Strategy Division, Group Managerial Planning 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	Takashi Sasaki	In charge of Office of Compliance, Administration Division, Finance Division and Human Resources and Labor Division
Director	Tatsuo Sugai	In charge of Overall Operations of Television Business
Director	Akio Tsumura	In charge of Overall Programming of Television Business
Director	Yasushi Yoshida	In charge of Overall Sales of Television Business
Director	Shinji Takeda	
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 88th Ordinary General Meeting of Shareholders held on June 26, 2015, Mr. Takashi Sasaki, Mr. Tatsuo Sugai, Mr. Akio Tsumura and Mr. Yasushi Yoshida were newly elected as Directors and assumed the office.
Upon completion of their term, Mr. Kazuhiro Namba, Mr. Makoto Hoshino and Mr. Ryoichi Nitta retired from the office of Director, respectively, on June 26, 2015.

Note 2: The position and responsibilities of the Directors were changed as follows, effective April 1, 2016, after the end of the fiscal year under review.

Honorary Chairman and Director	Hiroshi Inoue	
Chairman and Director	Toshichika Ishihara	
President and Representative Director	Shinji Takeda	Office of Internal Business Audit
Senior Managing Director and Representative Director	Tetsuya Fujita	In charge of General Business Affairs and President's Office
Managing Director	Toshiaki Kawai	In charge of Overall Businesses, Overall Technology of Television Business, Overall Media and Finance Division
Managing Director	Takashi Sasaki	In charge of Overall Site Operations of Television Business and General Strategy Division
Director	Tatsuo Sugai	In charge of Multi Visual Ventures and Cultural Events of Television Business
Director	Akio Tsumura	In charge of Office of Compliance, Administration Division, and Human Resources and Labor Division
Director	Keizo Zaitsu	
Director	Yoshikazu Kato	

Note 3: Among the Directors, Mr. Masahiro Yamamoto, Mr. Shouei Utsuda, Mr. Yutaka Asahina and Mr. Tadashi Ishii are Outside Directors.

Note 4: Among the Audit & Supervisory Board Members, Mr. Keiichiro Okabe, Mr. Takeo Tanaka and Mr. Yasushi Akashi are Outside Audit & Supervisory Board Members.

Note 5: 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 6: 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 7: Audit & Supervisory Board Member, Mr. Keiichiro Okabe has an experience as the director in charge of financial affairs and accounting at *Cosmo Energy Holdings Co., Ltd. and has considerable knowledge of finance and accounting. (*COSMO OIL CO., LTD. changed its name to Cosmo Energy Holdings Co., Ltd. on October 1, 2015.)

Note 8: 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 9: 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) Tokyo Broadcasting System Television, Inc. Mainichi Broadcasting System, Inc. Tokyo Electron Ltd. FUJIFILM Holdings Corporation	President Chairman and Representative Director Outside Director Outside Director Outside Director	Assumed the office of Honorary Chairman and Director of Tokyo Broadcasting System Television, Inc. on April 1, 2016
	Toshichika Ishihara	Tokyo Broadcasting System Television, Inc. RKB Mainichi Broadcasting Corp. (*1) The Mainichi Newspapers Group Holdings, Co., Ltd.	Director Outside Audit & Supervisory Board Member Outside Director	Assumed the office of Chairman and Director of Tokyo Broadcasting System Television, Inc. on April 1, 2016
	Tetsuya Fujita	Tokyo Broadcasting System Television, Inc. BS-TBS, INC. TBS Radio & Communications, Inc. (*2) StylingLife Holdings Inc. SKY Perfect JSAT Holdings Inc. WOWOW INC. Broadcasting System of Niigata Inc.	Managing Director Director Director and Chairman Director Corporate Auditor (Non-Standing) Board Director Outside Director	Assumed the office of Senior Managing Director and Representative Director of Tokyo Broadcasting System Television, Inc. on April 1, 2016
	Keizo Zaitsu	Tokyo Broadcasting System Television, Inc.	Director and Executive Advisor	Assumed the office of Executive Advisor of Tokyo Broadcasting System Television, Inc. on April 1, 2016
	Yoshikazu Kato	Tokyo Broadcasting System Television, Inc.	Director	Resigned from the office of Director of Tokyo Broadcasting System Television, Inc. on March 31, 2016
	Toshiaki Kawai	Tokyo Broadcasting System Television, Inc.	Managing 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	Takashi Sasaki	Tokyo Broadcasting System Television, Inc.	Director	Assumed the office of Managing Director of Tokyo Broadcasting System Television, Inc. on April 1, 2016
	Tatsuo Sugai	Tokyo Broadcasting System Television, Inc.	Director	
	Akio Tsumura	Tokyo Broadcasting System Television, Inc.	Director	
	Yasushi Yoshida	Tokyo Broadcasting System Television, Inc.	Director	
	Shinji Takeda	Tokyo Broadcasting System Television, Inc.	President and Representative Director	
	Masahiro Yamamoto	Tokyo Broadcasting System Television, Inc. Mainichi Broadcasting System, Inc.	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.	Director Counselor Outside Director Outside Director Outside Director and Chairman of Overseas Demand Development Committee	
	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. (*1)	Director President and Representative Director President and Representative Director Outside Director Outside Director	
	Tadashi Ishii	Tokyo Broadcasting System Television, Inc. DENTSU INC.	Director President and CEO	

