[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, 2017

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 90th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 90th 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 Wednesday, June 28, 2017 (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. [Thursday], June 29, 2017
(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 90th fiscal year (from April 1, 2016 to March 31, 2017)

2. Report on the non-consolidated financial statements for the 90th fiscal year (from April 1, 2016 to March 31, 2017).

Matters for Resolution

First Item of Business: Appropriation of Surplus
Second Item of Business: Election of Seventeen (17) Directors

4. Matters Concerning Exercise of Voting Rights

(1) Exercising Voting Rights by Proxy

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

(2) Exercising Voting Rights in Contrasting Votes

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

(3) Handling of Voting Rights Exercised Twice or More

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

- End -

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:

Matters related to year-end dividend:

(1) Type of dividend property: Cash

(2) Matters related to distribution of cash to shareholders and total amount:
¥17 per share of common stock of the Company
The total amount: ¥2,970,092,406

(3) Effective date for dividends from surplus to shareholders:
June 30, 2017

Second Item of Business: Election of Seventeen (17) Directors

The terms of all sixteen (16) Directors of the Company will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company would like shareholders to elect seventeen (17) 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	Takashi Sasaki	Managing Director	Re-election
5	Toshiaki Kawai	Managing Director	Re-election
6	Tatsuo Sugai	Director	Re-election
7	Akio Tsumura	Director	Re-election
8	Yasushi Yoshida	Director	Re-election
9	Mikio Kokubu	Director	Re-election
10	Ken Sonoda	Director	Re-election
11	Hiroyuki Aiko	Director	Re-election
12	Masashi Nakao	(General Manager of Media Business Division of Tokyo Broadcasting System Television, Inc.)	Newly-appointed
13	Hideki Isano	General Manager of General Strategy Division (General Manager of TV Programming Division of Tokyo Broadcasting System Television, Inc.)	Newly-appointed
14	Shouei Utsuda	Outside Director	Re-election Outside Independent
15	Yutaka Asahina	Outside Director	Re-election Outside Independent
16	Tadashi Ishii	Outside Director	Re-election Outside
17	Keiichi Mimura	Outside Director	Re-election Outside

Candidate number				
1	Hiroshi Inoue	Date of birth: Jan. 5, 1940	Re-election	Number of shares of the Company owned: 56,990 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) (incumbent)
Jun. 1997:	Senior Managing Director		
Jun. 2001:	Vice President and Representative Director	Apr. 2016:	Honorary Chairman and Director of the Company (incumbent)
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. (incumbent)

Important concurrent position outside the Company

President of the Japan Commercial Broadcasters Association (JBA)
Honorary Chairman and Director of Tokyo Broadcasting System Television, Inc.
Corporate Director (External) of Tokyo Electron Limited
Outside Director of FUJIFILM Holdings Corporation

Reason for nomination as Director

Mr. Hiroshi Inoue assumed the positions of President and Representative Director, and Chairman and Representative Director, and contributed to enhancing corporate value as Chairman and Representative Director, leading the management of the Group. He also 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				
2	Toshichika Ishihara	Date of birth: Oct. 2, 1945	Re-election	Number of shares of the Company owned: 56,439 shares

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

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

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
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				Number of shares of the Company owned
3	Shinji Takeda	Date of birth Jul. 5, 1952	Re-election	21,068 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 Head Office 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. 2014:	Director of the Company
Apr. 2007:	Executive Officer, General Manager of Management Media Division		Director of Tokyo Broadcasting System Television, Inc.
Jun. 2007:	Director, General Manager of Management Media Division	Jun. 2014:	President and Representative Director of BS-TBS, INC.
Apr. 2009:	Director of the Company	Apr. 2015:	President and Representative Director of Tokyo Broadcasting System Television, Inc. (incumbent)
	Director of Tokyo Broadcasting System Television, Inc.	Apr. 2016:	President and Representative Director of the Company (incumbent)
Jun. 2009:	Director and Chairman of TBS Radio, Inc.		
Apr. 2011:	Managing Director of the Company		
	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.

Director of StylingLife Holdings Inc.

Outside Director of MBS MEDIA HOLDINGS, 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	Takashi Sasaki	Date of birth Jul. 5, 1959	Re-election	8,524 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
	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
	Executive Officer of Tokyo Broadcasting System Television, Inc.
Mar. 2015:	Director of Tokyo Broadcasting System Television, Inc.
Jun. 2015:	Director of the Company
Apr. 2016:	Managing Director of the Company (incumbent)
	Managing Director of Tokyo Broadcasting System Television, Inc. (incumbent)

<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
5	Toshiaki Kawai	Date of birth Nov. 1, 1959	Re-election	12,307 shares

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

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

<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	Tatsuo Sugai	Date of birth Sep. 28, 1959	Re-election	6,489 shares

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

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

<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				Number of shares of the Company owned
7	Akio Tsumura	Date of birth Aug. 15, 1960	Re-election	5,672 shares

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

Apr. 1984:	Joined the Company	Mar. 2014:	Director, General Manager of TV Programming Division of Tokyo Broadcasting System Television, Inc.
Apr. 2012:	General Manager of TV Sales Division of Tokyo Broadcasting System Television, Inc.	Dec. 2014:	Executive Officer, General Manager of General Strategy Division of the Company
Apr. 2013:	Executive Officer, General Manager of Sales Division of Tokyo Broadcasting System Television, Inc.	Apr. 2015:	Executive Officer of the Company Director of Tokyo Broadcasting System Television, Inc. (incumbent)
Feb. 2014:	Executive Officer, General Manager of TV Programming Division of Tokyo Broadcasting System Television, Inc.	Jun. 2015:	Director of the Company (incumbent)

<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				
8	Yasushi Yoshida	Date of birth Jan. 20, 1961	Re-election	Number of shares of the Company owned 5,324 shares

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

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

<Areas of responsibility>

Overall Sales of Television Business

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Outside Director of Broadcasting System of Niigata 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				
9	Mikio Kokubu	Date of birth Feb. 14, 1960	Re-election	Number of shares of the Company owned 8,769 shares

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

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

<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 contributed to enhancing the corporate value of the Group as Director in charge of the news and information 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	Ken Sonoda	Date of birth Mar. 24, 1962	Re-election	Number of shares of the Company owned 2,968 shares

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

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

<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 contributed to enhancing the corporate value of the Group as Director in charge of the production and sports 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				
11	Hiroyuki Aiko	Date of birth Jun. 12, 1960	Re-election	Number of shares of the Company owned 4,616 shares

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

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

<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 contributed to enhancing the corporate value of the Group as Director in charge of the group management, business innovation, and media strategy sections 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				
12	Masashi Nakao	Date of birth Feb. 6, 1963	Newly-appointed	Number of shares of the Company owned 2,081 shares

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

Apr. 1986:	Joined the Company	Jul. 2013:	General Manager of Business Innovation Office of the Company and General Manager of Investment Strategy Department
Jul. 2010:	Deputy General Manager of General Planning Department of Media Business Division of Tokyo Broadcasting System Television, Inc.		
Jun. 2011:	General Manager of Business Innovation Office of the Company	Apr. 2015:	General Manager of Media Business Division of Tokyo Broadcasting System Television, Inc. (incumbent)

Reason for nomination as Director

Mr. Masashi Nakao has considerable experience and achievements in the fields of media business and business innovation. Currently, he is demonstrating great capacity in implementing the Group's media business strategy, and the Company has judged that he can contribute to enhancing the corporate value of the Group and is qualified for the post of Director of the Company.

Candidate number				
13	Hideki Isano	Date of birth Oct. 12, 1962	Newly-appointed	Number of shares of the Company owned 1,000 shares

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

Apr. 1986:	Joined the Company	Apr. 2015:	General Manager of General Strategy Division of the Company and General Manager of Programming Division of Tokyo Broadcasting System Television, Inc.
Apr. 2008:	General Manager of Planning Department of Drama Production Center of TV Production Division of Tokyo Broadcasting System Television, Inc.		
May 2010:	General Manager of Budget Control Department of Tokyo Broadcasting System Television, Inc.	Jan. 2017:	General Manager of General Strategy Division of the Company and General Manager of Programming Division and Contents Strategy Department of Tokyo Broadcasting System Television, Inc. (incumbent)
Apr. 2014	General Manager of Programming Department of TV Programming Division of Tokyo Broadcasting System Television, Inc.		

Reason for nomination as Director

Mr. Hideki Isano has considerable experience and achievements in the fields of production and programming. Currently, he demonstrates a great capacity to implement the Group's programming strategy, and the Company has judged that he can contribute to enhancing the

corporate value of the Group and is qualified for the post of Director of the Company.

