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

Securities Code: 9401
June 5, 2019

Dear Shareholders:

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

Notice of Convocation of the 92nd Ordinary General Meeting of Shareholders

You are cordially invited to attend the 92nd 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 26, 2019 (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 (**https://evote.tr.mufg.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 27, 2019
(the reception will start at 9:00 A.M.)

2. Place of the Meeting — Mynavi BLITZ AKASAKA
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 92nd fiscal year (from April 1, 2018 to March 31, 2019)

2. Report on the non-consolidated financial statements for the 92nd fiscal year (from April 1, 2018 to March 31, 2019).

Matters for Resolution

First Item of Business:	Appropriation of Surplus
Second Item of Business:	Election of Seventeen (17) Directors
Third Item of Business:	Determination of Remuneration for Granting Restricted Shares for Directors (excluding Outside 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.

If you are not certain about how to operate a PC, smartphone, or mobile phone to exercise voting rights via the Internet, please contact the location shown in the column to the following.
Stock Transfer Agency (Help Desk), Mitsubishi UFJ Trust and Banking Corporation
0120-173-027 (toll free, only in Japan, from 9 A.M. to 9 P.M.)

Institutional investors may exercise voting rights using the voting platform for institutional investors operated by ICJ, Inc.

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: ¥2,970,036,867

(3) Effective date for dividends from surplus to shareholders:
June 28, 2019

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

The terms of all eighteen (18) 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	Shinji Takeda	Chairman and Director	Re-election
2	Takashi Sasaki	President and Representative Director	Re-election
3	Toshiaki Kawai	Senior Managing Director and Representative Director	Re-election
4	Tatsuo Sugai	Managing Director	Re-election
5	Mikio Kokubu	Managing Director	Re-election
6	Ken Sonoda	Director	Re-election
7	Hiroyuki Aiko	Director	Re-election
8	Masashi Nakao	Director	Re-election
9	Hideki Isano	Director	Re-election
10	Masaya Chisaki	Director	Re-election
11	Eiichi Iwata	Director	Re-election
12	Shoichi Watanabe	Director	Re-election
13	Masamine Ryuho	Director	Re-election
14	Yutaka Asahina	Outside Director	Re-election Outside Independent
15	Tadashi Ishii	Outside Director	Re-election Outside
16	Keiichi Mimura	Outside Director	Re-election Outside
17	Hitoshi Kashiwaki	Outside Director	Re-election Outside Independent

Candidate number				Number of shares of the Company owned
1	Shinji Takeda	Date of birth Jul. 5, 1952	Re-election	24,954 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. 2007:	Executive Officer, General Manager of Management Media Division	Apr. 2014:	Director of the Company
Jun. 2007:	Director, General Manager of Management Media Division		Director of Tokyo Broadcasting System Television, Inc.
Apr. 2009:	Director of the Company	Jun. 2014:	President and Representative Director of BS-TBS, INC.
	Director of Tokyo Broadcasting System Television, Inc.	Apr. 2015:	President and Representative Director of Tokyo Broadcasting System Television, Inc.
Jun. 2009:	Director and Chairman of TBS Radio, Inc.	Apr. 2016:	President and Representative Director of the Company
Apr. 2011:	Managing Director of the Company	Jun. 2018:	Chairman and Director of the Company (incumbent)
	Managing Director of Tokyo Broadcasting System Television, Inc.		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.	Chairman and Director of TBS SPARKLE, Inc.
Chairman and Director of TBS GLOWDIA, Inc.	Director of StylingLife Holdings Inc.
Outside Director of MBS MEDIA HOLDINGS, INC.	Outside Audit & Supervisory Board Member of RKB MAINICHI HOLDINGS CORPORATION

Reason for nomination as Director

Mr. Shinji Takeda contributed to enhancing corporate value as President and Representative Director, leading the management of the Group, and currently serves as Chairman and Director. He has extensive experience and achievements as a top manager, and a deep understanding and knowledge of the business environment.

Candidate number				Number of shares of the Company owned
2	Takashi Sasaki	Date of birth Jul. 5, 1959	Re-election	17,882 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
	Managing Director of Tokyo Broadcasting System Television, Inc.
Jun. 2017:	Senior Managing Director of the Company
	Senior Managing Director of Tokyo Broadcasting System Television, Inc.
Jun. 2018:	President and Representative Director of the Company (incumbent)
	President and Representative Director of Tokyo Broadcasting System Television, Inc. (incumbent)

<Areas of responsibility>

Office of Internal Business Audit

Important concurrent position outside the Company

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

Reason for nomination as Director

Mr. Takashi Sasaki currently supervises the policy for enhancing the corporate value of the Group as President and Representative Director of the Company and Tokyo Broadcasting System Television, Inc. He has extensive experience and achievements in corporate management, as well as a deep understanding and knowledge of the business environment.

Candidate number				Number of shares of the Company owned
3	Toshiaki Kawai	Date of birth Nov. 1, 1959	Re-election	15,722 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.
Apr. 2016:	Managing Director of the Company
Jun. 2018:	Senior Managing Director and Representative Director of the Company (incumbent)
	Senior Managing Director and Representative Director of Tokyo Broadcasting System Television, Inc. (incumbent)

<Areas of responsibility>

In charge of Overall Businesses, HD Comprehensive Media Council and Information System Technology Division, Overall Technology of Television Business

Important concurrent position outside the Company

Senior Managing Director and Representative Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Toshiaki Kawai contributes to enhancing the corporate value of the Group in the post of Senior Managing Director and Representative Director by supervising the general administrative section and the technology section. He has extensive experience and achievements in corporate management, as well as a deep understanding and knowledge of the business environment.

Candidate number				Number of shares of the Company owned
4	Tatsuo Sugai	Date of birth Sep. 28, 1959	Re-election	9,294 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.
Apr. 2012:	General Manager of Group Managerial Planning Division of the Company	Jun. 2015:	Director of the Company
Apr. 2013:	Executive Officer, General Manager of Group Managerial Planning Division of the Company Executive Officer, General Manager of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc.	Jun. 2018:	Managing Director of the Company (incumbent) Managing Director of Tokyo Broadcasting System Television, Inc. (incumbent)

<Areas of responsibility>

Sales of Television Business and Overall Multi Visual Ventures and Cultural Events of Television Business

Important concurrent position outside the Company

Managing Director of Tokyo Broadcasting System Television, Inc.
Director of StylingLife Holdings Inc.

Reason for nomination as Director

Mr. Tatsuo Sugai contributes to enhancing the corporate value of the Group in the post of Managing Director by supervising sales of the television business, as well as multi-visual ventures and cultural events. He has extensive experience and achievements in corporate management.

Candidate number				Number of shares of the Company owned
5	Mikio Kokubu	Date of birth Feb. 14, 1960	Re-election	10,497 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 Director of Tokyo Broadcasting System Television, Inc.
Jun. 2013:	General Manager of Finance Division General Manager of Finance Division of Tokyo Broadcasting System Television, Inc.	Jun. 2016:	Director of the Company
Mar. 2016:	Director, General Manager of Finance Division of Tokyo Broadcasting System Television, Inc.	Jun. 2018:	Managing Director of the Company (incumbent) Managing Director of Tokyo Broadcasting System Television, Inc. (incumbent)

<Areas of responsibility>

In charge of Administration Division and Finance Division

Important concurrent position outside the Company

Managing Director of Tokyo Broadcasting System Television, Inc.
Outside Audit & Supervisory Board Member of SKY Perfect JSAT Holdings Inc.

Reason for nomination as Director

Mr. Mikio Kokubu contributes to enhancing the corporate value of the Group in the post of Managing Director in charge of administration and finance of the Company and Tokyo Broadcasting System Television, Inc. He has extensive experience and achievements in corporate management.

Candidate number				Number of shares of the Company owned
6	Ken Sonoda	Date of birth Mar. 24, 1962	Re-election	5,327 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 Group Managerial Strategy

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

President and Representative Director of TBS GLOWDIA, Inc.

Reason for nomination as Director

Mr. Ken Sonoda concurrently serves as the person in charge of managerial strategy of the Group company and President and Representative Director of TBS GLOWDIA, Inc. He has extensive experience and achievements in the corporate management of the Group.

Candidate number				Number of shares of the Company owned
7	Hiroyuki Aiko	Date of birth Jun. 12, 1960	Re-election	7,674 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		Director of Tokyo Broadcasting System Television, Inc. (incumbent)
	General Manager of Media Strategy Office of Tokyo Broadcasting System Television, Inc.	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 Media Strategy

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

President and Representative Director of BS-TBS, INC.

Reason for nomination as Director

Mr. Hiroyuki Aiko concurrently serves as the person in charge of media strategy of the Group and President and Representative Director of BS-TBS, INC. He has extensive experience and achievements in the corporate management of the Group.

Candidate number				Number of shares of the Company owned
8	Masashi Nakao	Date of birth Feb. 6, 1963	Re-election	3,864 shares

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

Apr. 1986:	Joined the Company	Apr. 2015:	General Manager of Media Business Division of Tokyo Broadcasting System Television, Inc.
Jun. 2011:	General Manager of Business Innovation Office of the Company	Jun. 2017:	Director of the Company (incumbent)
Jul. 2013:	General Manager of Business Innovation Office of the Company and General Manager of Investment Strategy Department		Director of Tokyo Broadcasting System Television, Inc. (incumbent)

<Areas of responsibility>

General Manager of General Strategy Division

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Outside Director of WOWOW Inc.

Reason for nomination as Director

Mr. Masashi Nakao is in charge of the general strategy of the Group. He has extensive experience and achievements in the corporate management of the Group.

Candidate number				Number of shares of the Company owned
9	Hideki Isano	Date of birth Oct. 12, 1962	Re-election	2,998 shares

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

Apr. 1986:	Joined the Company	Jun. 2017:	Director of the Company (incumbent)
Apr. 2015:	General Manager of General Strategy Division of the Company and General Manager of Programming Division of Tokyo Broadcasting System Television, Inc.		Director of Tokyo Broadcasting System Television, Inc. (incumbent)
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.		

<Areas of responsibility>

Overall Programming of Television Business

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Hideki Isano supervises the field of Programming of Television Business, and he has extensive experience and achievements in corporate management.

Candidate number				
10	Masaya Chisaki	Date of birth: Jun. 16, 1959	Re-election	Number of shares of the Company owned: 6,247 shares

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

Apr. 1983:	Joined the Company	Apr. 2016:	General Manager of Division of Human Resources and Labor of Tokyo Broadcasting System Television, Inc.
Apr. 2012:	General Manager of President's Office of the Company	Jun. 2018:	Director of the Company (incumbent)
Apr. 2015:	General Manager of Administration Division of the Company		Director of Tokyo Broadcasting System Television, Inc. (incumbent)
Apr. 2016:	General Manager of Division of Human Resources and Labor of the Company		

<Areas of responsibility>

In charge of President's Office, Compliance Division, Division of Human Resources and Labor and Office of TBS Group University

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as Director

Mr. Masaya Chisaki is mainly in charge of the internal control section of the Company and Tokyo Broadcasting System Television, Inc. He has extensive experience and achievements in the corporate management of the Group.