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. (*2) StylingLife Holdings Inc.	Audit & Supervisory Board Member Audit & Supervisory Board Member Audit & Supervisory Board Member	
	Tatsuo Tanaka	Tokyo Broadcasting System Television, Inc. BS-TBS, INC.	Audit & Supervisory Board Member Audit & Supervisory Board Member	
	Keiichiro Okabe	Tokyo Broadcasting System Television, Inc. Cosmo Energy Holdings Co., Ltd. (*3)	Audit & Supervisory Board Member Executive Adviser	
	Takeo Tanaka	Tokyo Broadcasting System Television, Inc.	Audit & Supervisory Board Member	
	Yasushi Akashi	Tokyo Broadcasting System Television, Inc. International House of Japan JOICFP Peace-Building, Rehabilitation and Reconstruction in Sri Lanka	Audit & Supervisory Board Member Chairman President Representative of the Government of Japan	

*1 RKB Mainichi Broadcasting Corp. changed its name to “RKB MAINICHI HOLDINGS CORPORATION” on April 1, 2016.
*2 TBS Radio & Communications, Inc. changed its name to “TBS Radio, Inc.” on April 1, 2016.
*3 COSMO OIL CO., LTD. changed its name to Cosmo Energy Holdings Co., Ltd. on October 1, 2015.

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 (4)	¥558 million (¥33 million)
Audit & Supervisory Board Members (subtotal: outside audit & supervisory board members)	5 (3)	¥77 million (¥25 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 three directors during their term of office, who retired at the conclusion of the 88th 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. 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.

4. 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 9 out of 12, Mr. Shouei Utsuda attended 11 out of 12, Mr. Yutaka Asahina attended 10 out of 12, and Mr. Tadashi Ishii attended 10 out of 12. 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 12 meetings of the Board of Directors and 11 meetings of the Audit & Supervisory Board in the fiscal year under review, of which Mr. Keiichiro Okabe attended 11 and 10, respectively, and Mr. Takeo Tanaka attended 12 and 11, respectively. Mr. Yasushi Akashi attended 11 and 10, 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) Relationships between the Company and Other Companies Where Positions Are Held Concurrently

Outside Directors Mr. Masahiro Yamamoto, Mr. Shouei Utsuda, Mr. Yutaka Asahina and Mr. Tadashi Ishii concurrently serve as Directors, and Outside Audit & Supervisory Board Members Mr. Keiichiro Okabe, Mr. Takeo Tanaka and Mr. Yasushi Akashi concurrently serve as 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 Tokyo Broadcasting System Television, Inc. 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 Outside 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 Outside 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.
(*RKB Mainichi Broadcasting Corp. changed its name to "RKB MAINICHI HOLDINGS CORPORATION" on April 1, 2016.)

- Tokyo Broadcasting System Television, Inc. has an ongoing business relationship, in areas such as the sale of airtime and programming, with DENTSU INC. where Outside Director Mr. Tadashi Ishii serves as the President and CEO.