Candidate number				
14	Shouei Utsuda	Date of birth: Feb. 12, 1943	Re-election Outside Director Independent Director Attendance to meetings of Board of Directors: 12/12 (100%)	Number of shares of the Company owned: – shares

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

Oct. 2002:	President and Representative Director of MITSUI & CO., LTD.	Apr. 2015:	Director of MITSUI & CO., LTD.
Jun. 2007:	Outside Director of the Company (incumbent)	Jun. 2015:	Counselor of MITSUI & CO., LTD. (incumbent)
Apr. 2009:	Chairman of the Board and Director of MITSUI & CO., LTD. Director of Tokyo Broadcasting System Television, Inc. (incumbent)		

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				
15	Yutaka Asahina	Date of birth: Sep. 14, 1947	Re-election Outside Director Independent Director Attendance to meetings of Board of Directors: 9/12 (75%)	Number of shares of the Company owned: – shares

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

Jun. 2008:	President and Representative Director of The Mainichi Newspapers Co., Ltd.	Jun. 2011:	President and Representative Director of The Mainichi Newspapers Group Holdings, Co., Ltd. (incumbent)
Jun. 2009:	Outside Director of the Company (incumbent) Director of Tokyo Broadcasting System Television, Inc. (incumbent)	Jun. 2016:	Chairman and Representative Director, The Mainichi Newspapers Co., Ltd.(incumbent)
Apr. 2011:	President and Representative Director of Mainichi Sponichi Holdings Co., Ltd.		

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.
Chairman and Representative Director of The Mainichi Newspapers Co., Ltd.
Outside Director of MBS MEDIA HOLDINGS, INC.
Outside Director of RKB MAINICHI HOLDINGS CORPORATION
Outside Audit & Supervisory Board Member of SHOCHIKU Co., Ltd.

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			Re-election Outside Director Attendance to meetings of Board of Directors:	
16	Tadashi Ishii	Date of birth Mar. 10, 1951	9/12 (75%)	Number of shares of the Company owned – shares

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

Apr. 2011:	President and CEO of DENTSU INC	Jan. 2017:	Director of DENTSU INC.
Jun. 2014:	Outside Director of the Company (incumbent) Director of Tokyo Broadcasting System Television, Inc. (incumbent)	Mar. 2017:	Executive Advisor of DENTSU INC. (incumbent)

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.
Executive Advisor 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			Re-election Outside Director Attendance to meetings of Board of Directors:	
17	Keiichi Mimura	Date of birth Jan. 2, 1955	8/9 (88%)	Number of shares of the Company owned – shares

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

Jun. 2015:	President and Representative Director of Mainichi Broadcasting System, Inc.	Apr. 2017:	President and Representative Director of Mainichi Broadcasting System, Inc. (incumbent)
Jun. 2016:	Outside Director of the Company (incumbent) Director of Tokyo Broadcasting System Television, Inc. (incumbent)		President and Representative Director of MBS MEDIA HOLDINGS, INC. (incumbent)
Jul. 2016:	President and Representative Director of Mainichi Broadcasting Successor Preparatory Company		

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.
President and Representative Director of Mainichi Broadcasting System, Inc
President and Representative Director of MBS MEDIA HOLDINGS, INC.

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 offer 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: Mainichi Broadcasting System, Inc. conducted an absorption-type split on April 1, 2017, to allow Mainichi Broadcasting Successor Preparatory Company to succeed the broadcasting business and other businesses, in order to make the transition to a certified broadcasting holding company. Effective from the same date, the companies changed their trade names from Mainichi Broadcasting System, Inc. to MBS Media Holdings, Inc. and from Mainichi Broadcasting Successor Preparatory Company to Mainichi Broadcasting System, Inc.

Note 2: Liability Limitation Agreement:
The Company entered into an agreement with Mr. Shouei Utsuda, Mr. Yutaka Asahina, Mr. Tadashi Ishii, and Mr. Keiichi Mimura, that limits their liabilities as defined in the provision of Article 423, Paragraph 1, of the Companies Act. The Company will extend such agreement with each of them provided they are reappointed.

Note 3: Special interest between the candidates and the Company:
Mr. Yutaka Asahina is the Chairman 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 Executive Advisor of DENTSU INC., which is a major business partner of the Group. 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 Mimura 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: The following are matters regarding candidates for Outside Directors:

(1) Independent Directors

The Company has registered Mr. Shouei Utsuda and Mr. Yutaka Asahina as independent directors with the Tokyo Stock Exchange and expects that both will remain so if they are reappointed.

(2) In connection with a labor problem that occurred at DENTSU Inc., for which Mr. Tadashi Ishii served as President and CEO from April 2011 to January 2017, the Labor Bureaus that have jurisdiction in each case filed charges against the company as a corporate entity and its head office's employees in December 2016, and against the company as a corporate entity and the employees of its three branches in April 2017 under allegations that there were violations of the Labor Standards Act. Until the case was passed to prosecutors, Mr. Ishii, then President and CEO, was instrumental in conducting an investigation of the facts, determining the causes, and taking preventive measures as part of reforms to working conditions in order to resolve the fundamental causes of the problem.

(3) Number of years since assuming the office of Outside Director (until the conclusion of this General Meeting of Shareholders):

Shouei Utsuda: 10 years
Yutaka Asahina: 8 years
Tadashi Ishii: 3 years
Keiichi Mimura: 1 year

Business Report

From April 1, 2016 to March 31, 2017

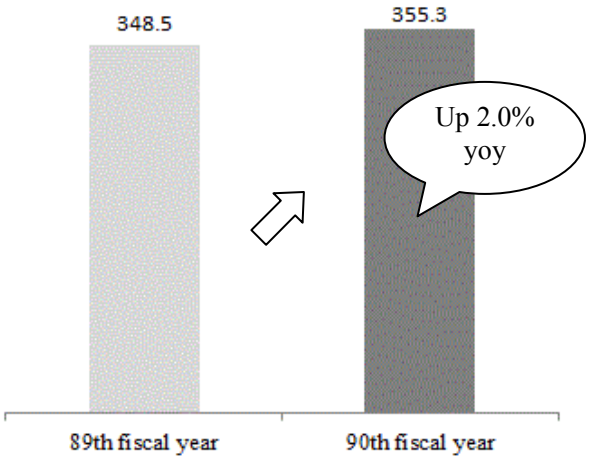
1. The Current Position of Tokyo Broadcasting System Holdings, Inc. and its Subsidiaries

(1) Business Activities and Results

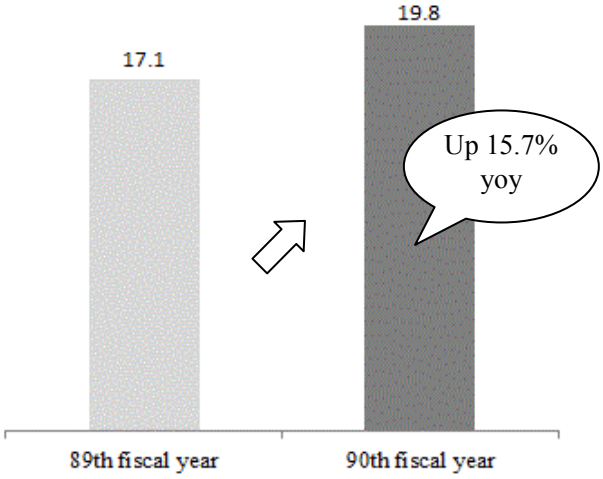
Japan's economy continues on a path of modest recovery, with improvements seen in the employment and income environment. Meanwhile, the future outlook remains unclear due to uncertainties in overseas economies, such as a slowdown in Asian emerging economies, including China, and US policy developments after the presidential election.

Against this backdrop, consolidated net sales of the Group in the fiscal year ended March 31, 2017 increased by 2.0% from the previous fiscal year to ¥355,363 million, operating income increased by 15.7% to ¥19,878 million, ordinary income increased by 15.6% to ¥26,207 million, and profit attributable to owners of parent increased by 11.3% to ¥16,136 million.