Candidate number				
11	Eiichi Iwata	Date of birth: Jan. 24, 1963	Re-election	Number of shares of the Company owned: 4,023 shares

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

Apr. 1985:	Joined the Company	Jun. 2018:	Director of the Company (incumbent)
Apr. 2015:	General Manager of President's Office of the Company		Director of Tokyo Broadcasting System Television, Inc. (incumbent)
Apr. 2016:	General Manager of TBS News of Tokyo Broadcasting System Television, Inc.		

<Areas of responsibility>

Overall 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. Eiichi Iwata supervises the fields of News and Information of Television Business, and he has extensive experience and achievements in corporate management.

Candidate number				
12	Shoichi Watanabe	Date of birth: Aug. 23, 1960	Re-election	Number of shares of the Company owned: 3,742 shares

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

Apr. 1985:	Joined the Company	Jun. 2018:	Director of the Company (incumbent)
Apr. 2016:	General Manager of TV Production Division of Tokyo Broadcasting System Television, Inc.		Director of Tokyo Broadcasting System Television, Inc. (incumbent)

<Areas of responsibility>

Overall 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. Shoichi Watanabe supervises the fields of Production and Sports of Television Business, and he has extensive experience and achievements in corporate management.

Candidate number				
13	Masamine Ryuho	Date of birth Nov. 1, 1964	Re-election	Number of shares of the Company owned 3,068 shares

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

Apr. 1987:	Joined the Company	Jun. 2018:	Director of the Company (incumbent)
Apr. 2016:	General Manager of Media Strategy Office of the Company General Manager of Media Strategy Office of Tokyo Broadcasting System Television, Inc.		Director of Tokyo Broadcasting System Television, Inc. (incumbent)

<Areas of responsibility>

In charge of 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. Masamine Ryuho is in charge of the Sales of Television Business, and he has extensive experience and achievements in corporate management.

Candidate number				
14	Yutaka Asahina	Date of birth Sep. 14, 1947	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

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 of The Mainichi Newspapers Co., Ltd.
Apr. 2011:	President and Representative Director of Mainichi Sponichi Holdings Co., Ltd.	Jun. 2018:	Chairman of The Mainichi Newspapers Co., Ltd. (incumbent)

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.

Outside Director of MBS MEDIA HOLDINGS, INC.

President and Representative Director of The Mainichi Newspapers Group Holdings, Co., Ltd.

Outside Director of RKB MAINICHI HOLDINGS CORPORATION

Chairman of The Mainichi Newspapers Co., Ltd.

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. As he has offered useful opinions and comments about the management of the Company, the Company has judged that he is qualified for the post of Outside Director of the Company.

Candidate number				
15	Tadashi Ishii	Date of birth Mar. 10, 1951	Re-election Outside Director Attendance to meetings of Board of Directors: 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. As he has offered useful opinions and comments about the management of the Company, the Company has judged that he is qualified for the post of Outside Director of the Company.

Candidate number				
16	Keiichi Mimura	Date of birth Jan. 2, 1955	Re-election Outside 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

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. As he has offered useful opinions and comments about the management of the Company, the Company has judged that he is qualified for the post of Outside Director of the Company.

Candidate number				
17	Hitoshi Kashiwaki	Date of birth Sep. 6, 1957	Re-election Outside Director Independent Director Attendance to meetings of Board of Directors: 9/9 (100%)	Number of shares of the Company owned – shares

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

Jun. 2003:	President and Representative Director of Recruit Co., Ltd. (current Recruit Holdings Co., Ltd.)	Mar. 2016:	Outside Director of ASICS Corporation (incumbent)
Apr. 2012:	Director and Senior Advisor of Recruit Holdings Co., Ltd.	May 2016:	Outside Director of Matsuya Co., Ltd. (incumbent)
Dec. 2012:	Outside Director of Suntory Beverage & Food Limited	Jun. 2018:	Outside Director of the Company (incumbent) Director of Tokyo Broadcasting System Television, Inc. (incumbent)

Important concurrent position outside the Company

Director of Tokyo Broadcasting System Television, Inc.
Outside Director of Matsuya Co., Ltd.
Outside Director of ASICS Corporation

Reason for nomination as Director

Mr. Hitoshi Kashiwaki has considerable experience and a high degree of knowledge as a member of top management of a human resources service company. As he has offered useful opinions and comments on the management of the Company, the Company has judged that he is qualified for the post of Outside Director of the Company.

Note 1: Liability Limitation Agreement:
The Company entered into an agreement with Mr. Yutaka Asahina, Mr. Tadashi Ishii, Mr. Keiichi Mimura, and Mr. Hitoshi Kashiwaki 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 2: Special interest between the candidates and the Company:
Mr. Yutaka Asahina is the Chairman 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 3: The following are matters regarding candidates for Outside Directors:

(1) Independent Directors
The Company has registered Mr. Yutaka Asahina and Mr. Hitoshi Kashiwaki as independent directors with the Tokyo Stock Exchange and expects that they will remain so if both are reappointed.

(2) In connection with the illegal overtime issue which occurred at DENTSU INC., for which Mr. Tadashi Ishii served as President & CEO, DENTSU INC. was ordered to pay a fine of ¥500,000 by the Tokyo Summary Court in October, 2017 for violating the Labor Standards Act.

(3) Number of years since assuming the office of Outside Director (until the conclusion of this General Meeting of Shareholders):
Yutaka Asahina: 10 years
Tadashi Ishii: 5 years
Keiichi Mimura: 3 years
Hitoshi Kashiwaki: 1 year

Third Item of Business: Determination of Remuneration for Granting Restricted Shares for Directors (excluding Outside Directors)

The amount of remuneration, etc. for Directors of the Company was approved to be not more than ¥900 million per year (however, it does not include the salary portion payable to Directors who also serve as employees of the Company) at the 87th Ordinary General Meeting of Shareholders held on June 27, 2014.

In order to enhance corporate value and fulfill our public mission, which are common interests of our shareholders, the Company has reviewed its officer remuneration system. As a part of the review, we will newly provide the Company's Directors (excluding Outside Directors; hereinafter, "Eligible Directors") with performance-linked monetary remuneration and remuneration for granting restricted shares, which are shares subject to Transfer Restrictions as defined below, within the above-mentioned remuneration limit. Performance-linked monetary remuneration is an annual incentive for which EPS (earnings per share which is calculated as profit per share) is used as the performance indicator, while remuneration to grant restricted shares is an incentive to achieve continuous enhancement of the Company's corporate value for the purpose of further sharing the value with shareholders.

The remuneration to be provided to grant restricted shares to Eligible Directors under this proposal shall be monetary receivables (hereinafter, "Monetary Remuneration Receivables") and the total amount thereof shall be not more than ¥180 million per year as the amount deemed reasonable based on the above purpose. The specific timing and allotment of the payment for each Eligible Director shall be decided by the Board of Directors. Note, however, that remuneration for granting restricted shares shall not be provided to Outside Directors.

Furthermore, the above limit on remuneration amount shall not include the salary portion payable to Directors who also serve as employees of the Company.

If this proposal is approved, the total amount of Directors' remuneration, including remuneration for granting restricted shares, after the revision, will be not more than ¥900 million per year, which is the same as the current remuneration amount.

Currently, the number of Directors is 18 (including four Outside Directors). If "Second Item of Business: Election of Seventeen (17) Directors" is approved as originally proposed, the number of Directors will be 17 (including four Outside Directors).

In addition, Eligible Directors shall pay in all of the Monetary Remuneration Receivables provided under this proposal, as property contributed in kind, in accordance with a resolution of the Board of Directors of the Company, and receive the Company's common shares issued or disposed of. The total number of the Company's common shares subject to said issuance or disposition shall be not more than 90,000 shares (however, if a share split (including allotment of the Company's common shares without contribution) or consolidation of the Company's common shares is carried out on or after the day on which this proposal is approved, or there is a need to adjust the total number of the Company's common shares issued or disposed of as restricted shares, above-mentioned total number of shares for the restricted shares will be adjusted within the reasonable range).

The relevant paid-in amount per share will be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding each date of resolution of the Board of Directors (if no transaction is made on the said date, the closing price of the most recent trading day preceding said date) to the extent that it will not be particularly advantageous for Eligible Directors who subscribe to such common shares. Moreover, when issuing or disposing of the Company's common shares, a restricted share allotment agreement including the following provisions (hereinafter, the "Allotment Agreement") shall be concluded between the Company and Eligible Directors.

(1) Transfer Restriction Period

Eligible Directors shall not transfer, create security interests, or otherwise dispose of the Company's common shares (hereinafter, "Transfer Restrictions") allotted (hereinafter, "Allotted Shares") during a period predetermined in advance by the Company's Board of Directors, which shall be between three years and 30 years from the date the allotment of shares is received under the Allotment Agreement (hereinafter, the "Transfer Restriction Period").

(2) Handling in the case of retirement from office

If an Eligible Director retires from office as a Director of the Company prior to the expiration of the Transfer Restriction Period, the Company shall, by rights, acquire the Allotted Shares without contribution, with the exception of expiration of term of office, death, or other justifiable reasons.

(3) Lifting of Transfer Restrictions

Notwithstanding the provision in (1) above, the Company shall lift Transfer Restrictions on all Allotted Shares at the expiration of the Transfer Restriction Period on the condition that an Eligible Director remained in office of Director of the Company continuously during the Transfer Restriction Period. However, if said Eligible Director retires from office prior to the expiration of the Transfer Restriction Period due to the expiration of term of office, death, or other justifiable reason specified in (2) above, the Company shall adjust to a reasonable extent as necessary the number of Allotted Shares on which Transfer Restrictions are lifted and the timing of lifting of Transfer Restrictions. Moreover, the Company shall, by rights, acquire the Allotted Shares without contribution on which Transfer Restrictions have not been lifted immediately after Transfer Restrictions have been lifted in accordance with the above provisions.

(4) Handling in case of reorganization, etc.

Notwithstanding the provision in (1) above, if a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary of another company, or any other matters related to reorganization, etc. is approved at a General Meeting of Shareholders of the Company (provided, however, at a meeting of the Board of Directors of the Company if approval of the General Meeting of Shareholders for the relevant reorganization, etc. is not required) during the Transfer Restriction Period, the Company shall, prior to the effective date of said reorganization, etc., lift Transfer Restrictions on a number of Allotted Shares determined in a reasonable manner by resolution of the Board of Directors of the Company based on the period from the date of commencement of the Transfer Restriction Period until the date of approval of said reorganization, etc. In addition, for the case specified above, the Company shall, by rights, acquire the Allotted Shares without contribution on which Transfer Restrictions have not been lifted immediately after Transfer Restrictions have been lifted.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.