(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	¥86 million

Note 1: 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.

Note 2: The Audit & Supervisory Board consents to the fees etc. paid to the accounting auditor as stipulated under Article 399, Paragraph 1 of the Companies Act after comparing audit plans in prior years of the accounting auditor to actual audit results, reviewing changes in audit hours and fees for audits, and considering the reasonableness of audit hours and estimated fees in the fiscal year under review.

(iii) Non-Audit Services

The Company paid fees to the accounting auditor for guidance and advices related to a system, which is not a service stipulated under Article 2, Paragraph 1 of the Certified Public Accountants Law of Japan.

(iv) 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 based on this decision, the Board of Directors may submit this as an item for approval at the general meeting of shareholders.

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 systems necessary to ensure that the business performance by the Directors complies with laws and the Articles of Incorporation, and other systems necessary to ensure the properness of operations of a stock company and a corporate group consisting of the stock company and its subsidiaries," 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 establish the TBS Group General Risk Management Policies, the TBS Group General Risk Management Regulations, and other regulations required to support ongoing controls on risks of losses affecting our business activities and operations, and monitor risks based on implementation guidelines. Risk management conditions will be evaluated semi-annually by the TBS Group General Risk Management Committee, which is a 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 prepare for serious risks such as damage to our corporate brand, we have formulated the TBS Group Crisis Response Regulations, which define the establishment of an organization in charge, operational procedures, information management approach, and other systems that differ from those in normal times, and will respond to the emergence of serious risks.
(e) We have established the TBS Group Information Liaison Conference to summarize and share information required to handle situations when risks arise.
(f) We have formulated the TBS Group 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. The Company will conduct a review of each company in the Group on a regular basis, in order to ensure strict compliance therewith.
(b) Tokyo Broadcasting System Television, Inc., TBS Radio, Inc. and BS-TBS, 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) The Company will set the Office of Internal Business Audit to audit the operations of all related Group companies.
(d) 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.
(e) Each company within the Group will participate in the TBS Hotline and set out and operate a structure to raise awareness of the participation.
(f) We have formulated the Subsidiaries and Affiliates Management Regulations as the basis for ensuring the appropriateness of business operations and enhancing the management efficiency of the Group, as well as accelerating their development through the provision of guidance, while developing a system under which directors of subsidiaries report matters concerning the execution of duties to the Company.

(7) Systems Ensuring the Effectiveness of Audits Conducted by the Audit & Supervisory Board Members and Systems Concerning Reports to 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 employees who provide that support will assist in the work of the audit & supervisory board members pursuant to instructions from the audit & supervisory board members. We will also maintain a system whereby approval of the audit & supervisory board members will be obtained for personnel appraisals and transfers of such employees, and for any disciplinary action against such employees.
    (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. The Company will appropriately bear expenses incurred for the investigation by the Audit & Supervisory Board Headquarters.

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. A system will also be secured to ensure they are not treated unfavorably based on facts reported or details thereof.
    (b) The Audit & Supervisory Board Members may require reports from directors or employees as required at any time.
    (c) We will operate the TBS Group Information Liaison Conference and 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, Office of Internal Business Audit and the Office of Compliance will share information to maintain effective and efficient internal control systems.

(g) The Company will appropriately bear expenses that arise from executing the duties of the Audit & Supervisory Board Members, respecting the will of Audit & Supervisory Board Members.

3. Systems under Which Directors and Employees of Subsidiaries of the Company and Directors and Employees Who Received Reports from them Report to Audit & Supervisory Board Members and Other Systems Concerning Reports to the Audit & Supervisory Board Members

(a) We will secure a system at Group companies under which directors and employees report serious risks and matters concerning internal controls to Audit & Supervisory Board Members of the Company and a system under which Audit & Supervisory Board Members of the Company may require reports from directors, Audit & Supervisory Board Members, or employees of Group companies as required at any time.

(b) We will secure a system to ensure that directors, Audit & Supervisory Board Members, or employees of Group companies who report to Audit & Supervisory Board Members and directors or employees who receive reports from them will not be treated unfavorably based on the facts reported to Audit & Supervisory Board Members and details thereof.