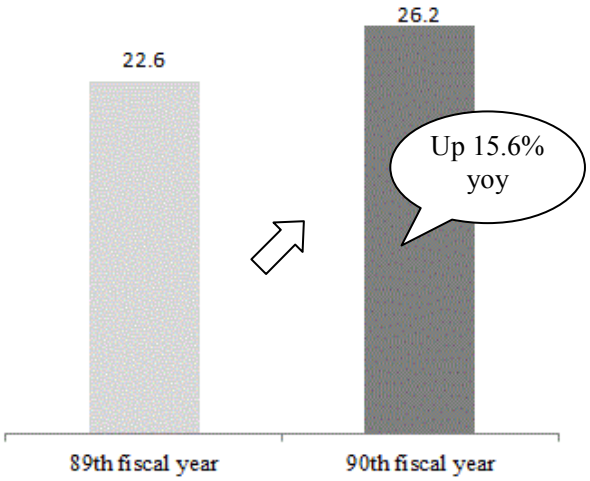
Net sales (billions of yen)



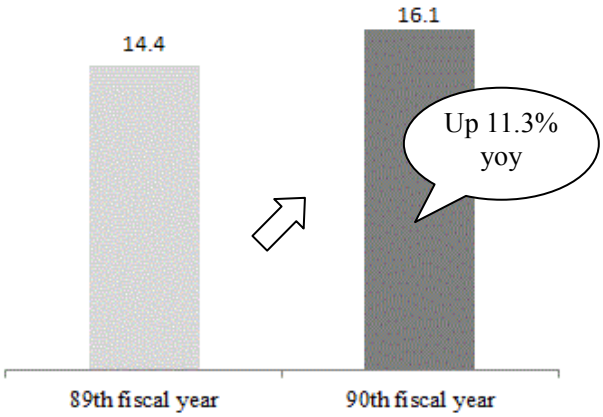
Operating income (billions of yen)



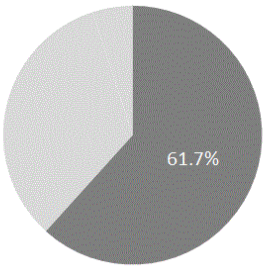
Ordinary income (billions of yen)



Profit attributable to owners of parent (billions of yen)

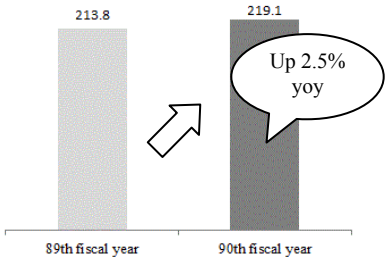


<<Broadcasting>>

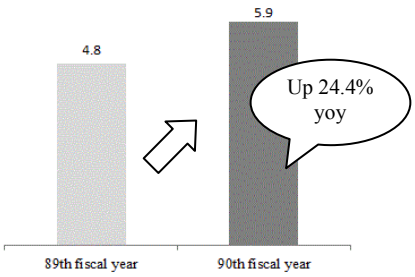


Ratio of sales

Net sales (billions of yen)



Operating income (billions of yen)



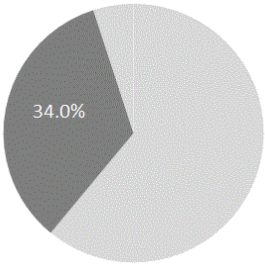
Consolidated net sales from the Broadcasting Business segment increased by 2.5% from the previous fiscal year to ¥219,175 million, while operating income increased by 24.4% to ¥5,973 million.

Tokyo Broadcasting System Television, Inc., the core of the Broadcasting Business, posted a 0.5% increase in time revenue and a 3.2% increase in spot revenue for the fiscal year under review from the previous year. Regarding time sales, one-off programs, such as "*Rio de Janeiro Olympic 2016*," "*2017 World Baseball Classic,*" and "*Leaders II,*" as well as increased unit prices of regular programs, contributed to an increase in sales. The company recorded approximately the same level of sales as in the previous year when one-off programs such as "*IAAF World Championships Beijing 2015*" contributed significantly to sales. Concerning spot sales, with advertisements increasingly placed by many industries, such as "information and communication," "food," and "alcoholic and other beverages," the company enjoyed strong audience ratings and expanded its market share among key television stations in Tokyo. In addition, the company recorded growth in the volume of advertisements, which was higher than that in the Kanto Region (+1.6% year on year).

With the BS digital broadcasting market remaining firm, BS-TBS, INC. continued to perform well, posting a 5.8% increase in sales from the previous year due to its unique strategic programing that increases customer satisfaction, especially for BS broadcasting. Operating income also rose 8.3% from the previous year, despite an increase in production costs accompanying efforts to strengthen programing.

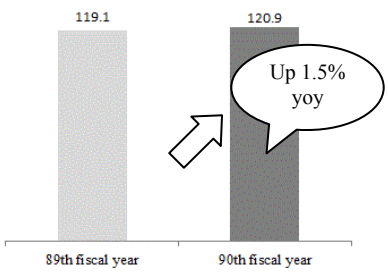
TBS Radio Inc. continued to rank No. 1 in radio listener ratings research conducted by Video Research Ltd. in the Tokyo metropolitan area in February. Since the research undertaken for August 2001, the company has retained top position for 94 consecutive terms covering 15 years and eight months. Sales and operating income for the fiscal year under review increased 1.4% and 3.1%, respectively, from the previous year as a result of comprehensive efforts to expand measures to improve sales and control costs.

<<Multi Visual Ventures and Cultural Events>>

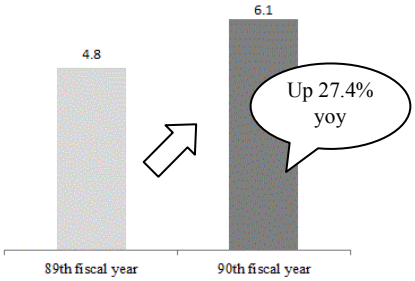


Ratio of sales

Net sales (billions of yen)



Operating income (billions of yen)



Net sales from the Multi Visual Ventures and Cultural Events Business segment increased by 1.5% from the previous fiscal year to ¥120,986 million, while operating income increased by 27.4% to ¥6,168 million.

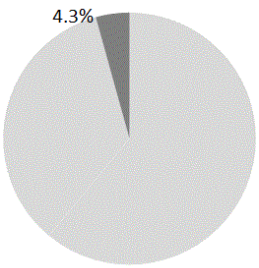
In film business, "*64-Rokuyon-*" (starring Koichi Sato etc. and directed by Takahisa Zeze), with the first part and the second part released in May and June, respectively, became a smash hit with a box office revenue of 3.68 billion yen. Among exhibitions, "*Van Gogh and Gauguin: Reality and Imagination*" held at the Tokyo Metropolitan Art Museum attracted more than 390,000 visitors, while 265,000 people visited "*Lascaux: The Cave Paintings of the Ice Age*" at the National Museum of Nature and Science. As the first exhibition under a decade-long partnership agreement between TBS and Kunsthistorisches Museum Wien, "*Lucas Cranach the*

Elder" was presented at the National Museum of Western Art and the National Museum of Art, Osaka. Among concerts and stage performances, blockbuster hits, such as "*TAKE FIVE 2,*" "*THE SCARLET PIMPERNEL,*" and "*Roméo & Juliette,*" were presented consecutively at the TBS Akasaka ACT Theater. Besides, at other theaters, a new episode of the Hyper Projection Engeki "*Haikyu!!*" series and other dramas were staged. All of these performances received good reviews. Akasaka Sacas attracted many people throughout the year, organizing new events aggressively in addition to annual events, such as "*Mama Sacas*" in the spring, "*Deliciacas*" in the summer and "*White Sacas*" in the winter.

Regarding the media business, while growth in the number of subscribers on each platform slowed in the CS business, sales improved due to strategic programing for unique content and sport content, focusing on live broadcasting of professional baseball games. In the DVD business, a drama series titled "*The Full-Time Wife Escapist!*" recorded strong sales. Businesses targeting overseas also reported strong sales growth, particularly sales in the "*SASUKE*" format.

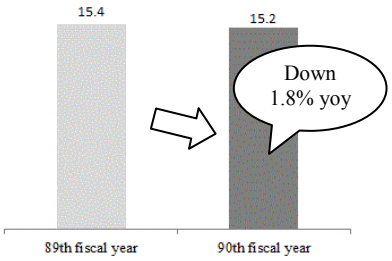
The StylingLife Group increased both sales and operating income. In its core retailing business, "*PLAZASTYLE COMPANY,*" cosmetics and sundry items performed well and secured about the same level of sales as in the previous year, while sales of clothing items were weak because the apparel industry has been in a slump. Income increased as a result of efforts to control costs. The cosmetics business remained satisfactory, reflecting an expansion of sales of hit products.

<<Real Estate Business>>

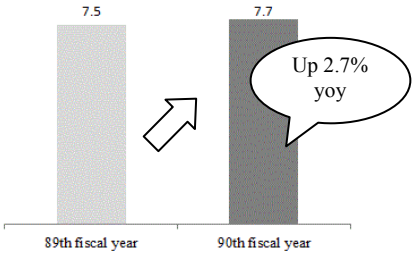


Ratio of sales

Net sales (billions of yen)



Operating income (billions of yen)



Net sales from the Real Estate Business segment decreased by 1.8% from the previous fiscal year to ¥15,202 million, and operating income increased by 2.7% to ¥7,736 million.

Akasaka Biz Tower maintains sound business operations with occupancy rates of both offices and commercial facilities remaining high. 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 ¥10.6 billion.

"*IHI STAGE AROUND TOKYO*" was constructed and opened at Toyosu, Koto-ku, Tokyo. This theater features rotating audience seats that are 360 degrees surrounded by stages.