Business Report

From April 1, 2018 to March 31, 2019

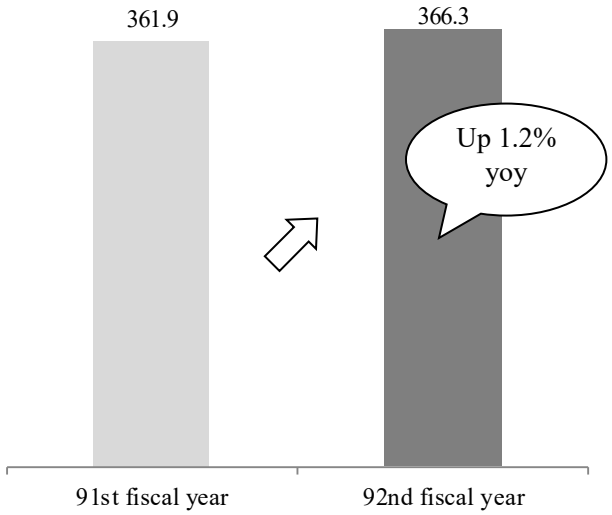
1. The Current Position of Tokyo Broadcasting System Holdings, Inc. and its Subsidiaries

(1) Business Activities and Results

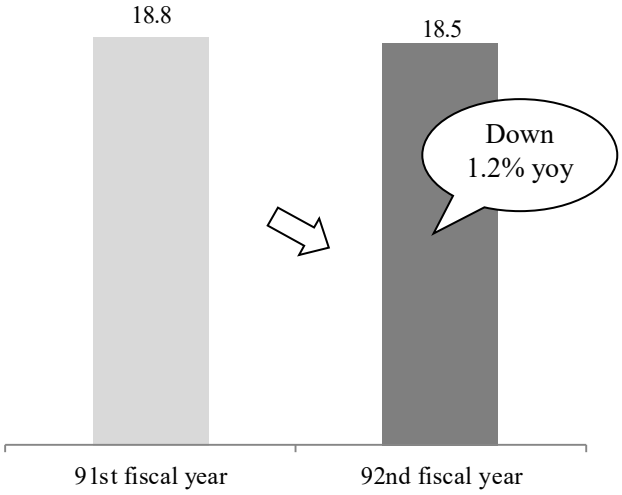
During the consolidated fiscal year under review, Japan's economy continues on a path of a modest recovery, with improvements seen in the employment and income environments. Meanwhile, the future outlook remains unclear due to the effects of weak export demand and production in some business areas, uncertainties in overseas economies, and financial and capital market fluctuations.

Against this backdrop, consolidated net sales of the Group for the fiscal year ended March 31, 2019 increased 1.2% from the previous fiscal year to ¥366,353 million, due to increased revenues (e.g. increased time revenue due to large-scale time one-off sales, etc., growth of content revenue including advertising revenue from free video streaming services, and revenue growth of the StylingLife Group led by its business, which remained strong through the creation of big hit products), although spot revenue declined slightly, affected by spot advertising market downturns. Operating expenses (i.e. cost of sales and selling, general and administrative expenses) increased 1.3% from the previous fiscal year to ¥347,780 million due to the incurrence of higher broadcasting fees related to large-scale sports broadcasting, and higher expenses incurred to increase revenue. As a result, operating income decreased 1.2% from the previous fiscal year to ¥18,572 million, while ordinary income increased 7.1% to ¥28,835 million, mainly due to increased dividend income, and profit attributable to owners of parent increased 46.7% to ¥25,205 million, mainly due to the posting of a gain on sales of investment securities as extraordinary income.

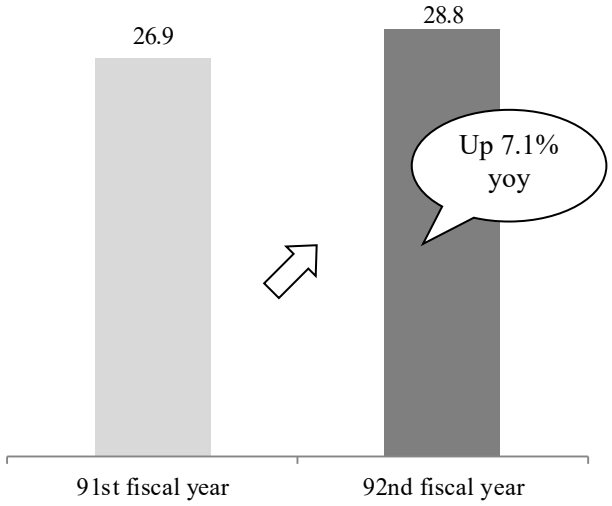
Net sales (billions of yen)



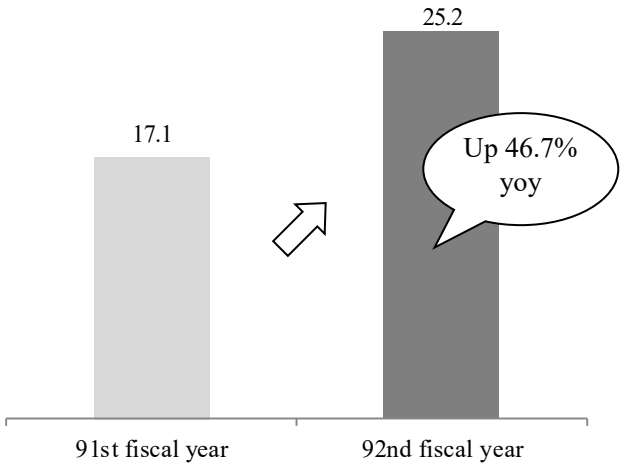
Operating income (billions of yen)



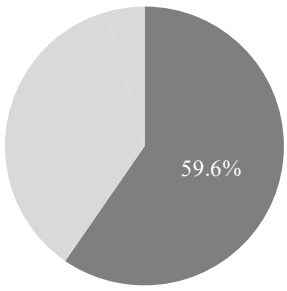
Ordinary income (billions of yen)



Profit attributable to owners of parent (billions of yen)

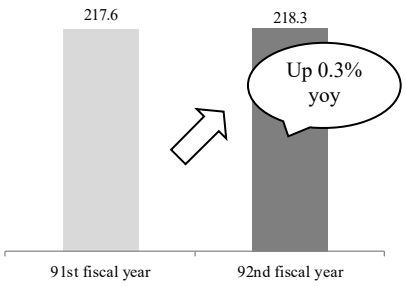


<<Broadcasting>>

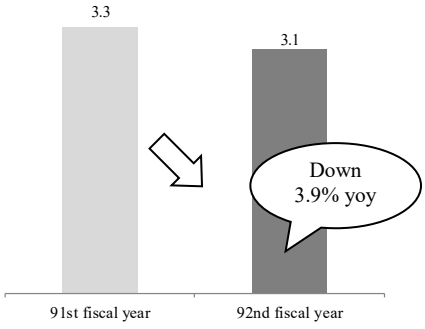


Ratio of sales

Net sales (billions of yen)



Operating income (billions of yen)



Tokyo Broadcasting System Television, Inc. posted time revenue of ¥87,900 million, up 1.8% year-on-year, spot revenue of ¥83,606 million, down 0.1% year-on-year, and content revenue (including advertising revenue earned through domestic broadcast syndication and free video streaming) of ¥10,829 million, up 4.8% year-on-year, for the fiscal year under review. Time sales rose due to increased regular sales supported by improved audience ratings, strong sales of one-off sports broadcasting programs (e.g. "*2018 FIFA World Cup Russia*," "*Asian Games 2018 in Jakarta*," and "*2018 FIVB WOMEN'S VOLLEYBALL WORLD CHAMPIONSHIP JAPAN*"), and brisk sales during the New Year holiday season. Spot income was slightly lower than the previous year on a full-year basis due to poor performance (i.e. the volume of advertisements in the Kanto Region decreased from the previous year except during January and February), although 4th quarter sales increased 10.1% year-on-year. Market share among five television stations increased 0.4 points from the previous fiscal year to 19.1%. Content revenue rose mainly due to increased advertisement placements for free video streaming.

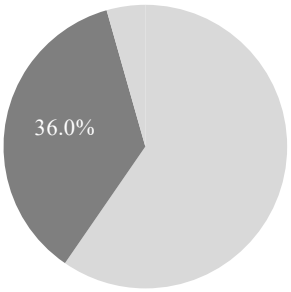
BS-TBS, INC. posted net sales of ¥16,399 million, down 2.3% year-on-year for the fiscal year under review. Total sales declined due to poor time one-off sales performance mainly caused by a no content provision related to sports TV programs and to lower business performance affected by a reactionary decline in the number of large-scale concerts from the previous year, despite the growth of time regular sales mainly due to the restoration of the quota set for each company and increases in sales quotas, as well as strong shopping program sales.

TBS Radio Inc. posted net sales of ¥9,785 million, down 6.6% year-on-year for the fiscal year under review. Its revenue decreased due to the slowdown of adverse market conditions.

As a result, consolidated net sales from the Broadcasting Business segment increased ¥684 million, up 0.3% from the previous fiscal year to ¥218,317 million for the fiscal year under review. Regarding costs and expenses, increases in broadcasting fees related to large-scale one-off sports events, costs incurred by the commencement of BS4K broadcasting, and depreciation expenses incurred due to equipment replacement can be noted in particular. Tokyo Broadcasting System Television, Inc. secured an increase in profit due to a decrease in

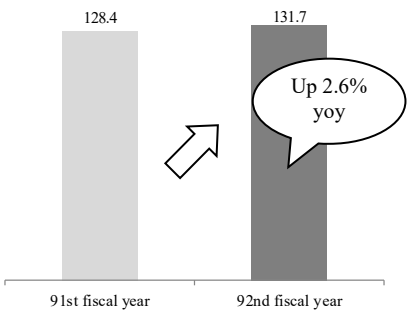
personnel expenses from working-style reforms, but due to the effect of cash-flow deterioration of a subsidiary, this segment's operating income decreased ¥128 million (3.9%) from the previous fiscal year to ¥3,172 million due to the effects of net decreases of other subsidiaries.