4. Summary of Status of Implementation of System for Ensuring the Appropriateness of Business Operations

In accordance with a resolution adopted by the Board of Directors for a "system ensuring the appropriateness of business operations" 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, the department in charge of internal controls of the Company leads efforts to develop and operate internal control systems, highlighted by the development of Risk Management Regulations, Document Management Regulations, and other internal regulations, and holds meetings of the Risk Management Committee and other committees. 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, which is chaired by the President, to build and implement internal control systems for the Group.

As of the end of the fiscal year under review, the department in charge of internal controls and the Office of Internal Business Audit confirmed that internal control systems of the Company are properly implemented in accordance with a resolution adopted by the Board of Directors for a "system ensuring the appropriateness of business operations" and function effectively by perusing minutes of the Board of Directors meetings and other important meetings, receiving reports from departments, and conducting interviews. Besides, matters of note on the specific status of implementation can be listed as follows.

(1) Among our efforts to promote risk management, we follow the process of 1. Identifying risks that impede achieving management objectives and internal control objectives of the Company, 2. Evaluating risks identified, 3. Identifying "core items" that could significantly affect the Company, 4. Formulating a plan to respond to "core items" to minimize risks, and 5. Confirming the progress of the plan to respond to "core items" based on the Risk Management Regulations. Specialized departments lead efforts to formulate and implement the plan to respond to "core items," and the Risk Management Committee coordinates those efforts on a company-wide basis.

(2) We have formulated rules to be complied with as the TBS Group based on TBS Group Corporate Governance, and require each company within the Group to comply with such rules for developing internal control systems of the Group including its consolidated subsidiaries. The Risk Management Committee and the department in charge of internal control check whether target companies appropriately perform business operations in accordance with such rules and request them to make improvements when any issue is found.

(3) Regarding internal controls performed to ensure the reliability of financial reporting, we evaluate their effectiveness based on procedures compliant with generally accepted valuation standards as stipulated by the provisions of the Financial Instruments and Exchange Act and other related laws and regulations, and report its results to outside parties. The President performs this evaluation in accordance with the "regulations for evaluating the effectiveness of internal controls over financial reporting," assisted by the Office of Internal Business Audit, which reports directly to the President. The Office of Internal Business Audit, upon consulting with the accounting auditor, formulates an evaluation plan, which defines the scope of evaluations and other matters, and evaluates the status of developing and implementing internal controls. When a deficiency is found, the Office recommends internal control managers to correct the relevant process, counts the number of deficiencies at the year end, and reports them to the President, the Board of Directors, the Audit & Supervisory Board Members, and others.

5. 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 addition, the "Group Medium-term Management Plan 2018," a new medium-term management plan of the Group, was formulated at the Board of Directors' meeting held on May 11, 2016. Accordingly, the sections of the Basic Policy that are related to the medium-term management plan are revised as follows.

(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 2018" on May 11, 2016 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 2018

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. After taking into account the development and evolution of digital devices along with the changes to the business environment, the Company has formulated "Group Medium-term Management Plan 2015" on May 10, 2013. Furthermore, following on from Plan 2015, the Company launched the "Group Medium-term Management Plan 2018" on May 11, 2016.

Through implementation of the "Group Medium-term Management Plan 2018," the Group aims not only to become the best media group in terms of delivering the "most powerful content" but also to establish the position of a "user-first user-oriented comprehensive media group" that receives overwhelming trust as a news medium and provides the "most powerful entertainment," thereby maximizing the corporate value of the Company and the Group, as well as the common interests of shareholders. Simultaneously, the Group aspires 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) Acts Subject to the Plan

(i) Procedures for Triggering 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, a) 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 b) 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.