Concerning equipment for producing television programs, we upgraded lighting, dimming, and lifting facilities at Midoriyama M5 Studio, which is a base for producing dramas. We also renewed the imaging facilities of A Studio, the flagship studio of TBS, located in the Broadcasting Center at Akasaka where we produce comedy/variety shows and live programs. The Company introduced a 4K imaging system, including studio cameras, so that we can create the first 4K programs of TBS in the studio.

Regarding the internal core system, we installed XDCAM, a mainstream file recorder, in the Recording Center. It is on schedule for transition to file-based production following termination of the maintenance service for VTR equipment and the need to update obsolete devices.

Regarding wireless equipment, we renewed FPU equipment for live broadcasts of road races and specific radio mic equipment, in accordance with the radio frequency shift plan. The scheduled transitions of all related equipment have thus been completed.

In news reporting, the Company updated the anti-vibration camera mount of Helicopter #1, which is essential for recording news video. Video shot at night is much brighter with the latest highly sensitive camera employed.

At digital terrestrial relay stations around Kanto Area, several facilities prepared in time for the launch of digital broadcasting are aging. We are continuing our efforts to maintain and upgrade the facilities of digital relay stations in cooperation with companies in the Kanto region to ensure and support a region-wide environment for receiving television broadcasts.

(3) Capital Procurement

Total interest-bearing debt of the Group at the end of the fiscal year under review was ¥23,169 million (excluding lease obligations), consisting of ¥769 million in short-term loans and ¥22,400 million 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 ¥3.0 billion with multiple financial institutions (the balance of the funds drawn is nil, and the available balance is ¥3.0 billion).

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

(4) Priorities

We were made aware of the further diversification of our lifestyles and the ways we access media in FY2016. Technology that may ultimately change people's lifestyles, such as the Internet of Things (IoT) and artificial intelligence (AI), are finally being put to practical use. Accordingly, younger generations are increasingly turning away from television. However, we are confident that the pioneering content the Group produces such as dramas and comedy/variety shows remains highly accessible to young people and has significant value in online video distribution services. In fact, we produced some high-profile smash hit dramas this fiscal year. Nevertheless, we should not be content with the situation. We need to continue to create content that is in line with the times with a perspective that is always fresh and seek to further strengthen our content production capabilities.

These efforts are consistently yielding results, such as by increasing operating income. Now, with work-style reforms in mind, the company aims to respond to your trust and support by integrally and efficiently managing all media owned by the Group including terrestrial broadcasting, broadcasting satellite (BS), communications satellite (CS), radio, and the Internet.

In the broadcasting segment, revenue and earnings growth continued mainly in terrestrial TV broadcasting, supported by strong viewer ratings and a steady increase in spot revenue. However, there is uncertainty in the advertisement market. We will endeavor to gain firmer support and trust by providing strong, quality content.

In the business segment, "*IHI STAGE AROUND TOKYO*", a theater where the audience is surrounded 360 degrees by stages and screens, finally opened in March this year at Toyosu, Koto-ku, Tokyo. The theater has been filled since its opening, and we are pleased with its flying start. The playhouse, which will be in operation until 2020, the year of the Olympics, is getting attention from the theatrical community around the world, along with the original theater in Holland, for its unprecedentedly dynamic staging. Concerning overseas business, "*SASUKE*" and other TV formats remain popular abroad.

TBS Radio, Inc. has been ranked No. 1 in radio listener ratings in the Tokyo metropolitan area since August 2001, which is a great achievement. However, radio broadcasting continues to face headwinds, and there is no time to take a wait and see approach. The Internet distribution service for "*radiko*" radio broadcasting, which was launched in 2010, is gaining recognition for radio broadcasting, particularly among young people, and is expanding opportunities for people to listen to radio broadcasts.

BS-TBS, Inc., with its constant and steady growth, is maximizing synergies among Group companies, is contributing to developing revenue sources of the Group, and is steadily preparing for the upcoming 4K broadcasting.

In May 2016, the company announced the Group Mid-term Management Plan 2018, which defines priorities: enhancing the broadcasting business, building a comprehensive media strategy, improving the Group's profitability, and making progress on diversifying earnings through new business development with strategic investments, and implemented the plan. FY2016 was the first year of the medium-term framework. While sales fell slightly short of the final year's expectations, earnings reached the targeted level two years ahead of schedule. Indeed, the firm spot market in the Kanto area supported performance, but the Company is encouraged that each business segment worked hard to improve profit while strengthening its capabilities. Although the advertising market is seeing some uncertainty, the Company aims to continue moving toward the next stage and sustain growth.

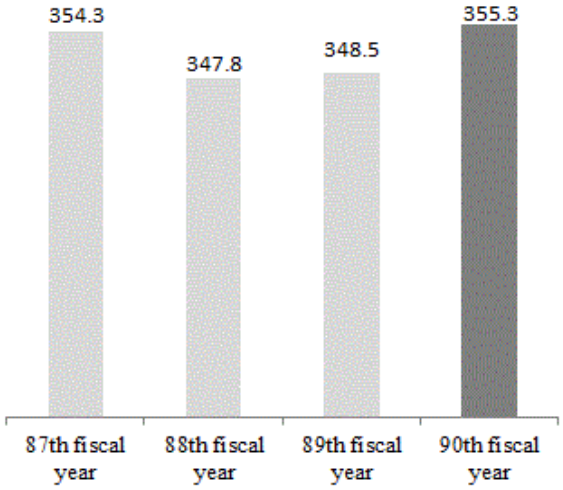
We appreciate your support and strive to fulfill the mandate of our shareholders.

(5) Assets and Income

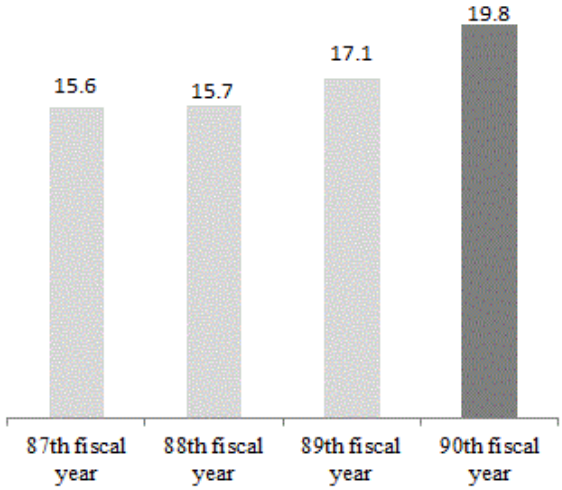
Assets and Income of the Group

	87th Business Term Year ended March 31, 2014	88th Business Term Year ended March 31, 2015	89th Business Term Year ended March 31, 2016	90th Business Term Year ended March 31, 2017 (fiscal year under review)
Net sales (millions of yen)	354,338	347,817	348,539	355,363
Operating income (millions of yen)	15,696	15,728	17,179	19,878
Ordinary income (millions of yen)	18,096	18,915	22,678	26,207
Profit attributable to owners of parent (millions of yen)	9,644	12,811	14,497	16,136
Earnings per share (yen)	61.22	79.12	83.12	92.46
Net assets (millions of yen)	385,971	456,118	458,208	517,430
Total assets (millions of yen)	579,039	653,732	649,970	707,063

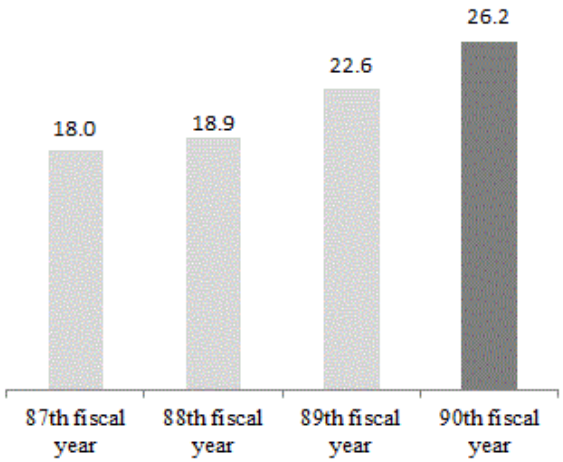
Net sales (billions of yen)



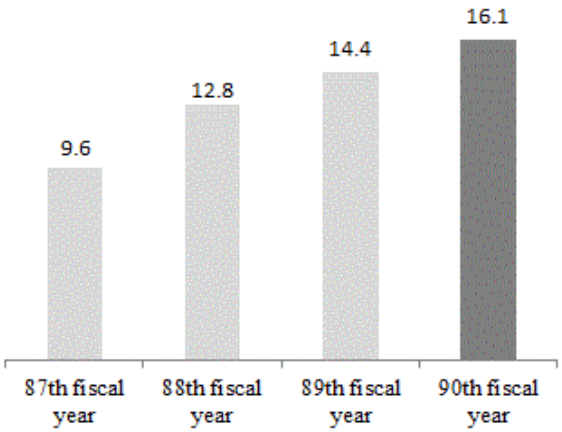
Operating income (billions of yen)