<<Multi Visual Ventures and Cultural Events>>

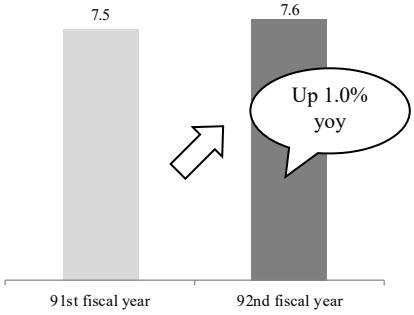


Ratio of sales

Net sales (billions of yen)



Operating income (billions of yen)

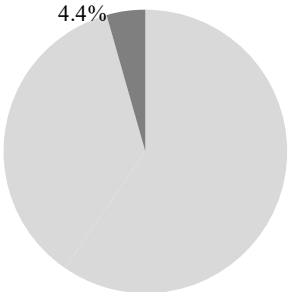


Regarding this business, Tokyo Broadcasting System Television, Inc. posted consolidated net sales of ¥28,231 million, a decrease of ¥1,496 million, down 5.0% from the previous fiscal year. Regarding events, sales were strong (e.g. "*Musée du Petit Prince*" received a record-high number of annual visitors and "*Rubens and the Birth of the Baroque*" attracted more than 330,000 visitors). Regarding concerts and stage performances, "S*hinkansen ☆RS Metal Macbeth*," "*BOUM!BOUM!BOUM! Shingo Katori NIPPON First Exhibition*," and other popular performances were presented at IHI Stage Around Tokyo, Asia's first 360-degree revolving theater, but sales declined due to a decrease in the number of performances amid changes to stage performance plans and reactionary declines in relation to the "*Seven Souls in the Skull Castle*" series. In the film business, the Company's sales decreased from the previous fiscal year, although it had a series of hit films, such as *"Café Funiculi Funicula*" released in September, "*Sumaho o Otoshita Dakenanoni* (*Stolen Identity)*" released in November, and "*Whistleblower*" released in February. Businesses targeting overseas markets reported sales declines due to poor broadcast syndication sales related to animations and dramas, despite strong sales in "*SASUKE*" and other formats. In the CS business, sales declined significantly due to the termination of TV broadcasts of Chiba Lotte Marines games and a decrease in the number of subscribers on each platform.

The StylingLife Group increased its sales to ¥71,896 million, up 2.6% year-on-year in the fiscal year under review, led by the cosmetics business, which remained strong especially for hit products and the core retailing business, "PLAZASTYLE COMPANY," which also recorded an increase in sales of cosmetics, clothing and fashion accessories, and others.

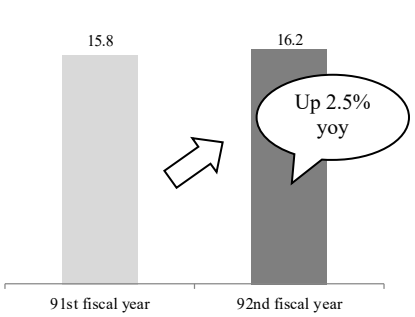
Consolidated net sales from the Multi Visual Ventures and Cultural Events Business segment increased ¥3,313 million, up 2.6% from the previous fiscal year to ¥131,767 million, mainly due to increased sales of newly consolidated subsidiaries. Operating income increased ¥75 million, up 1.0% from the previous fiscal year to ¥7,626 million, despite higher costs incurred to generate more sales.

<<Real Estate Business>>

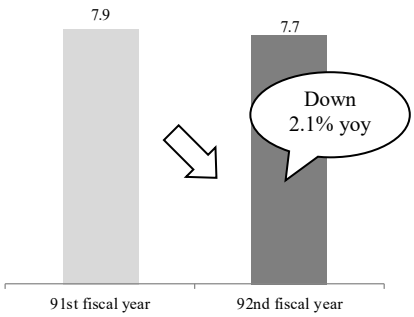


Ratio of sales

Net sales (billions of yen)



Operating income (billions of yen)



Occupancy of Akasaka Biz Tower continued to remain high and earnings from "The Hexagon" building, which is adjacent to the Company's premises, were added from the fiscal year under review. As a result, net sales from the Real Estate Business segment increased ¥400 million, up 2.5% year on year from the previous fiscal year to ¥16,268 million. Operating income decreased ¥167 million, down 2.1% year on year to ¥7,787 million, mainly due to an increase in expenses such as repair and maintenance.

(2) Capital Investment

Total capital investment in the fiscal year under review was ¥30.3 billion.

Capital investment consists of ¥15,100 million for the Company, ¥9,900 million in Tokyo Broadcasting System Television, Inc., ¥2,150 million in the StylingLife Group, ¥1,460 million in BS-TBS, INC., and ¥320 million in TOTSU Inc.

Capital investment in the Company was made mainly to acquire "The Hexagon" building, which is adjacent to the Company's premises. Capital investment in Tokyo Broadcasting System Television, Inc. mainly included emergency power generation systems, sub-upgrade of N Studio, upgrade of line center facilities, renewal of front entrance, and upgrade of elevators. Capital investment in the StylingLife Group increased mainly because of the purchase of land and building(s) for plants in BCL Company and PLAZA store facilities. 4K master is a main reason of capital investment in BS-TBS, INC.

(3) Capital Procurement

Total interest-bearing debt of the Group at the end of the fiscal year under review was ¥80 million in short-term loans payable and ¥3,000 million in long-term loans payable (including the current portion). (Excluding lease obligations.)

In order to ensure flexible access to business finance, as of the end of the fiscal year under review, the Company had established commitment lines agreements totaling ¥30 billion with multiple financial institutions (the balance of the funds drawn is nil, and the available balance is ¥30 billion).

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

(4) Status of Important Reorganization

On June 29, 2018, the Company established two companies, TBS Contents Product, Inc., which is a new program production company, and TBS Total Media, Inc., which is a new company in the Multi Visual Ventures and Cultural Events segment, to review the structure of the Group and focus the strengths of the Group, in accordance with the "Group Medium-term Management Plan 2020."

TBS Contents Product, Inc. changed its trade name to TBS SPARKLE, Inc. on November 15, 2018, and thereafter became a company surviving an absorption-type merger on January 1, 2019. Through the absorption-type merger, eleven companies, including five consolidated subsidiaries (TBS Vision, Inc., DREAMAX TELEVISION INC., VuCast, INC., FF TOHO Inc., Japan Artvideo Service Collaborative, Inc. (hereinafter "JASC")) and six wholly owned subsidiaries became companies disappearing in an absorption-type merger.

TBS Total Media, Inc. changed its trade name to TBS GLOWDIA, Inc. on December 18, 2018, and thereafter became a company surviving an absorption-type merger on April 1, 2019. Through the absorption-type merger, seven companies, including five consolidated subsidiaries (TBS ProNex, Inc., Vecte, Inc., TBS Service, Inc., Grand Marche, Inc., TBS TriMedia, Inc.) and two wholly owned subsidiaries became companies disappearing in an absorption-type merger.

(5) Priorities

Changes in the environment surrounding the Company further accelerated. Amid a slowing domestic market due to an aging population with fewer children and a decreasing population, people can widely and easily enjoy video content with smartphones and tablets, because the devices' functions have become more sophisticated, thereby showing a trend of a diversification of the viewer environment. The advertising methods and needs of advertisers are also becoming diverse with these changes in lifestyle.

Amid these circumstances, we developed the "Group Medium-term Management Plan 2020" in February 2018 and decided to make group-wide efforts to achieve new goals. The Plan aims to develop a media group that is always loved and trusted by people, looking towards an era of integration between broadcasting and telecommunications services and the post-Olympic and Paralympic Games Tokyo 2020 period with the following three priorities:

(1) Increase of the competitiveness of Tokyo Broadcasting System Television
(2) Strategic investments toward diversification into total media that creates synergies for TBS
(3) Performance of the social responsibility that the TBS Group should fulfill

Major initiatives in FY2018 under "Group Medium-term Management Plan 2020" are as follows.

With regard to Priority (1) "increasing the competitiveness of Tokyo Broadcasting System Television, Inc.," rankings in terms of household audience ratings increased 0.1 points from the previous year in both Golden Time and Prime Time categories. In particular, we recorded a double-digit rate (10%) in the Golden Time category for the first time in seven years since FY2011. Our dramas and variety shows proved popular with many viewers. In terms of content, we are also confident that TBS can create a number of unique, attractive programs, such as "*Black Forceps*," "*Gibo to Musume no Blues (Stepmom and Daughter Blues)*" and "*Dairenai (Don't Forget Me)*."

Through our news media activities, we have built a system for distributing news reports 24 hours a day, 365 days a year, through the integrated operation of terrestrial broadcasting and digital media to provide accurate information ahead of any other media. During the period of the 2018 Hokkaido Eastern Iburi earthquake, which occurred in February 2019, we were the first of the commercial TV stations in Tokyo to deliver the news under the mission of "saving as many human lives as possible." Furthermore, we actively utilized digital tools such as live stream and Twitter to report a sequence of news flashes on the conditions of nuclear stations and information on electric power and traffic.

With regard to Priority (2) "strategic investments," we announced the "Akasaka Entertainment City Initiative" in January 2019. The purpose of this project is to develop and expand new entertainment facilities and functions for cutting-edge cultural communication with the aim of making Akasaka "a city that conveys the greatest excitement in the world." In order to achieve this initiative, we concluded a business agreement on the joint redevelopment of the "Kokusai Shin-Akasaka Building" with Mitsubishi Estate Co., Ltd. In the future, we will proceed with a plan to build a base from which next-generation entertainment will be distributed in this redevelopment area.

In addition, we invested in Tyffon Inc., a company which is developing the digital video area, such as location-type VR and MR, with the aim of expanding it into new business fields. This area has a high level of affinity with the Company's businesses. Because XR technologies are expected worldwide as a growth field, we are committed to continuing to place importance on this area.

In the future, we will further expand our business as a comprehensive media group and continue to evolve.

With regard to Priority (3) "exercising social responsibility," we concluded a partnership agreement with Minna-denryoku, Inc., the operator of a renewable energy business, in September 2018, and the power supply for the Toda Transmitter Station of TBS Radio shifted to 100% renewable energy in December 2018. In line with this action, we launched the "Clean Power Campaign" in collaboration with a radio program, through which we reviewed the surrounding environment and took necessary actions with listeners.

Working toward "realizing an inclusive society," which is a theme of the 2020 Tokyo Olympic and Paralympic Games, we created TV content that communicated the challenges and the possibilities faced by para-athletes, broadcasting it on such programs as "*Honoo-no Taiiku-kai TV*" (a gameshow where members of the public challenge sports professionals). Also, in Mary 2018, in an effort to promote para-sports, we organized the "Inclusive Sports Festival" with the Japanese Para-Sports Association.

We will continue to take various measures to fulfill a higher level of social responsibility as a broadcaster.

As the result of these activities under the Mid-Term Management Plan, we set consolidated net sales of ¥400 billion, consolidated operating income of ¥25 billion, and ratio of operating income to net sales of 6.3% on a consolidated basis as goals to be achieved in FY2020. We are currently forging ahead to achieve these goals.

For FY2018, which was the first year of this Plan, we achieved consolidated net sales of ¥366.3 billion, consolidated operating income of ¥18.5 billion and a ratio of operating income to net sales of 5.1% on a consolidated basis, which are in line with forecasts as of this point in time.

We will continue striving to provide high-quality content and aim to achieve further growth and corporate value enhancement to meet the expectations of our shareholders.