End

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

Accounting Item	89th Business Term As of March 31, 2016	Accounting Item	89th Business Term As of March 31, 2016
ASSETS		**LIABILITIES**	
Current assets:	**149,478**	**Current liabilities:**	**95,278**
Cash and deposits	74,273	Notes and accounts payable-trade	34,048
Notes and accounts receivable-trade	38,850	Current portion of long-term loans payable	1,200
Securities	1,001	Current portion of bonds payable	30,000
Inventories	13,979	Accounts payable-other	11,768
Prepaid expenses	10,880	Income taxes payable	4,671
Deferred tax assets	3,666	Accrued consumption taxes	1,526
Other current assets	7,004	Accrued expenses	5,364
Allowance for doubtful accounts	(177)	Provision for directors' bonuses	108
		Other current liabilities	6,590
Noncurrent assets:	**500,492**		
Property, plant and equipment:	**198,988**	**Noncurrent liabilities:**	**96,483**
Buildings and structures	96,883	Long-term loans payable	22,400
Machinery, equipment and vehicles	11,187	Deferred tax liabilities	42,926
Tools, furniture and fixtures	2,797	Provision for environmental measures	119
Land	84,008	Net defined benefit liability	15,971
Lease assets	1,901	Other noncurrent liabilities	15,066
Construction in progress	2,211	**Total liabilities**	**191,762**
Intangible assets:	**26,560**	**NET ASSETS**	
		Shareholders' equity:	**340,490**
Software	4,438		
Goodwill	20,392	**Capital stock**	**54,986**
Lease assets	129	**Capital surplus**	**50,477**
Other intangible assets	1,601	**Retained earnings**	**255,701**
		Treasury stock	**(20,674)**
Investments and other assets:	**274,942**	**Accumulated other comprehensive income:**	**103,596**
Investment securities	260,218	**Valuation difference on available-for-sale securities**	**103,362**
Deferred tax assets	1,212	**Deferred gains or losses on hedges**	**294**
Other investments and other assets	13,737	**Foreign currency translation adjustment**	**8**
Allowance for doubtful accounts	(225)	**Remeasurements of defined benefit plans**	**(69)**
		Non-controlling interests	**14,121**
		Total net assets	**458,208**
Total assets	**649,970**	**Total liabilities and net assets**	**649,970**

Consolidated Statements of Income

(Millions of yen)

Accounting Item	89th Business Term From April 1, 2015 to March 31, 2016
Net sales	**348,539**
Cost of sales	**241,466**
Gross profit	**107,072**
Selling, general and administrative expenses	89,893
Operating income	**17,179**
Non-operating income	**6,723**
Interest and dividends income	4,632
Equity in earnings of affiliates	1,030
Other non-operating income	1,059
Non-operating expenses	**1,224**
Interest expenses	777
Loss on retirement of noncurrent assets	171
Other non-operating expenses	275
Ordinary income	**22,678**
Extraordinary income	**539**
Gain on sales of investment securities	478
Gain on step acquisitions	61
Extraordinary loss	**235**
Impairment loss	130
Loss on valuation of investment securities	105
Income before income taxes	**22,982**
Income taxes-current	6,077
Income taxes-deferred	1,343
Profit	**15,561**
Profit attributable to non-controlling interests	1,064
Profit attributable to owners of parent	**14,497**

Consolidated Statements of Changes in Net Assets

(Fiscal Year from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2015	54,986	59,523	244,714	(36,749)	322,474
Changes of items during the period					
Dividends from surplus			(3,509)		(3,509)
Profit attributable to owners of parent			14,497		14,497
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		40		130	171
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(9,086)		15,947	6,860
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(9,046)	10,987	16,075	18,016
Balance at March 31, 2016	54,986	50,477	255,701	(20,674)	340,490

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2015	112,309	663	57	285	113,315	20,328	456,118
Changes of items during the period							
Dividends from surplus							(3,509)
Profit attributable to owners of parent							14,497
Purchase of treasury stock							(2)
Disposal of treasury stock							171
Change in treasury shares of parent arising from transactions with non-controlling shareholders							6,860
Net changes of items other than shareholders' equity	(8,946)	(368)	(48)	(354)	(9,718)	(6,207)	(15,926)
Total changes of items during the period	(8,946)	(368)	(48)	(354)	(9,718)	(6,207)	2,090
Balance at March 31, 2016	103,362	294	8	(69)	103,596	14,121	458,208

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; newly included: 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).
   Maxim's de Paris Corporation was excluded from the scope of consolidation from the fiscal year under review due to the completion of its liquidation as of November 10, 2015. Tomo-Digi Corp., formerly an affiliated company to which equity method is applied, was included in the scope of consolidation from the fiscal year under review following the additional acquisition of its shares as of March 22, 2016.