Ordinary income (billions of yen)



Profit attributable to owners of parent (billions of yen)



(6) 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, 2017)

Company name	Capital stock (millions of yen)	Voting rights owned (%)	Main business activities
TBS Radio, 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
C-TBS, Incorporated	100	* 90	Approved basic broadcast services using a communications satellite
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: The 31 important subsidiaries above are consolidated subsidiaries of the Company.
Note 2: 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 3: TBS Radio, Inc. is the new trade name of TBS Radio & Communications, Inc. effective from April 1, 2016.
Note 4: The Company made C-TBS, Incorporated. a consolidated subsidiary on April 1, 2016.
Note 5: Tomo-Digi Corporation changed its trade name to Vecte, Inc. on April 1, 2017.
Note 6: 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	¥585,690 million

(7) Main Business Activities (As of March 31, 2017)

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 (As of March 31, 2017)

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, Inc., Tokyo Broadcasting System Television, Inc. (Note 1), 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., C-TBS, Incorporated, 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 2) LightUp Shopping Club Inc. CP Cosmetics Inc. (Note 3)	Shinjuku-ku, Tokyo
Midoriyama Studio City Inc.	Yokohama City, Kanagawa Prefecture
Tokyo Broadcasting System International, Inc.	New York, U.S.A.

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

Note 2: StylingLife Holdings Inc. operates a nationwide store network in Japan consisting of 82 PLAZA stores, etc. and a sales office in Osaka City, Osaka Prefecture and has its main plant in Yaizu City, Shizuoka Prefecture.

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

(9) Work Force (As of March 31, 2017)

Segment	Number of employees	Change since end of previous fiscal year
Broadcasting	2,933	Decrease of 17
Multi Visual Ventures and Cultural Events	2,220	Decrease of 20
Real Estate	83	Decrease of 2
Corporate (shared)	374	Increase of 8
Total	5,610	Decrease of 31

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

(10) Main Lenders (As of March 31, 2017)

Lender	Amount (millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	769
Syndicated loan	5,400
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 ¥3.0 billion commitment line.
(Refer to "1. The Current Position of Tokyo Broadcasting System Holdings, Inc. and its Subsidiaries (3) Capital Procurement": the balance of the funds drawn is nil, and the available balance is ¥3.0 billion)

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

(1) Common Stock (As of March 31, 2017)

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

2. Issued Number of Shares 190,434,968 shares

3. Number of Shareholders 11,398

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
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,273,000	5.30
Mainichi Broadcasting System, Inc.	8,848,100	5.06
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	3.23
Nippon Life Insurance Company	5,006,235	2.86
BIC CAMERA INC.	4,190,000	2.39

Note 1: The Company holds treasury stock of 15,723,650 shares as of March 31, 2017; however, it is excluded from the list of major shareholders shown above.

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

Note 3: The percentage of voting rights held by foreign shareholders at the end of the fiscal year under review, as defined in Radio Law, was 12.42%.

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, 2017)

Position	Name	Areas of responsibility
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	Yasushi Yoshida	In charge of Overall Sales of Television Business
Director	Mikio Kokubu	News and Information of Television Business
Director	Ken Sonoda	Production and Sports of Television Business
Director	Hiroyuki Aiko	HD Comprehensive Media Council, Group Managerial Planning Division, Business Innovation Office and Media Strategy Office
Director	Shouei Utsuda	
Director	Yutaka Asahina	
Director	Tadashi Ishii	
Director	Keiichi Mimura	
Standing Statutory Audit & Supervisory Board Member	Takafumi Kannari	
Standing Statutory Audit & Supervisory Board Member	Tatsuo Tanaka	
Audit & Supervisory Board Member	Yasushi Akashi	
Audit & Supervisory Board Member	Teisuke Kitayama	
Audit & Supervisory Board Member	Mie Fujimoto	

Note 1: At the 89th Ordinary General Meeting of Shareholders held on June 29, 2016, Mr. Mikio Kokubu, Mr. Ken Sonoda, Mr. Hiroyuki Aiko and Mr. Keiichi Mimura were newly elected as Directors and assumed the office.
Upon completion of their term, Mr. Keizo Zaitsu, Mr. Yoshikazu Kato and Mr. Masahiro Yamamoto retired from the office of Director, respectively, on June 29, 2016.

Note 2: At the 89th Ordinary General Meeting of Shareholders held on June 29, 2016, Mr. Teisuke Kitayama and Ms. Mie Fujimoto were newly elected as Audit & Supervisory Board Members and assumed the office.
Upon completion of their term, Mr. Keiichiro Okabe and Mr. Takeo Tanaka retired from the office of Audit & Supervisory Board Member, respectively, on June 29, 2016.

Note 3: At the meeting of the Audit & Supervisory Board held on June 29, 2016, Mr. Takafumi Kannari and Mr. Tatsuo Tanaka were newly elected as Standing Statutory Audit & Supervisory Board Members and assumed the office.

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

Note 5: Among the Audit & Supervisory Board Members, Mr. Yasushi Akashi, Mr. Teisuke Kitayama and Ms. Mie Fujimoto are Outside Audit & Supervisory Board Members.

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

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

Note 8: 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
Directors	Hiroshi Inoue	The Japan Commercial Broadcasters Association (JBA) Tokyo Broadcasting System Television, Inc. Tokyo Electron Ltd. FUJIFILM Holdings Corporation	President Honorary Chairman and Director Outside Director Outside Director
	Toshichika Ishihara	Tokyo Broadcasting System Television, Inc. RKB MAINICHI HOLDINGS CORPORATION The Mainichi Newspapers Group Holdings, Co., Ltd.	Chairman and Director Outside Audit & Supervisory Board Member Outside Director
	Shinji Takeda	Tokyo Broadcasting System Television, Inc. Mainichi Broadcasting System, Inc. StylingLife Holdings Inc.	President and Representative Director Outside Director Director
	Tetsuya Fujita	Tokyo Broadcasting System Television, Inc. BS-TBS, INC. TBS Radio, Inc. SKY Perfect JSAT Holdings Inc. WOWOW INC.	Senior Managing Director and Representative Director Director Director and Chairman Corporate Auditor (Non-Standing) Board Director
	Toshiaki Kawai	Tokyo Broadcasting System Television, Inc.	Managing Director
	Takashi Sasaki	Tokyo Broadcasting System Television, Inc.	Managing Director
	Tatsuo Sugai	Tokyo Broadcasting System Television, Inc.	Director
	Akio Tsumura	Tokyo Broadcasting System Television, Inc.	Director
	Yasushi Yoshida	Tokyo Broadcasting System Television, Inc. Broadcasting System of Niigata Inc.	Director Outside Director

Category	Name	Company in which Directors and Audit & Supervisory Board Members of the Company hold a concurrent position	Concurrent position held
Directors	Mikio Kokubu	Tokyo Broadcasting System Television, Inc.	Director
	Ken Sonoda	Tokyo Broadcasting System Television, Inc.	Director
	Hiroyuki Aiko	Tokyo Broadcasting System Television, Inc.	Director
	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 HOLDINGS CORPORATION	Director President and Representative Director Chairman and Representative Director Outside Director Outside Director
	Tadashi Ishii	Tokyo Broadcasting System Television, Inc. DENTSU INC.	Director Executive Advisor
	Keiichi Mimura	Tokyo Broadcasting System Television, Inc. Mainichi Broadcasting System, Inc. Mainichi Broadcasting Successor Preparatory Company	Director President and Representative Director President and Representative Director

Category	Name	Company in which Directors and Audit & Supervisory Board Members of the Company hold a concurrent position	Concurrent position held
Audit & Supervisory Board Members	Takafumi Kannari	Tokyo Broadcasting System Television, Inc. TBS Radio, Inc. 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
	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
	Teisuke Kitayama	Tokyo Broadcasting System Television, Inc. Sumitomo Mitsui Banking Corporation FUJIFILM Holdings Corporation Toyota Motor Corporation	Audit & Supervisory Board Member Director & Chairman Outside Director Outside Audit & Supervisory Board Member
	Mie Fujimoto	Tokyo Broadcasting System Television, Inc. TMI Associates KURARAY CO., LTD. SEIKAGAKU CORPORATION	Audit & Supervisory Board Member Partner Outside Corporate Auditor Outside Audit & Supervisory Board Member

*1 Mainichi Broadcasting System, Inc. conducted an absorption-type split on April 1, 2017, to allow Mainichi Broadcasting Successor Preparatory Company to succeed the broadcasting business and other businesses, in order to make the transition to a certified broadcasting holding company. Effective from the same date, the companies changed their trade names from Mainichi Broadcasting System, Inc. to MBS Media Holdings, Inc. and from Mainichi Broadcasting Successor Preparatory Company to Mainichi Broadcasting System, Inc. Mr. Keiichi Mimura assumed the office of President and Representative Director of the two companies on the same day.