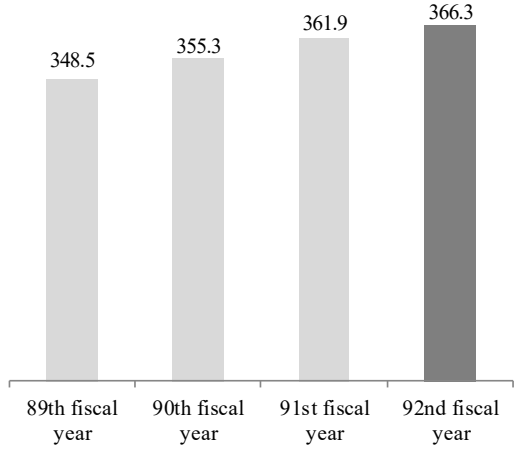
(6) Assets and Income

Assets and Income of the Group

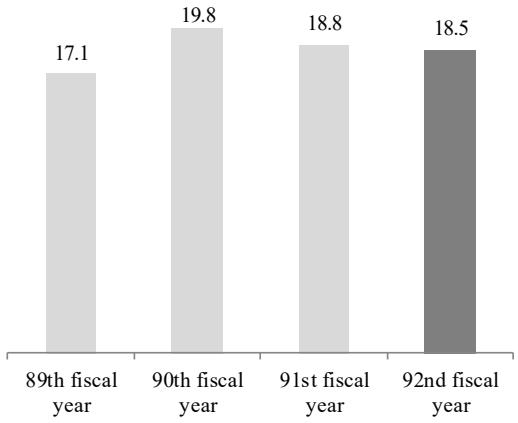
	89th Business Term Year ended March 31, 2016	90th Business Term Year ended March 31, 2017	91st Business Term Year ended March 31, 2018	92nd Business Term Year ended March 31, 2019 (fiscal year under review)
Net sales (millions of yen)	348,539	355,363	361,954	366,353
Operating income (millions of yen)	17,179	19,878	18,800	18,572
Ordinary income (millions of yen)	22,678	26,207	26,923	28,835
Profit attributable to owners of parent (millions of yen)	14,497	16,136	17,182	25,205
Earnings per share (yen)	83.12	92.46	98.38	144.31
Net assets (millions of yen)	458,208	517,430	600,950	601,291
Total assets (millions of yen)	649,970	707,063	821,737	798,481

(Note) The Group has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) to consolidated financial statements from the fiscal year under review. Accordingly, deferred tax assets are presented under investments and other assets and deferred tax liabilities are presented under noncurrent liabilities, and amounts for presented the previous fiscal year have been restated to reflect the changes.

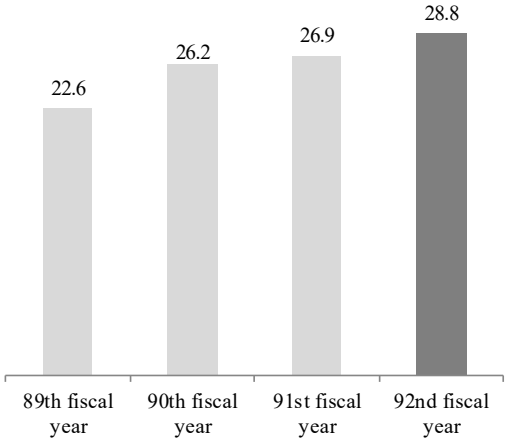
Net sales (billions of yen)



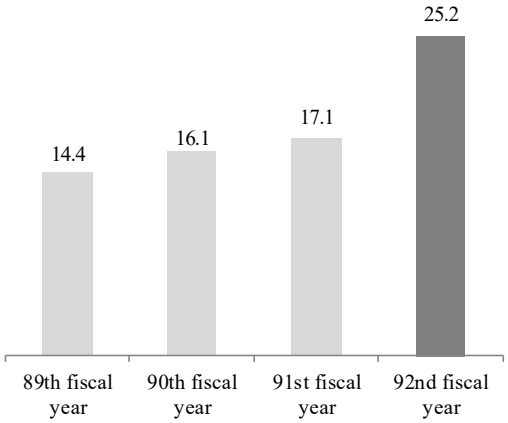
Operating income (billions of yen)



Ordinary income (billions of yen)



Profit attributable to owners of parent (billions of yen)



(7) 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, 2019)

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 SPARKLE, Inc. (Note 4)	50	100	Program production (dramas, variety shows, news reports, information, sports, and others), content production 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. (Note 5)	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, Inc.	150	100	Production and sales of broadcast programs, general video and sound recordings, recording and transmitting services etc. of broadcast programs
Vecte, Inc. (Note 5)	70	100	Data broadcasting and hybridcasting

Company name	Capital stock (millions of yen)	Voting rights owned (%)	Main business activities
TOTSU Inc.	453	* 52.1	Technical services related to broadcast program production and services incidental thereto
TLC Co., Ltd	21	* 100	Planning and operation etc. of lighting mainly for TV, theater, movies and various events
Akasaka Graphics Art, Inc.	10	* 100	Planning, production and sales of computer graphic screens etc.
TBS Service, Inc. (Note 5)	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 Marche, Inc. (Note 5)	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. (Note 5)	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.
Golf Network Plus Co., Ltd. (Note 3)	162	51	Streaming of golf-related video, development and operation of applications for smartphones, production of golf-related programs, web creation services
Arcturus Inc. (Note 3)	3	100	Planning and production of animation
SEVEN･ARCS Co., Ltd. (Note 3)	10	* 100	Planning and production of TV animation, theater pieces, games etc., sale of goods, copyright management etc.
SEVEN･ARCS･PICTURES Co., Ltd. (Note 3)	3	100	General operations relating to production of animations for theater, TV, video, gaming machine, games, etc.
Midoriyama Studio City Inc.	100	100	Leasing, operation and management of buildings, studios etc.

Company name	Capital stock (millions of yen)	Voting rights owned (%)	Main business activities
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: The Company made Golf Network Plus Co., Ltd., Arcturus Inc., SEVEN･ARCS Co., Ltd., SEVEN･ARCS･PICTURES Co., Ltd. into consolidated subsidiaries in the fiscal year under review.

Note 4: The Company made TBS SPARKLE, Inc. the company surviving an absorption-type merger on January 1, 2019. Through the absorption-type merger, five consolidated subsidiaries (TBS Vision, Inc., DREAMAX TELEVISION INC., VuCast, INC., FF TOHO Inc., JASC) and six wholly-owned subsidiaries became companies disappearing in the absorption-type merger (refer to page 20 of "Status of Important Reorganization").

Note 5: The Company made TBS GLOWDIA, Inc. the company surviving an absorption-type merger on April 1, 2019. Through the absorption-type merger, five consolidated subsidiaries (TBS ProNex, Inc., Vecte, Inc., TBS Service, Inc., Grand Marche, Inc., TBS TriMedia, Inc.) and two wholly-owned subsidiaries became companies disappearing in the absorption-type merger (refer to page 20 of "Status of Important Reorganization").

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	¥629,527 million

(8) Main Business Activities (As of March 31, 2019)

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, sales and streaming of video and audio software, events and programs, program syndication, production and sales of video software, planning and production of 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.

(9) Principal Sales Office (As of March 31, 2019)

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 SPARKLE, Inc. (Note 5), TBS Media Research Institute Inc., Art Communication Systems, Inc., TBS ProNex, Inc. (Note 6), TBS-TEX, Co., Ltd., Vecte, Inc. (Note 6), TOTSU Inc., TLC Inc., Akasaka Graphics Art, Inc., TBS Service, Inc. (Note 6), Nichion, Inc., Grand Marche, Inc. (Note 6), OXYBOT, Inc., C-TBS, Incorporated, TC Entertainment, Inc., TBS TriMedia, Inc. (Note 6), 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
Arcturus Inc. (Note 4), SEVEN･ARCS Co., Ltd. (Note 4), SEVEN･ARCS･PICTURES Co., Ltd. (Note 4)	Nerima-ku, Tokyo
Golf Network Plus Co., Ltd. (Note 4)	Koto-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 89 “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.

Note 4: The Company made Golf Network Plus Co., Ltd., Arcturus Inc., SEVEN･ARCS Co., Ltd., SEVEN･ARCS･PICTURES Co., Ltd. into consolidated subsidiaries in the fiscal year under review.

Note 5: The Company made TBS SPARKLE, Inc. the company surviving an absorption-type merger on January 1, 2019. Through the absorption-type merger, eleven companies, including five consolidated subsidiaries (TBS Vision, Inc., DREAMAX TELEVISION INC., VuCast, INC., FF TOHO Inc., JASC) and six wholly-owned subsidiaries became companies disappearing in the absorption-type merger (refer to page 20 of “Status of Important Reorganization”).

Note 6: The Company made TBS GLOWDIA, Inc. (Minato-ku, Tokyo) the company surviving an absorption-type merger on April 1, 2019. Through the absorption-type merger, four consolidated subsidiaries (TBS ProNex, Inc., Vecte, Inc., TBS Service, Inc., Grand Marche, Inc., TBS TriMedia, Inc.) and two wholly-owned subsidiaries became companies disappearing in the absorption-type merger (refer to page 20 of “Status of Important Reorganization”).

(10) Work Force (As of March 31, 2019)

Segment	Number of employees	Change since end of previous fiscal year
Broadcasting	3,319	Increase of 398
Multi Visual Ventures and Cultural Events	2,281	Increase of 122
Real Estate	84	Increase of 4
Corporate (shared)	406	Increase of 14
Total	6,090	Increase of 538

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

(11) Main Lenders (As of March 31, 2019)

Lender	Amount (millions of yen)
Syndicated loan	3,000

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

Note 2: The Company has signed contracts with multiple financial institutions to establish a ¥30 billion commitment line.
(Refer to page 20 of "Capital Procurement": the balance of the funds drawn is nil, and the available balance is ¥30 billion)

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

(1) Common Stock (As of March 31, 2019)

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

2. Issued Number of Shares 174,709,837 shares

3. Number of Shareholders 11,002

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. (Trust Account)	9,853,700	5.64
The Master Trust Bank of Japan, Ltd. (Pension Account-Pension Trust Account held for DENTSU INC.)	9,310,500	5.32
MBS MEDIA HOLDINGS, INC.	8,848,100	5.06
Mitsui Fudosan Co., Ltd.	5,713,728	3.27
NTT DOCOMO, INC.	5,713,000	3.27
Japan Trustee Services Bank, Ltd. (Trust Account)	5,166,900	2.95
Panasonic Corporation	5,033,180	2.88
Nippon Life Insurance Company	5,006,235	2.86
Sumitomo Mitsui Banking Corporation	4,679,267	2.67
MITSUI & CO., LTD.	4,288,000	2.45

Note 1: Percentage of shares held was calculated excluding its treasury stock (1,786 shares) and rounded down to two decimals.