   (2) Non-consolidated Subsidiaries
   Name of principal non-consolidated subsidiary: Telepac Co. Ltd.
   The 47 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: 1 (excluded: 1 company)
   WOWOW INC.
   Tomo-Digi Corp. was excluded from the scope of application of equity method as it was included in the scope of consolidation from the fiscal year under review.

   (2) Affiliated Companies to Which Equity Method Is Not Applied
   Name of principal non-equity-method company: Kids Station Inc.
   The 47 non-consolidated subsidiaries and 23 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, 2015. 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, 2016.

4. Notes on Accounting Policies
   (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 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 Presentation

1. Changes in presentation due to the application of the Accounting Standards for Business Combinations and Related Accounting Standards

   The Company has applied provisions of Paragraph 39 of the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), etc., and has accordingly made changes in the presentation of net income, etc. and has also made changes in presentation from minority interests to non-controlling interests.

Notes on Consolidated Balance Sheets

1. Inventories

Merchandise and finished goods	¥7,245 million
Programs and work in progress	¥6,173 million
Raw materials and supplies	¥561 million

2. Accumulated depreciation of property, plant and equipment ¥210,731 million

3. Guarantee liabilities

Employees' housing loans	¥1,876 million
Joint guarantee on lease agreement for Kyusyu-totsu, Inc.	¥2 million
Total	¥1,878 million

4. Amount deducted from acquisition prices of property, plant and equipment for state subsidies etc. received ¥2,671 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)	28,404,517	1,696	12,424,299	15,981,914
Total	28,404,517	1,696	12,424,299	15,981,914

Note 1: The increase of common stock in treasury stock is due to the purchase of less-than-one-unit shares.
Note 2: The decrease of common stock in treasury stock is due to the share exchange executed to make BS-TBS, INC. a wholly-owned subsidiary and 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 26, 2015	Common stock	1,948	12	Mar. 31, 2015	Jun. 29, 2015
Board of Directors' meeting on November 5, 2015	Common stock	1,572	9	Sep. 30, 2015	Dec. 4, 2015

(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 29, 2016	Common stock	2,795	Retained earnings	16	Mar. 31, 2016	Jun. 30, 2016

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, 2016 (the consolidated balance sheets date) are as follows:

(Millions of yen)

	Consolidated balance sheets amount (*)	Fair value (*)	Difference
(1) Cash and Deposits	74,273	74,273	–
(2) Notes and Accounts Receivable-trade	38,850	38,850	–
(3) Securities and Investment Securities			
a. Held-to-maturity securities	449	451	1
b. Stocks of subsidiaries and affiliates	6,248	10,014	3,765
c. Available-for-sale Securities	236,258	236,258	–
(4) Notes and Accounts Payable-trade	(34,048)	(34,048)	–
(5) Current Portion of Bonds Payable	(30,000)	(30,055)	55
(6) Accounts Payable-other	(11,768)	(11,768)	–
(7) Long-term Loans Payable	(23,600)	(24,368)	768
(8) Derivative Transactions	416	416	–

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

Note 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, (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.

(5) Current portion of Bonds payable

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

(7) 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.

(8) Derivative transactions

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

Note 2: Unlisted stocks (consolidated balance sheets amount of ¥18,262 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.
Note 3: (7) 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
79,797	268,893

Note 1: The consolidated balance sheets amount was obtained by deducting the accumulated depreciation from the acquisition cost.
Note 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 ¥2,545.60
2. Net income per share ¥83.12

Notes on Business Combinations

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

   Note 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.

   Note 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.