*2 Mr. Tadashi Ishii resigned from the office of Representative Director and President and CEO of DENTSU INC. on January 22, 2017, assuming the office of Director of DENTSU INC. He retired from the office of Director of DENTSU INC. on March 30, 2017, assuming the office of Executive Advisor of DENTSU INC.

*3 Mr. Teisuke Kitayama assumed the office of Director of Sumitomo Mitsui Banking Corporation on April 1, 2017.

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

Category	Recipients	Total amount of fees etc.
Directors (subtotal: outside directors)	19 (5)	¥657 million (¥33 million)
Audit & Supervisory Board Members (subtotal: outside audit & supervisory board members)	7 (5)	¥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 above recipients include three (3) Directors (including one (1) Outside Director) and two (2) Audit & Supervisory Board Members (including two (2) Outside Audit & Supervisory Board Members), who retired at the conclusion of the 89th 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 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

Category	Name	Attendance to meetings of Board of Directors	Attendance to meetings of the Audit & Supervisory Board	Status of Expression of Opinions
Directors	Shouei Utsuda	12/12	-	With extensive experience and knowledge as a member of the top management of a general trading company, Mr. Utsuda gives valuable opinions and suggestions.
	Yutaka Asahina	9/12	-	With extensive experience and knowledge as a member of the top management of a newspaper company, Mr. Asahina gives valuable opinions and suggestions.
	Tadashi Ishii	9/12	-	With extensive experience and knowledge as a member of the top management of an advertising company, Mr. Ishii gives valuable opinions and suggestions.
	Keiichi Mimura (Assumed the office on June 29, 2016)	8/9	-	With extensive experience and knowledge as a member of the top management of a broadcasting company, Mr. Mimura gives valuable opinions and suggestions.

Category	Name	Attendance to meetings of Board of Directors	Attendance to meetings of the Audit & Supervisory Board	Status of Expression of Opinions
Audit & Supervisory Board Members	Yasushi Akashi	11/12	12/13	Mr. Akashi asks questions and gives advice based on an excellent international mindset he cultivated at the United Nations, as well as his breadth and depth of experience.
	Teisuke Kitayama (Assumed the office on June 29, 2016)	8/9	9/9	Mr. Kitayama asks questions and gives advice based on extensive experience and knowledge as a member of the top management of a financial institution.
	Mie Fujimoto (Assumed the officen on June 29, 2016)	8/9	8/9	Ms. Fujimoto asks questions and gives advice based on extensive experience and knowledge as a lawyer specialized in corporate legal affairs.

Note: Besides the meetings of the Board of Directors mentioned above, one (1) written resolution, which has the same effect as proposed and agreed at the meeting, was passed pursuant to the provisions of Article 370 of the Companies Act and Article 25 of the Articles of Incorporation of the Company.

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

Outside Directors Mr. Shouei Utsuda, Mr. Yutaka Asahina, Mr. Tadashi Ishii and Mr. Keiichi Mimura concurrently serve as Directors, and Outside Audit & Supervisory Board Members Mr. Yasushi Akashi, Mr. Teisuke Kitayama and Ms. Mie Fujimoto 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:

- Mr. Yutaka Asahina, an Outside Director, is Chairman and Representative Director of The Mainichi Newspapers Co., Ltd. and the company has continuing business transactions with Tokyo Broadcasting System Television, Inc. ("TBS TV"), with respect to placing advertisements and supplying news materials. He concurrently holds the office of Outside Director of Mainichi Broadcasting System, Inc.* and it has a competitive business relationship with TBS TV in the broadcasting business, while maintaining business relationships in areas such as broadcast syndication and television frequency fees.
- Mr. Tadashi Ishii, an Outside Director, is Executive Advisor of DENTSU INC. which has continuing business transactions with TBS TV, on sales of airtime and programming.
- Mr. Keiichi Mimura, an Outside Director, is President and Representative Director of Mainichi Broadcasting System, Inc.* and the company has a competitive business relationship with TBS TV in the broadcasting business, while maintaining business relationships in areas such as broadcast syndication and television frequency fees. (*Mainichi Broadcasting System, Inc. changed its trade name to MBS MEDIA HOLDINGS, INC. on April 1, 2017.)

(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	¥87 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) 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 the 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) Concerning the operation of internal controls at Tokyo Broadcasting System Holdings, Inc. and its consolidated subsidiaries, the Company established the Proper Activities Inspection Special Subcommittee, which inspects systems that ensure the appropriateness of the Group companies' activities, and reports to the TBS Group Corporate Activities Committee.

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

1. Plan Details

(a) Procedures for Triggering the Plan

(i) Acts Subject to the Plan

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

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

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

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

III. Notwithstanding the implementation by the Company of a tender offer or other acquisition of share certificates, etc. issued by the Company, 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.

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 policy for responding to takeover proposals, 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 by the resolution at the General Meeting of Shareholders held in 2007. The partial amendment was made of the Board of Directors on April 3, 2009, which we assessed that the amendment made was within the resolution approved at the 2007 shareholders' meeting.

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

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

Accounting Item	90th Business Term As of March 31, 2017	Accounting Item	90th Business Term As of March 31, 2017
ASSETS		**LIABILITIES**	
Current assets:	**145,479**	**Current liabilities:**	**77,231**
Cash and deposits	69,731	Notes and accounts payable-trade	36,130
Notes and accounts receivable-trade	42,460	Short-term loans payable	769
Securities	449	Current portion of long-term loans payable	5,400
Inventories	14,371	Accounts payable-other	12,077
Prepaid expenses	10,206	Income taxes payable	6,083
Deferred tax assets	3,326	Accrued consumption taxes	1,513
Other current assets	5,086	Accrued expenses	1,620
Allowance for doubtful accounts	(153)	Provision for bonuses	4,684
		Provision for directors' bonuses	107
Noncurrent assets:	**561,583**	Provision for removal of noncurrent assets	432
		Other current liabilities	8,410
Property, plant and equipment:	**197,792**	**Noncurrent liabilities:**	**112,402**
Buildings and structures	94,624	Long-term loans payable	17,000
Machinery, equipment and vehicles	10,647	Deferred tax liabilities	63,201
Tools, furniture and fixtures	2,615	Provision for environmental measures	121
Land	84,003	Net defined benefit liability	16,206
Lease assets	2,115	Other noncurrent liabilities	15,872
Construction in progress	3,786	**Total liabilities**	**189,633**
Intangible assets:	**23,846**	**NET ASSETS**	
		Shareholders' equity:	**352,059**
Software	3,929		
Goodwill	18,595	**Capital stock**	**54,986**
Lease assets	68	**Capital surplus**	**50,489**
Other intangible assets	1,253	**Retained earnings**	**267,127**
		Treasury stock	**(20,543)**
Investments and other assets:	**339,944**	**Accumulated other comprehensive income:**	**150,385**
Investment securities	326,689	**Valuation difference on available-for-sale securities**	**150,247**
Deferred tax assets	1,161	**Deferred gains or losses on hedges**	**174**
Other investments and other assets	12,297	**Foreign currency translation adjustment**	**5**
Allowance for doubtful accounts	(203)	**Remeasurements of defined benefit plans**	**(42)**
		Non-controlling interests	**14,985**
		Total net assets	**517,430**
Total assets	**707,063**	**Total liabilities and net assets**	**707,063**

Consolidated Statements of Income

(Millions of yen)

Accounting Item	90th Business Term From April 1, 2016 to March 31, 2017
Net sales	**355,363**
Cost of sales	**242,067**
Gross profit	**113,296**
Selling, general and administrative expenses	93,417
Operating income	**19,878**
Non-operating income	**7,241**
Interest and dividends income	5,113
Equity in earnings of affiliates	986
Other non-operating income	1,141
Non-operating expenses	**912**
Interest expenses	468
Other non-operating expenses	443
Ordinary income	**26,207**
Extraordinary income	**212**
Gain on sales of investment securities	212
Extraordinary loss	**958**
Provision of allowance for removal	432
Loss on sales of shares of subsidiaries and affiliates	215
Loss on valuation of investment securities	129
Loss on retirement of noncurrent assets	101
Impairment loss	79
Profit before income taxes	**25,461**
Income taxes-current	8,537
Income taxes-deferred	39
Profit	**16,884**
Profit attributable to non-controlling interests	747
Profit attributable to owners of parent	**16,136**

Consolidated Statements of Changes in Net Assets

(Fiscal Year from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2016	54,986	50,477	255,701	(20,674)	340,490
Changes of items during the period					
Dividends from surplus			(4,707)		(4,707)
Profit attributable to owners of parent			16,136		16,136
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		26		133	159
Change of scope of consolidation		(1)	(3)		(5)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(12)			(12)
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	12	11,425	131	11,568
Balance at March 31, 2017	54,986	50,489	267,127	(20,543)	352,059

	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	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at April 1, 2016	103,362	294	8	(69)	103,596	14,121	458,208
Changes of items during the period							
Dividends from surplus							(4,707)
Profit attributable to owners of parent							16,136
Purchase of treasury stock							(1)
Disposal of treasury stock							159
Change of scope of consolidation							(5)
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(12)
Net changes of items other than shareholders' equity	46,885	(120)	(2)	26	46,788	864	47,653
Total changes of items during the period	46,885	(120)	(2)	26	46,788	864	59,222
Balance at March 31, 2017	150,247	174	5	(42)	150,385	14,985	517,430

Notes to Consolidated Financial Statements

Basis of Preparing Consolidated Financial Statements

1. Scope of Consolidation
   (1) Consolidated Subsidiaries
   Number of consolidated subsidiaries: 31 (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 (6).
   C-TBS, Incorporated is included in the scope of consolidation effective from the fiscal year under review because of its increased materiality.