Note 2: The percentage of voting rights held by foreign shareholders at the end of the fiscal year under review, as defined in Radio Law, was 14.07%.

Note 3: 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, 2019)

Position	Name	Areas of responsibility
Chairman and Director	Shinji Takeda	
President and Representative Director	Takashi Sasaki	Office of Internal Business Audit
Senior Managing Director and Representative Director	Toshiaki Kawai	In charge of Overall Businesses, HD Comprehensive Media Council and Information System Technology Division and Overall Technology of Television Business
Managing Director	Tatsuo Sugai	Sales of Television Business and Overall Multi Visual Ventures and Cultural Events of Television Business
Managing Director	Mikio Kokubu	In charge of Administration Division and Finance Division
Director	Yasushi Yoshida	In charge of Sales of Television Business (Kansai Branch Office)
Director	Ken Sonoda	In charge of Group Managerial Strategy
Director	Hiroyuki Aiko	In charge of Media Strategy
Director	Masashi Nakao	General Manager of General Strategy Division
Director	Hideki Isano	Overall Programming of Television Business
Director	Masaya Chisaki	In charge of President's Office, Compliance Division, Division of Human Resources and Labor and Office of TBS Group University
Director	Eiichi Iwata	Overall News and Information of Television Business
Director	Shoichi Watanabe	Overall Production and Sports of Television Business
Director	Masamine Ryuho	In charge of Sales of Television Business
Director	Yutaka Asahina	
Director	Tadashi Ishii	
Director	Keiichi Mimura	
Director	Hitoshi Kashiwaki	
Standing Statutory Audit & Supervisory Board Member	Takafumi Kannari	
Standing Statutory Audit & Supervisory Board Member	Tatsuo Tanaka	
Audit & Supervisory Board Member	Teisuke Kitayama	
Audit & Supervisory Board Member	Mie Fujimoto	
Audit & Supervisory Board Member	Toshiaki Katsushima	

Note 1: At the 91st Ordinary General Meeting of Shareholders held on June 28, 2018, Mr. Masaya Chisaki, Mr. Eiichi Iwata, Mr. Shoichi Watanabe, Mr. Masamine Ryuho and Mr. Hitoshi Kashiwaki were newly elected as Directors and assumed the office.
Upon completion of their term, Mr. Hiroshi Inoue, Mr. Toshichika Ishihara and Mr. Akio Tsumura retired from the office of Director on June 28, 2018.

Note 2: At the conclusion of the 91st Ordinary General Meeting of Shareholders, Audit & Supervisory Board Member Mr. Yasushi Akashi retired due to resignation. At this meeting, Mr. Toshiaki Katsushima was newly elected as Audit & Supervisory Board Member and assumed the office.

Note 3: Among the Directors, Mr. Yutaka Asahina, Mr. Tadashi Ishii, Mr. Keiichi Mimura and Mr. Hitoshi Kashiwaki are Outside Directors.

Note 4: Among the Audit & Supervisory Board Members, Mr. Teisuke Kitayama, Ms. Mie Fujimoto and Mr. Toshiaki Katsushima are Outside Audit & Supervisory Board Members.

Note 5: The Company has registered Directors Mr. Yutaka Asahina and Mr. Hitoshi Kashiwaki, and Audit & Supervisory Board Members, Mr. Teisuke Kitayama, Ms. Mie Fujimoto and Mr. Toshiaki Katsushima as Independent Directors/Audit & Supervisory Board Members with the Tokyo Stock Exchange.

Note 6: Standing Statutory Audit & Supervisory Board Member, Mr. Takafumi Kannari has an experience as General Manager of Finance Division and Director in charge of accounting at the Company and has considerable knowledge of accounting and finance.

Note 7: Audit & Supervisory Board Member Mr. Toshiaki Katsushima has knowledge of accounting and tax affairs as a certified public accountant and tax accountant, and has considerable knowledge of accounting and finance.

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	Shinji Takeda *	Tokyo Broadcasting System Television, Inc. TBS SPARKLE, Inc. StylingLife Holdings Inc. MBS MEDIA HOLDINGS, INC. RKB MAINICHI HOLDINGS CORPORATION	Chairman and Director Chairman and Director Director Outside Director Outside Audit & Supervisory Board Member
	Takashi Sasaki	Tokyo Broadcasting System Television, Inc.	President and Representative Director
	Toshiaki Kawai	Tokyo Broadcasting System Television, Inc.	Senior Managing Director and Representative Director
	Tatsuo Sugai	Tokyo Broadcasting System Television, Inc. StylingLife Holdings Inc.	Managing Director Director
	Mikio Kokubu	Tokyo Broadcasting System Television, Inc. SKY Perfect JSAT Holdings Inc.	Managing Director Outside Audit & Supervisory Board Member
	Yasushi Yoshida	Tokyo Broadcasting System Television, Inc.	Director
	Ken Sonoda *	Tokyo Broadcasting System Television, Inc.	Director
	Hiroyuki Aiko	Tokyo Broadcasting System Television, Inc. BS-TBS, INC.	Director President and Representative Director
	Masashi Nakao	Tokyo Broadcasting System Television, Inc. WOWOW Inc.	Director Outside Director
	Hideki Isano	Tokyo Broadcasting System Television, Inc.	Director
	Masaya Chisaki	Tokyo Broadcasting System Television, Inc.	Director
	Eiichi Iwata	Tokyo Broadcasting System Television, Inc.	Director
	Shoichi Watanabe	Tokyo Broadcasting System Television, Inc.	Director

Category	Name	Company in which Directors and Audit & Supervisory Board Members of the Company hold a concurrent position	Concurrent position held
Directors	Masamine Ryuho	Tokyo Broadcasting System Television, Inc. Broadcasting System of Niigata Inc.	Director Outside Director
	Yutaka Asahina	Tokyo Broadcasting System Television, Inc. The Mainichi Newspapers Group Holdings, Co., Ltd. The Mainichi Newspapers Co., Ltd. MBS MEDIA HOLDINGS, INC. RKB MAINICHI HOLDINGS CORPORATION Shochiku Co., Ltd.	Director President and Representative Director Chairman Outside Director Outside Director Outside Audit & Supervisory Board Member
	Tadashi Ishii	Tokyo Broadcasting System Television, Inc. DENTSU INC.	Director Executive Advisor
	Keiichi Mimura	Tokyo Broadcasting System Television, Inc. MBS MEDIA HOLDINGS, INC. Mainichi Broadcasting System, Inc.	Director President and Representative Director President and Representative Director
	Hitoshi Kashiwaki	Tokyo Broadcasting System Television, Inc. ASICS Corporation Matsuya Co., Ltd.	Director Outside Director Outside Director
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
	Teisuke Kitayama	Tokyo Broadcasting System Television, Inc. Sumitomo Mitsui Banking Corporation Daicel Corporation	Audit & Supervisory Board Member Advisor External Director
	Mie Fujimoto	Tokyo Broadcasting System Television, Inc. TMI Associates KURARAY CO., LTD. SEIKAGAKU CORPORATION	Audit & Supervisory Board Member Partner Outside Director Outside Audit & Supervisory Board Member
	Toshiaki Katsushima	Tokyo Broadcasting System Television, Inc. Toshiaki Katsushima, CPAs & Tax Accountancy Office SKY Perfect JSAT Holdings Inc.	Audit & Supervisory Board Member Representative Outside Audit & Supervisory Board Member

* On April 1, 2019, the Company also made TBS GLOWDIA, Inc. the company surviving an absorption-type merger where Mr. Shinji Takeda and Mr. Ken Sonoda concurrently serve as Chairman and Director and President and Representative Director, respectively. Through the absorption-type merger, five consolidated subsidiaries and two wholly-owned subsidiaries became companies disappearing in the absorption-type merger (refer to page 20 of "Status of Important Reorganization").

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

Category	Recipients	Total amount of fees etc.
Directors (subtotal: Outside Directors)	21 (4)	¥654 million (¥31 million)
Audit & Supervisory Board Members (subtotal: Outside Audit & Supervisory Board Members)	6 (4)	¥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 and one (1) Audit & Supervisory Board Member who retired at the conclusion of the 91st 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 the Board of Directors	Attendance to meetings of the Audit & Supervisory Board	Status of expression of opinions
Directors	Yutaka Asahina	12/12	-	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	12/12	-	With extensive experience and knowledge as a member of the top management of a broadcasting company, Mr. Mimura gives valuable opinions and suggestions.
	Hitoshi Kashiwaki (Assumed the office on June 28, 2018)	9/9	-	With extensive experience and knowledge as a member of top management of a human resources service company, Mr. Kashiwaki gives valuable opinions and suggestions.

Category	Name	Attendance to meetings of the Board of Directors	Attendance to meetings of the Audit & Supervisory Board	Status of expression of opinions
Audit & Supervisory Board Members	Teisuke Kitayama	11/12	12/13	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	12/12	13/13	Ms. Fujimoto asks questions and gives advice based on extensive experience and knowledge as a lawyer specialized in corporate legal affairs.
	Toshiaki Katsushima (Assumed the office on June 28, 2018)	9/9	9/9	Mr. Katsushima asks questions and gives advice based on extensive experience and knowledge as a certified public accountant and tax accountant.

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. Yutaka Asahina, Mr. Tadashi Ishii, Mr. Keiichi Mimura and Mr. Hitoshi Kashiwaki concurrently serve as Directors, and Outside Audit & Supervisory Board Members Mr. Teisuke Kitayama, Ms. Mie Fujimoto and Mr. Toshiaki Katsushima 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 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.
- 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.

(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	¥85 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 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 connection with the formulation and execution of "Group Medium-term Management Plan 2020," a new medium-term management plan of the Group, the sections of the Basic Policy that are related to the medium-term management plan were revised as follows at the Board of Directors' meeting held on April 3, 2018.

(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 2020" on February 8, 2018 as a new medium-term management plan of the Group, and we are moving forward with initiatives to realize the plan.

(2) Raising Corporate Value and Maximizing the Common Interests of Shareholders under the "Group Medium-term Management Plan 2020"

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. In addition, taking into perspective the era of integration between broadcasting and telecommunications services and the post-Olympic and Paralympic Games Tokyo 2020 period, the Group has developed "Group Medium-term Management Plan 2020" on February 8, 2018 in a bid to further reinforce the TBS Group's foundation.

Through implementation of the "Group Medium-term Management Plan 2020," the Group will aim to build its unique "TBS quality" toward the era of fusion of broadcasting and communication and the period of post-Tokyo 2020 Olympic and Paralympic Games. It will do this with three approaches: "Increase of the competitiveness of Tokyo Broadcasting System Television, Inc. Creation of the strongest and best content," "Diversification and challenge to total media that creates the synergy of TBS," and "Performance of the social responsibility that the TBS Group should fulfill." At the same time, the Group will endeavor to maximize corporate value of the Company and the Group and common profits of shareholders and fulfill their expectations.