   Note 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 non-controlling 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 non-controlling 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 non-controlling shareholders

¥11,944 million

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

(Millions of yen)

Accounting Item	89th Business Term As of March 31, 2016	Accounting Item	89th Business Term As of March 31, 2016
ASSETS		**LIABILITIES**	
Current assets:	**69,746**	**Current liabilities:**	**161,285**
Cash and deposits	65,640	Accounts payable-trade	1,000
Accounts receivable-trade	663	Short-term loans payable to subsidiaries and affiliates	129,089
Programs	245	Current portion of bonds payable	30,000
Short-term loans receivable from subsidiaries and affiliates	152	Accounts payable-other	90
Prepaid expenses	96	Income taxes payable	309
Accounts receivable-other	2,504	Accrued consumption taxes	74
Deferred tax assets	438	Accrued expenses	591
Other current assets	24	Other current liabilities	128
Allowance for doubtful accounts	(19)		
Noncurrent assets:	**498,070**	**Noncurrent liabilities:**	**57,741**
Property, plant and equipment:	**98,444**	Long-term loans payable	17,000
Buildings	42,964	Long-term deposits received	12,931
Structures	1,250	Provision for retirement benefits	9,494
Machinery and equipment	394	Provision for environmental measures	119
Vehicles	2	Deferred tax liabilities	17,847
Tools, furniture and fixtures	621	Other noncurrent liabilities	348
Land	53,211	**Total liabilities**	**219,026**
Intangible assets:	**313**		
Software	261		
Other intangible assets	52	**NET ASSETS**	
		Shareholders' equity:	**301,066**
Investments and other assets:	**399,312**	**Capital stock**	**54,986**
Investment securities	88,957	**Capital surplus**	**58,808**
Stocks of subsidiaries and affiliates	312,993	Legal capital surplus	55,026
		Other capital surplus	3,782
Investments in capital of subsidiaries and affiliates	950	Gain on disposal of treasury stock	3,782
Long-term loans receivable	8	**Retained earnings**	**207,632**
Long-term prepaid expenses	99	Legal retained earnings	4,217
Other investments and other assets	2,350	Other retained earnings	203,415
		General reserve	186,312
Allowance for doubtful accounts	(27)	Retained earnings brought forward	17,102
Allowance for investment devaluation	(6,019)	**Treasury stock**	**(20,361)**
		Valuation and translation adjustments:	**47,723**
		Valuation difference on available-for-sale securities	47,723
		Total net assets	**348,790**
Total assets	**567,816**	**Total liabilities and net assets**	**567,816**

Non-Consolidated Statements of Income

(Millions of yen)

Accounting Item	89th Business Term From April 1, 2015 to March 31, 2016
Operating revenue	**17,107**
Rent income of real estate	15,148
Other revenue	1,958
Operating expenses	**14,089**
Expenses of real estate rent	7,603
Other business expenses	1,002
General and administrative expenses	5,483
Operating income	**3,018**
Non-operating income	**11,842**
Interest and dividends income	11,757
Other non-operating income	85
Non-operating expenses	**1,102**
Interest expenses	1,036
Other non-operating expenses	65
Ordinary income	**13,759**
Extraordinary income	**400**
Gain on sales of investment securities	400
Extraordinary loss	**43**
Loss on valuation of stocks of subsidiaries and affiliates	25
Loss on valuation of golf club membership	18
Profit before income taxes	**14,115**
Income taxes-current	246
Income taxes-deferred	707
Profit	**13,161**

Non-Consolidated Statements of Changes in Net Assets

(Fiscal Year from April 1, 2015 to March 31, 2016)

(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, 2015	54,986	55,026	925	55,951	4,217	186,312	7,462	197,991
Changes of items during the period								
Dividends from surplus							(3,521)	(3,521)
Profit							13,161	13,161
Purchase of treasury stock								
Increase by share exchanges			2,857	2,857				
Net changes of items other than shareholders' equity								
Total changes of items during the period	–	–	2,857	2,857	–	–	9,640	9,640
Balance at March 31, 2016	54,986	55,026	3,782	58,808	4,217	186,312	17,102	207,632

	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, 2015	(36,305)	272,624	54,868	54,868	327,492
Changes of items during the period					
Dividends from surplus		(3,521)			(3,521)
Profit		13,161			13,161
Purchase of treasury stock	(2)	(2)			(2)
Increase by share exchanges	15,947	18,804			18,804
Net changes of items other than shareholders' equity			(7,144)	(7,144)	(7,144)
Total changes of items during the period	15,944	28,442	(7,144)	(7,144)	21,297
Balance at March 31, 2016	(20,361)	301,066	47,723	47,723	348,790