   (2) Non-consolidated Subsidiaries
   Name of principal non-consolidated subsidiary: Telepac Co. Ltd.
   The 48 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
   WOWOW INC.

   (2) Affiliated Companies to Which Equity Method Is Not Applied
   Name of principal non-equity-method company: Kids Station Inc.
   The 48 non-consolidated subsidiaries and 28 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. 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, 2017.

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
   Merchandise and finished goods:
   Mainly at cost, using the moving average or total average method (book value written down based on decline in profitability)
   Programs and work in progress:
   Mainly at cost, using the identified cost 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)

Buildings	Straight-line method
Structures	Straight-line method (However, declining balance method is adopted for buildings acquired on or before March 31, 2016.)
Others	Declining balance method

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 bonuses

To provide for the payment of bonuses to employees, the Company provides the amount accrued at the end of the current fiscal year out of the amount of bonuses expected to be paid.

c. 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.

d. Provision for removal expenses for noncurrent assets

The Company makes a provision for expenses for the removal of noncurrent assets based on an amount estimated at the end of the fiscal year.

e. 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 Accounting Policies

1. Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016

Following the revision to the Corporation Tax Act, the Company has applied the "Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016" (ASBJ PITF No. 32, June 17, 2016) from the current fiscal year, and changed the depreciation method for structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

The impact from this change on operating income, ordinary income and profit before income taxes for the current fiscal year is immaterial.

Notes on Consolidated Balance Sheets

1. Inventories

Merchandise and finished goods	¥7,472 million
Programs and work in progress	¥6,378 million
Raw materials and supplies	¥520 million

2. Accumulated depreciation of property, plant and equipment ¥215,525 million

3. Guarantee liabilities

Employees' housing loans	¥1,553 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)	15,981,914	1,096	111,601	15,871,409
Total	15,981,914	1,096	111,601	15,871,409

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 sale of shares of the parent company held by 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 29, 2016	Common stock	2,795	16	Mar. 31, 2016	Jun. 30, 2016
Board of Directors' meeting on November 4, 2016	Common stock	1,921	11	Sep. 30, 2016	Dec. 5, 2016

(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, 2017	Common stock		Retained earnings		Mar. 31, 2017	Jun. 30, 2017

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.

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 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, 2017 (the consolidated balance sheets date) are as follows. This disclosure does not include those financial instruments whose fair values are deemed to be extremely difficult to determine (See (Note) 2.).

(Millions of yen)

	Consolidated balance sheets amount (*)	Fair value (*)	Difference
(1) Cash and Deposits	69,731	69,731	–
(2) Notes and Accounts Receivable-trade	42,460	42,456	(-4)
(3) Securities and Investment Securities			
a. Held-to-maturity securities	249	250	0
b. Stocks of subsidiaries and affiliates	6,971	16,194	9,223
c. Available-for-sale Securities	303,228	303,228	–
(4) Notes and Accounts Payable-trade	(36,130)	(36,130)	–
(5) Short-term loans payable	(769)	(769)	–
(6) Accounts Payable-other	(12,077)	(12,077)	–
(7) Long-term Loans Payable	(22,400)	(22,853)	453
(8) Derivative Transactions	227	227	–

(*) 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 mostly 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. The fair values of part of accounts receivable-trade are based on the present values calculated by discounting at a rate with collection period and credit risk taken into account.

(3) Securities and Investment securities

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

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

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

(7) 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 ¥16,690 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 ¥5,400 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
77,244	280,701

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 ¥2,878.29
2. Net income per share ¥92.46

(Additional information)

1. Application of ASBJ Guidance on Recoverability of Deferred Tax Assets
   The Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016) has been applied from the fiscal year under review.
2. Provision for Bonuses
   In the previous fiscal year, the Company recorded the fixed payment amount of employees' bonuses. In the fiscal year under review, the Company records the estimated payment amount of bonuses accrued in the current fiscal year as provision for employees' bonuses, as the Company has revised the regulations on bonuses in the current fiscal year.

Non-Consolidated Balance Sheets

(Millions of yen)

Accounting Item	90th Business Term As of March 31, 2017	Accounting Item	90th Business Term As of March 31, 2017
ASSETS		**LIABILITIES**	
Current assets:	**56,696**	**Current liabilities:**	**138,879**
Cash and deposits	54,080	Accounts payable-trade	1,409
Accounts receivable-trade	784	Short-term loans payable to subsidiaries and affiliates	135,281
Programs and work in progress	265	Short-term loans payable	769
Short-term loans receivable from subsidiaries and affiliates	13	Accounts payable-other	204
Prepaid expenses	73	Income taxes payable	527
Accounts receivable-other	1,225	Accrued consumption taxes	185
Deferred tax assets	233	Accrued expenses	173
Other current assets	18	Provision for bonuses	212
		Other current liabilities	114
Noncurrent assets:	**528,994**	**Noncurrent liabilities:**	**68,311**
Property, plant and equipment:	**96,006**	Long-term loans payable	17,000
Buildings	40,763	Long-term deposits received	13,580
Structures	1,097	Provision for retirement benefits	9,368
Machinery and equipment	293	Provision for environmental measures	121
Vehicles	1	Deferred tax liabilities	27,941
Tools, furniture and fixtures	560	Other noncurrent liabilities	299
Land	53,211		
Construction in progress	77		
Intangible assets:	**262**	**Total liabilities**	**207,191**
Software	211		
Other intangible assets	51	**NET ASSETS**	
		Shareholders' equity:	**307,982**
Investments and other assets:	**432,725**	**Capital stock**	**54,986**
Investment securities	121,928	**Capital surplus**	**58,808**
Stocks of subsidiaries and affiliates	312,846	Legal capital surplus	55,026
Investments in capital of subsidiaries and affiliates	1,284	Other capital surplus	3,782
Long-term loans receivable	4	Gain on disposal of treasury stock	3,782
Long-term prepaid expenses	60	**Retained earnings**	**214,550**
Other investments and other assets	2,649	Legal retained earnings	4,217
Allowance for doubtful accounts	(29)	Other retained earnings	210,333
Allowance for investment devaluation	(6,019)	General reserve	194,312
		Retained earnings brought forward	16,020
		Treasury stock	**(20,363)**
		Valuation and translation adjustments:	**70,516**
		Valuation difference on available-for-sale securities	70,516
		Total net assets	**378,499**
Total assets	**585,690**	**Total liabilities and net assets**	**585,690**

Non-Consolidated Statements of Income

(Millions of yen)

Accounting Item	90th Business Term From April 1, 2016 to March 31, 2017
Operating revenue	**17,911**
Rent income of real estate	15,003
Other revenue	2,908
Operating expenses	**14,584**
Expenses of real estate rent	7,330
Other business expenses	1,517
General and administrative expenses	5,736
Operating income	**3,327**
Non-operating income	**10,644**
Interest and dividends income	10,547
Other non-operating income	96
Non-operating expenses	**838**
Interest expenses	762
Other non-operating expenses	75
Ordinary income	**13,133**
Extraordinary income	**173**
Gain on sales of investment securities	173
Extraordinary loss	**124**
Loss on valuation of stocks of subsidiaries and affiliates	121
Loss on valuation of golf club membership	2
Profit before income taxes	**13,183**
Income taxes-current	1,304
Income taxes-deferred	244
Profit	**11,635**

Non-Consolidated Statements of Changes in Net Assets

(Fiscal Year from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
			Gain on disposal of treasury stock			General reserve	Retained earnings brought forward	
Balance at April 1, 2016	54,986	55,026	3,782	58,808	4,217	186,312	17,102	207,632
Changes of items during the period								
Provision of general reserve						8,000	(8,000)	—
Dividends from surplus							(4,717)	(4,717)
Profit							11,635	11,635
Purchase of treasury stock								
Net changes of items other than shareholders' equity								
Total changes of items during the period	–	–	–	–	–	8,000	(1,081)	6,918
Balance at March 31, 2017	54,986	55,026	3,782	58,808	4,217	194,312	16,020	214,550

	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, 2016	(20,361)	301,066	47,723	47,723	348,790
Changes of items during the period					
Provision of general reserve		—			—
Dividends from surplus		(4,717)			(4,717)
Profit		11,635			11,635
Purchase of treasury stock	(1)	(1)			(1)
Net changes of items other than shareholders' equity			22,792	22,792	22,792
Total changes of items during the period	(1)	6,916	22,792	22,792	29,708
Balance at March 31, 2017	(20,363)	307,982	70,516	70,516	378,499

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 and work in progress: 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
   Buildings: Straight-line method
   Structures: Straight-line method (However, declining balance method is adopted for buildings acquired on or before March 31, 2016.)
   Others: Declining balance method
   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 bonuses: To provide for the payment of bonuses to employees, the Company provides the amount accrued at the end of the current fiscal year out of the amount of bonuses expected to be paid.
   (3) 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.
   (4) 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.