(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 "resolution approved at 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. or 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 2019.

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 approved at the 2007 shareholders' meeting. 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	92nd Business Term As of March 31, 2019	Accounting Item	92nd Business Term As of March 31, 2019
ASSETS		**LIABILITIES**	
Current assets:	**144,192**	**Current liabilities:**	**80,099**
Cash and deposits	72,293	Notes and accounts payable-trade	37,780
Notes and accounts receivable-trade	42,942	Short-term loans payable	80
Securities	700	Current portion of long-term loans payable	1,200
Inventories	15,540	Accounts payable-other	14,388
Prepaid expenses	8,644	Income taxes payable	7,894
Other	4,222	Accrued consumption taxes	1,355
Allowance for doubtful accounts	(151)	Accrued expenses	2,059
		Provision for bonuses	5,059
Noncurrent assets:	**654,289**	Provision for directors' bonuses	126
		Other provision	393
		Other	9,760
Property, plant and equipment:	**206,431**	**Noncurrent liabilities:**	**117,090**
Buildings and structures	92,867	Long-term loans payable	1,800
Machinery, equipment and vehicles	11,631	Provision for environmental measures	127
Tools, furniture and fixtures	2,652	Net defined benefit liability	15,770
Land	96,821	Lease obligations	433
Lease assets	1,362	Deferred tax liabilities	83,268
Construction in progress	1,096	Other	15,690
		Total liabilities	**197,189**
Intangible assets:	**22,128**	**NET ASSETS**	
		Shareholders' equity:	**383,053**
Software	5,732		
Goodwill	15,002	**Capital stock**	**54,986**
Lease assets	17	**Capital surplus**	**46,751**
Other	1,377	**Retained earnings**	**281,372**
		Treasury stock	**(57)**
		Accumulated other comprehensive income:	**201,560**
Investments and other assets:	**425,728**		
Investment securities	411,453	**Valuation difference on available-for-sale securities**	**201,539**
Long-term loans receivable	204	**Deferred gains or losses on hedges**	**25**
Deferred tax assets	2,541	**Foreign currency translation adjustment**	**(2)**
Long-term prepaid expenses	245	**Remeasurements of defined benefit plans**	**(2)**
Other	11,477	**Non-controlling interests**	**16,677**
Allowance for doubtful accounts	(192)		
		Total net assets	**601,291**
Total assets	**798,481**	**Total liabilities and net assets**	**798,481**

Consolidated Statements of Income

(Millions of yen)

Accounting Item	92nd Business Term From April 1, 2018 to March 31, 2019
Net sales	**366,353**
Cost of sales	**250,624**
Gross profit	**115,728**
Selling, general and administrative expenses	97,156
Operating income	**18,572**
Non-operating income	**11,774**
Interest income	25
Dividends income	10,335
Other	1,413
Non-operating expenses	**1,511**
Interest expenses	226
Share of loss of entities accounted for using equity method	702
Loss on retirement of noncurrent assets	173
Other	408
Ordinary income	**28,835**
Extraordinary income	**12,849**
Gain on sales of investment securities	12,849
Extraordinary loss	**1,678**
Restructuring-related expenses	1,256
Impairment loss	390
Loss on sales of investment securities	19
Early extra retirement payments	12
Profit before income taxes	**40,006**
Income taxes-current	13,738
Income taxes-deferred	23
Profit	**26,244**
Profit attributable to non-controlling interests	1,039
Profit attributable to owners of parent	**25,205**

Consolidated Statements of Changes in Net Assets

(Fiscal Year from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2018	54,986	46,760	262,138	(54)	363,830
Changes of items during the period					
Dividends from surplus			(5,415)		(5,415)
Profit attributable to owners of parent			25,205		25,205
Change of scope of equity method			(328)		(328)
Change of scope of consolidation			(622)		(622)
Increase by merger			396		396
Purchase of treasury stock				(2)	(2)
Purchase of shares of consolidated subsidiaries		(8)			(8)
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(8)	19,234	(2)	19,222
Balance at March 31, 2019	54,986	46,751	281,372	(57)	383,053

	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, 2018	221,405	(117)	(34)	(29)	221,224	15,895	600,950
Changes of items during the period							
Dividends from surplus							(5,415)
Profit attributable to owners of parent							25,205
Change of scope of equity method							(328)
Change of scope of consolidation							(622)
Increase by merger							396
Purchase of treasury stock							(2)
Purchase of shares of consolidated subsidiaries							(8)
Net changes of items other than shareholders' equity	(19,865)	143	32	26	(19,663)	781	(18,881)
Total changes of items during the period	(19,865)	143	32	26	(19,663)	781	340
Balance at March 31, 2019	201,539	25	(2)	(2)	201,560	16,677	601,291

Notes to Consolidated Financial Statements

Basis of Preparing Consolidated Financial Statements

1. Scope of Consolidation
   (1) Consolidated Subsidiaries
   Number of consolidated subsidiaries: 31
   Names of principal consolidated subsidiaries
   Principal subsidiaries are as listed in Business Report "Principal Subsidiaries" (page 23).
   Golf Network Plus Inc. SEVEN ARCS Co., Ltd., Seven Arcs Pictures Co., Ltd., and Arcturus Inc. are included within the scope of consolidation effective from the fiscal year under review because of their increased materiality. The newly established TBS SPARKLE, Inc. is included within the scope of consolidation effective from the fiscal year under review. FF TOHO Inc., JASC, TBS Vision, Inc., DREAMAX TELEVISION INC., and VuCast, INC., which were previously the Company's consolidated subsidiaries, disappeared due to the absorption-type merger with TBS SPARKLE, Inc. and are excluded from the scope of consolidation effective from the fiscal year under review.

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

2. Application of Equity Method
   (1) Affiliated Companies to Which Equity Method Is Applied
   Number of companies: 3 (newly included: 1 company)
   WOWOW INC., Premium Platform Japan, Inc.
   Place Holder, Inc. is included within the scope of application of the equity method effective from the fiscal year under review because of its increased materiality.

   (2) Affiliated Companies to Which Equity Method Is Not Applied
   Name of principal non–equity–method company: Kids Station Inc.
   The 42 non–consolidated subsidiaries and 22 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, 2018.

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 structures 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 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 Change in Presentation Methods

Change with the application of partial amendments to Accounting Standard for Tax Effect Accounting
The Group has applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) to consolidated financial statements from the beginning of the fiscal year under review. Accordingly, deferred tax assets are presented under investments and other assets and deferred tax liabilities are presented under noncurrent liabilities.

Notes on Consolidated Balance Sheets

1. Inventories

Merchandise and finished goods	¥8,832 million
Programs and work in progress	¥5,985 million
Raw materials and supplies	¥722 million

2. Accumulated depreciation of property, plant and equipment ¥218,936 million

3. Guarantee liabilities

Employees' housing loans	¥1,027 million

4. Amount deducted from acquisition prices of property, plant and equipment for state subsidies etc. received ¥2,751 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 the Beginning of Fiscal Year under Review	Increase during Fiscal Year under Review	Decrease during Fiscal Year under Review	Number of Shares at the End of Fiscal Year under Review
Numbers of Shares Issued				
Common stock	174,709,837	–	–	174,709,837
Total	174,709,837	–	–	174,709,837
Treasury stock				
Common stock (Note)	41,774	1,431	–	43,205
Total	41,774	1,431	–	43,205

Note: The increase of common stock in treasury stock is due to the purchase of less-than-one-unit shares (1,431 shares).

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 28, 2018	Common stock	2,620	15	Mar. 31, 2018	Jun. 29, 2018
Board of Directors' meeting on November 1, 2018	Common stock	2,795	16	Sep. 30, 2018	Dec. 5, 2018

(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 27, 2019	Common stock	2,970	Retained earnings	17	Mar. 31, 2019	Jun. 28, 2019

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, 2019 (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	72,293	72,293	–
(2) Notes and Accounts Receivable−trade	42,942	42,938	−3
(3) Securities and Investment Securities			
a. Held–to–maturity securities	700	700	0
b. Stocks of subsidiaries and affiliates	8,808	13,460	4,652
c. Available–for–sale Securities	381,721	381,721	–
(4) Notes and Accounts Payable−trade	(37,780)	(37,780)	–
(5) Short-term Loans Payable	(80)	(80)	–
(6) Accounts Payable−other	(14,388)	(14,388)	–
(7) Long−term Loans Payable	(3,000)	(3,000)	–
(8) Derivative Transactions	(4)	(4)	–

(*) 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

Long-term loans payable with variable interest rates are all stated at book value as the interest rate on these loans reflects the market rate in a short period of time and their market values approximate book values. Therefore, they are based on their respective book values.

(8) Derivative transactions

The fair value is calculated based on the price and other information presented by the correspondent f

financial institution and other entities.

Note 2: Unlisted stocks (consolidated balance sheets amount of ¥20,923 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 includes ¥1,200 million of Current portion of long–term loans payable.

Notes on Investment and Rental Properties

1. Status of Investment and Rental Properties

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

2. Fair Values of Investment and Rental Properties

(Millions of yen)

Consolidated balance sheets amount	Fair value at the end of the fiscal year under review
87,158	310,185

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 ¥3,347.03
2. Net income per share ¥144.31

Notes on the Business Combination

Merger between wholly-owned subsidiaries

On January 1, 2019, the Company Group conducted an absorption-type merger with TBS SPARKLE, Inc., FF TOHO, Inc., Castplus. Co. Ltd. , JASC, Japan Editors Union,Co,.Ltd. , Jobx Co, Ltd., CHANNEL PLUS Inc., TBS Vision, Inc., Toho-Stax, Co. Ltd., DREAMAX TELEVISION, INC., VISION-PLUS, INC. and VuCast, INC. Through the absorption-type merger, TBS SPARKLE, Inc. became a surviving company.

1. Outline of the merger

(1) Name and business description of companies involved with the merger

Business description of the company surviving the absorption-type merger	TBS SPARKLE, Inc. Program production, content production, etc.
Business description of the companies disappearing in the absorption-type merger	FF TOHO, Inc. Program production, Production technologies of programs, etc.
	Castplus. Co. Ltd. Training, promotion, management, etc. of announcers, etc.
	JASC Temporary staffing services, program production, etc.
	Japan Editors Union,Co,.Ltd. VTR editing services of TV programs, etc.
	Jobx Co, Ltd Program production, content production, etc.
	CHANNEL PLUS Inc. Temporary staffing services
	TBS Vision, Inc. Program production, content production, etc.
	Toho-Stax, Co. Ltd. Production technologies and transmission of programs, news editing, etc.
	DREAMAX TELEVISION, INC. Program production
	VISION-PLUS,INC. Cooperative project of TV program production, etc.
	VuCast, INC. Production of videos, temporary staffing services, etc.