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 Non-Consolidated Balance Sheets

1. Accumulated depreciation of property, plant and equipment	¥29,026 million
2. Guarantee liabilities	
Employees' housing loans	¥1,876 million
3. Short-term receivables from subsidiaries and affiliates	¥818 million
Short-term payables to subsidiaries and affiliates	¥129,513 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	¥2,490 million
Operating expenses	¥1,770 million
Transactions other than ordinary operation	¥9,979 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	28,035,642	1,696	12,314,784	15,722,554
Total	28,035,642	1,696	12,314,784	15,722,554

Note 1: The increase of common stock in treasury stock is due to the purchase of less-than-one-unit shares.
Note 2: The decrease of common stock in treasury stock is due to the share exchange executed to make BS-TBS, INC. a wholly-owned subsidiary.

Tax Effect Accounting

1. Main sources of deferred tax assets and liabilities

Deferred tax assets—current	Millions of yen
Accrued enterprise taxes	87
Accrued bonuses	72
Loss carried forward	272
Others	11
Subtotal	443
Valuation reserve	(5)
Total	438

Deferred tax assets—noncurrent (Deferred tax liabilities—noncurrent)	
Investment securities	2,520
Provision for retirement benefits	2,907
Valuation difference on available-for-sale securities	(21,004)
Others	627
Subtotal	(14,949)
Valuation reserve	(2,897)
Total	(17,847)

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	33.06%
(adjusted)	
Entertainment expenses	0.22%
Dividends income	(23.19%)
Increase (decrease) in valuation reserve	(4.81%)
Change in tax rate	1.34%
Others	0.14%
Effective income tax rate after applying tax effect accounting	6.76%

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. 15 of 2016) and "Act on Partial Amendment of the Local Tax Act, etc." (Act No. 13 of 2016) were enacted in the Diet on March 29, 2016. With these amendments, the corporate income tax rates, etc. are to be reduced from the fiscal year beginning on or after April 1, 2016. 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 rate of 32.26%, the rate used in the calculation in the previous fiscal year. The rate will be 30.86% for temporary differences expected to be reversed in the fiscal years beginning on April 1, 2016 and April 1, 2017, and 30.62% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2018 and subsequent fiscal years.

As a result of the change, deferred tax assets (current) decreased by ¥19 million, deferred tax liabilities (noncurrent), after deducting deferred tax assets (noncurrent), decreased by ¥953 million and income taxes-deferred increased by ¥188 million, and valuation difference on available-for-sale securities increased by ¥1,122 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)	4,889 (Note 2)	Short-term loans payable to subsidiaries and affiliates	83,072
				Interest expenses (Note 1)	223	–	–
Subsidiary	BS-TBS, INC.	Directly owning: 100%	Sharing of officers Borrowing of funds	Borrowings (Note 1)	1,089 (Note 2)	Short-term loans payable to subsidiaries and affiliates	12,246

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

Per Share Information

1. Net assets per share ¥1,996.37
2. Net income per share ¥75.33

Notes on Business Combinations

Business Combinations are as described in "Consolidated Financial Statements, "Notes to Consolidated Financial Statements," Notes on Business Combinations."

Audit Reports

Independent Auditors' Report (Consolidated Statutory Report)

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

Independent Auditors' Report

May 6, 2016

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, 2016 and for the year from April 1, 2015 to March 31, 2016 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 6, 2016

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, 2016 and for the year from April 1, 2015 to March 31, 2016 in accordance with Article 436, Paragraph 2, Item 1 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 89th business term from April 1, 2015 through March 31, 2016 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. Standing Statutory Audit & Supervisory Board Members concurrently serve as Audit & Supervisory Board Members of important subsidiaries, and we worked to communicate and exchange information with directors of subsidiaries and received reports on operations when necessary.

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 and operation 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 Corporate Group consisting of a Stock Company and its subsidiaries 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. 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 11, 2016

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