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

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

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

Notes on Changes in Accounting Policies

1. Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016
   Following the revision to the Corporation Tax Act, the Company has applied the "Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016" (ASBJ PITF No. 32, June 17, 2016) from the current fiscal year, and changed the depreciation method for structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.
   The impact from this change on operating income, ordinary income and profit before income taxes for the current fiscal year is immaterial.

Notes on Non-Consolidated Balance Sheets

1. Accumulated depreciation of property, plant and equipment	¥31,629 million
2. Guarantee liabilities	
Employees' housing loans	¥1,553 million
3. Short-term receivables from subsidiaries and affiliates	¥749 million
Short-term payables to subsidiaries and affiliates	¥135,932 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	¥2,724 million
Operating expenses	¥2,031 million
Transactions other than ordinary operation	¥8,332 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	15,722,554	1,096	–	15,723,650
Total	15,722,554	1,096	–	15,723,650

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

Tax Effect Accounting

1. Main sources of deferred tax assets and liabilities

Deferred tax assets—current	Millions of yen
Accrued enterprise taxes	158
Provision for bonuses	66
Others	8
Total	233

Deferred tax assets—noncurrent (Deferred tax liabilities—noncurrent)	
Investment securities	2,552
Provision for retirement benefits	2,868
Valuation difference on available-for-sale securities	(31,059)
Others	613
Subtotal	(25,024)
Valuation reserve	(2,916)
Total	(27,941)

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 (adjusted)	30.86%
Entertainment expenses	0.26%
Dividends income	(19.26%)
Others	(0.12%)
Effective income tax rate after applying tax effect accounting	11.74%

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)	2,828 (Note 2)	Short-term loans payable to subsidiaries and affiliates	85,901
				Interest expenses (Note 1)	233	–	–
Subsidiary	BS-TBS, INC.	Directly owning: 100%	Sharing of officers Borrowing of funds	Borrowings (Note 1)	1,721 (Note 2)	Short-term loans payable to subsidiaries and affiliates	13,968

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 ¥2,166.43
2. Net income per share ¥66.60

(Additional information)

1. Application of ASBJ Guidance on Recoverability of Deferred Tax Assets
   The Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016) has been applied from the fiscal year under review.
2. Provision for Bonuses
   In the previous fiscal year, the Company recorded the fixed payment amount of employees' bonuses. In the fiscal year under review, the Company records the estimated payment amount of bonuses accrued in the current fiscal year as provision for employees' bonuses, as the Company has revised the regulations on bonuses in the current fiscal year.

Audit Reports

Independent Auditors' Report (Consolidated Statutory Report)

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

Independent Auditors' Report

May 8, 2017

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, 2017 and for the year from April 1, 2016 to March 31, 2017 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 8, 2017

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, 2017 and for the year from April 1, 2016 to March 31, 2017 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 90th business term from April 1, 2016 through March 31, 2017 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, 2017

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
Yasushi Akashi

Outside Audit & Supervisory Board Member
Teisuke Kitayama

Outside Audit & Supervisory Board Member
Mie Fujimoto

Reference

TBS's policies on CSR activities

"Aiming to become a beloved and trusted business entity by creating valuable and quality content supported by many people" is the fundamental principle set forth in the TBS Group Activities Charter.

In relation to social contributions and environment conservation, the Charter also states that we "endeavor to actively contribute to society and realize a better global environment through business activities in every area, as well as personal activities, by thinking seriously about social connections and coexistence with nature."

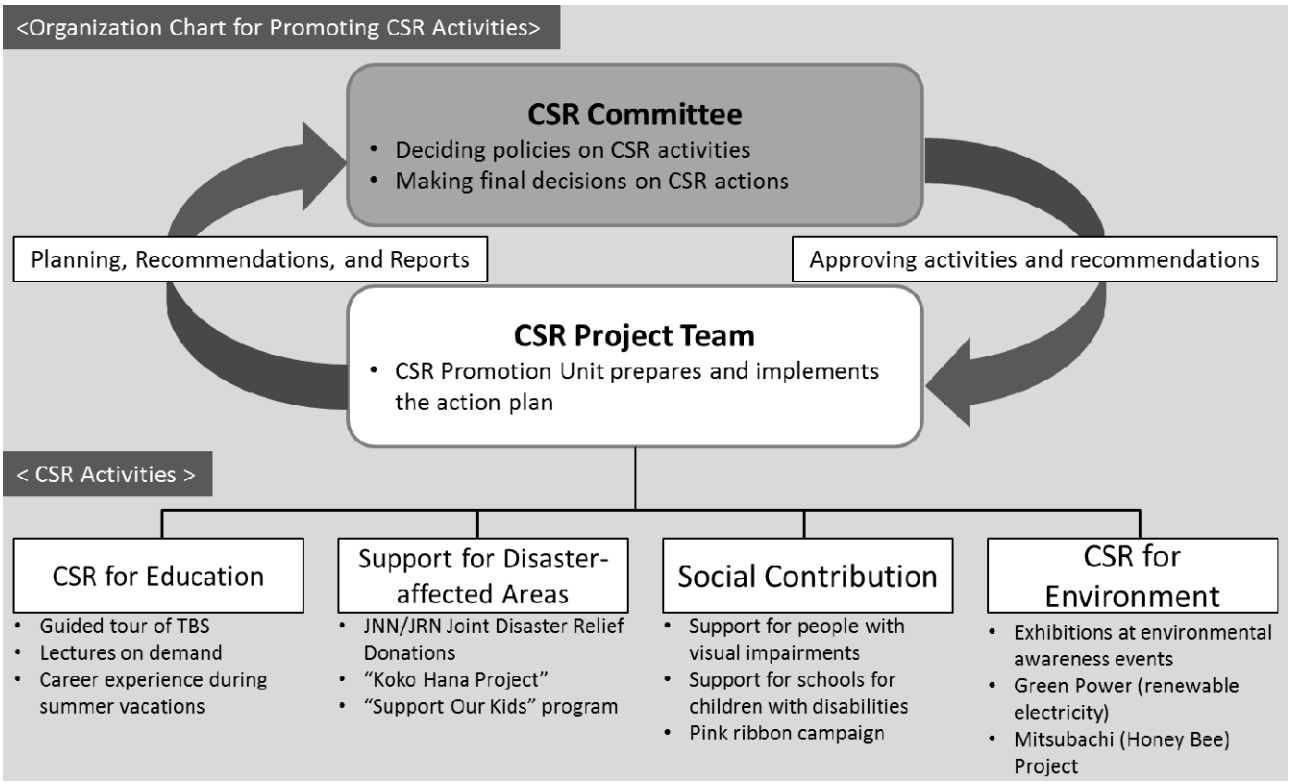
Tokyo Broadcasting System Holdings, Inc. established CSR Committee headed by the President in November 2009 to fulfill its social responsibility as a media company. The Company also established the CSR Project Team, which drives actual CSR activities within the Company in a cross-sectoral manner.

Each and every employee communicates with a wide range of people including viewers and promotes the following CSR activities.

- Aiming for a sustainable society and disseminating the need for environmental protection through our programs and media business.
- Actively promoting distinct social contribution activities as a media corporation to develop a fulfilling society.
- Working towards an inclusive society where each one of us participates to mutually respect and support each other's personality and individuality, and mutually accept the diversity of others.
- Providing support to artistic activities and creating a culture that enriches our lives.
- Working to improve media literacy as a broadcasting station.

Building a Society that is Full of Dreams and Hope

At Tokyo Broadcasting System Holdings, Inc., each and every employee is keenly aware of the social responsibilities of a media company and aspires to make contributions to realizing a society where everyone can keep dreams and hopes alive, through various communications with viewers and stakeholders.



The following website outlines our CSR activities.
http://www.tbsholdings.co.jp/csr/