(2) Purpose of the merger

In order to “review the structure of the Group and gather strengths of the Group,” which is set forth in the “Group Medium-term Management Plan 2020,” the functions of program production, which had been scattered to subsidiaries of the TBS Group, were consolidated into TBS SPARKLE, Inc.

(3) Schedule of the merger

Effective date of the merger/Commencement date of the business operation January 1, 2019

(4) Legal form of the merger

Form of absorption-type merger where TBS SPARKLE, Inc., is a surviving company and 11 companies, including FF TOHO, Inc., Castplus. Co. Ltd., JASC, Japan Editors Union,Co,.Ltd., Jobx Co, Ltd., CHANNEL PLUS Inc., TBS Vision, Inc., Toho-Stax, Co. Ltd., DREAMAX TELEVISION, INC., VISION-PLUS, INC. and VuCast, INC. are disappearing companies.

(5) Name of the merging company

TBS SPARKLE, Inc.

2. Outline of the accounting procedure performed

In accordance with the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21; September 13, 2013) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10; September 13, 2013), the Company dealt with the merger as a transaction under the common control.

Notes on the Subsequent Events

Merger between wholly-owned subsidiaries

Effective April 1, 2019, the Company conducted an absorption-type merger with TBS GLOWDIA, Inc., Grand Marche, Inc., CREi Inc., TBS Service, Inc., TBS DigNet, TBS TriMedia, Inc., TBS ProNex Inc. and Vecte, Inc., which had been the Company's wholly-owned subsidiaries. Through the absorption-type merger, and TBS GLOWDIA, Inc. became a surviving company.

1. Outline of the merger

(1) Name and business description of companies involved with the merger

Business description of the company surviving the absorption-type merger	TBS GLOWDIA, Inc. Entertainment and events, sale of programming, sale of goods through TV shopping, etc.
Business description of the companies disappearing in the absorption-type merger	Grand Marche, Inc. Sale of goods through TV shopping, etc.
	CREi Inc. Sale of programming, temporary staffing services, etc.
	TBS Service, Inc. Entertainment and events, sale of programming, etc.
	TBS DigNet Digital-related services, etc.
	TBS TriMedia, Inc. Production of programs, entertainment and events, etc.
	TBS ProNex, Inc. Production of radio programs, etc.
	Vecte, Inc. Digital-related services, etc.

(2) Purpose of the merger

In order to "review the structure of the Group and gather strengths of the Group," which is set forth in the "Group Medium-term Management Plan 2020," the functions of entertainment and events, sale of programming, sale of goods through TV shopping, video-related, radio-related and digital-related services etc., which had been scattered to subsidiaries of the TBS Group, were consolidated into TBS GLOWDIA, Inc.

(3) Schedule of the merger

Effective date of the merger/Commencement date of the business operation April 1, 2019

(4) Legal form of the merger

Form of absorption-type merger where TBS GLOWDIA, Inc., is a surviving company and 7 companies, including Grand Marche, Inc., CREi Inc., TBS Service, Inc., TBS DigNet, TBS TriMedia, Inc., TBS ProNex Inc. and Vecte, Inc., are disappearing companies.

(5) Name of the merging company

TBS GLOWDIA, Inc.

2. Outline of the accounting procedure performed

In accordance with the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21; January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10; January 16, 2019), the Company dealt with the merger as a transaction under the common control.

Financial Statements

Non-Consolidated Balance Sheets

(Millions of yen)

Accounting Item	92nd Business Term As of March 31, 2019	Accounting Item	92nd Business Term As of March 31, 2019
ASSETS		**LIABILITIES**	
Current assets:	**54,753**	**Current liabilities:**	**151,275**
Cash and deposits	53,614	Accounts payable-trade	1,079
Accounts receivable-trade	553	Short-term loans payable to subsidiaries and affiliates	146,572
Programs and work in progress	72	Accounts payable-other	87
Short-term loans receivable from subsidiaries and affiliates	128	Income taxes payable	3,101
Prepaid expenses	71	Accrued consumption taxes	2
Accounts receivable-other	349	Accrued expenses	33
Other	10	Provision for bonuses	259
Allowance for doubtful accounts	(47)	Other	140
Noncurrent assets:	**574,774**	**Noncurrent liabilities:**	**56,820**
Property, plant and equipment:	**106,266**	Long-term deposits received	13,937
Buildings	38,781	Provision for retirement benefits	8,813
Structures	1,061	Provision for environmental measures	121
Machinery and equipment	318	Deferred tax liabilities	33,780
Vehicles	0	Other	167
Tools, furniture and fixtures	582		
Land	65,514		
Construction in progress	7		
Intangible assets:	**341**	**Total liabilities**	**208,095**
Software	289		
Other	51	**NET ASSETS**	
		Shareholders' equity:	**337,026**
Investments and other assets:	**468,165**	**Capital stock**	**54,986**
Investment securities	147,869	**Capital surplus**	**55,026**
Stocks of subsidiaries and affiliates	314,817	Legal capital surplus	55,026
Investments in capital of subsidiaries and affiliates	2,323	**Retained earnings**	**227,017**
Long-term loans receivable	16	Legal retained earnings	4,217
Long-term prepaid expenses	30	Other retained earnings	222,800
Other	3,130	General reserve	194,312
Allowance for doubtful accounts	(22)	Retained earnings brought forward	28,487
		Treasury stock	**(3)**
		Valuation and translation adjustments:	**84,404**
		Valuation difference on available-for-sale securities	84,404
		Total net assets	**421,431**
Total assets	**629,527**	**Total liabilities and net assets**	**629,527**

Non-Consolidated Statements of Income

(Millions of yen)

Accounting Item	92nd Business Term From April 1, 2018 to March 31, 2019
Operating revenue	**17,962**
Rent income of real estate	16,036
Other revenue	1,925
Operating expenses	**14,953**
Expenses of real estate rent	7,572
Other business expenses	672
General and administrative expenses	6,709
Operating income	**3,008**
Non-operating income	**18,368**
Interest and dividends income	17,695
Other	672
Non-operating expenses	**755**
Interest expenses	597
Non-deductible consumption tax, etc.	84
Other	73
Ordinary income	**20,621**
Extraordinary income	**10,890**
Gain on sales of investment securities	10,890
Extraordinary loss	**550**
Loss on valuation of stocks of subsidiaries and affiliates	309
Restructuring-related expenses	215
Loss on sales of investment securities	19
Loss on valuation of golf club membership	6
Profit before income taxes	**30,960**
Income taxes-current	5,853
Income taxes-deferred	(84)
Profit	**25,191**

Non–Consolidated Statements of Changes in Net Assets

(Fiscal Year from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity						
		Capital surplus		Retained earnings			
					Other retained earnings		
	Capital stock	Legal capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings
Balance at April 1, 2018	54,986	55,026	55,026	4,217	194,312	8,711	207,241
Changes of items during the period							
Dividends from surplus						(5,415)	(5,415)
Profit						25,191	25,191
Purchase of treasury stock							
Net changes of items other than shareholders' equity							
Total changes of items during the period	–	–	–	–	–	19,775	19,775
Balance at March 31, 2019	54,986	55,026	55,026	4,217	194,312	28,487	227,017

	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, 2018	(0)	317,253	113,593	113,593	430,847
Changes of items during the period					
Dividends from surplus		(5,415)			(5,415)
Profit		25,191			25,191
Purchase of treasury stock	(2)	(2)			(2)
Net changes of items other than shareholders' equity			(29,188)	(29,188)	(29,188)
Total changes of items during the period	(2)	19,772	(29,188)	(29,188)	(9,415)
Balance at March 31, 2019	(3)	337,026	84,404	84,404	421,431

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
   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 structures 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.

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 Change in Presentation Methods

1. Change with the application of "Partial Amendments to Accounting Standard for Tax Effect Accounting"
   The Group has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year under review. Accordingly, deferred tax assets are presented under investments and other assets and deferred tax liabilities are presented under noncurrent liabilities.

2. Non-Consolidated Statements of Income
   "Non-deductible consumption tax, etc.," which was included in "other" in "non-operating expenses" in the previous fiscal year, has been presented as a separate line item in the fiscal year under review because of an increase in financial materiality.

Notes on Non−Consolidated Balance Sheets

1. Accumulated depreciation of property, plant and equipment ¥35,843 million

2. Guarantee liabilities
   Employees' housing loans ¥1,027 million

3. Receivables from and payables to subsidiaries and associates (excluding accounting items presented separately)
   Short–term receivables from subsidiaries and affiliates ¥511 million
   Short–term payables to subsidiaries and affiliates ¥380 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 ¥3,021 million
   Operating expenses ¥2,094 million
   Transactions other than ordinary operation ¥11,240 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 the beginning of fiscal year under review	Increase during fiscal year under review	Decrease during fiscal year under review	Number of shares at the end of fiscal year under review
Common stock	355	1,431	–	1,786
Total	355	1,431	–	1,786

Note: The increase of common stock in treasury stock is due to the purchase of less−than−one−unit shares of 1,431 shares.

Tax Effect Accounting

1. Main sources of deferred tax assets and liabilities

	Millions of yen
Investment securities and Stocks of subsidiaries and affiliates	3,120
Provision for retirement benefits	2,698
Accrued enterprise taxes	349
Provision for bonuses	81
Valuation difference on available–for–sale securities	(37,188)
Others	618
Subtotal	(30,320)
Valuation reserve	(3,459)
Total	(33,780)

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)	30.62 %
Entertainment expenses	0.12 %
Dividends income	(12.01 %)
Others	(0.10 %)
Effective income tax rate after applying tax effect accounting	18.63 %

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)	3,806 (Note 2)	Short–term loans payable to subsidiaries and affiliates	89,864
				Interest expenses (Note 1)	244	–	–
Subsidiary	BS–TBS, INC.	Directly owning: 100%	Operation management Sharing of officers Borrowing of funds	Borrowings (Note 1)	[1,017] (Note 2)	Short–term loans payable to subsidiaries and affiliates	14,526
Subsidiary	TBS Service, Inc.	Directly owning: 100%	Sharing of officers Borrowing of funds	Borrowings (Note 1)	1,503 (Note 2)	Short–term loans payable to subsidiaries and affiliates	6,589
Subsidiary	Nichion, Inc.	Directly owning: 100%	Sharing of officers Borrowing of funds	Borrowings (Note 1)	668 (Note 2)	Short–term loans payable to subsidiaries and affiliates	7,162

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 ¥2,412.20
2. Net income per share ¥144.19

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, 2019

The Board of Directors
Tokyo Broadcasting System Holdings, Incorporated

KPMG AZSA LLC

Ryuichi Makino
Designated and Engagement Partner
Certified Public Accountant

Katsunori Tsukahara
Designated and Engagement Partner
Certified Public Accountant

Kentaro Mikuriya
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, 2019 and for the year from April 1, 2018 to March 31, 2019 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, 2019

The Board of Directors
Tokyo Broadcasting System Holdings, Incorporated

KPMG AZSA LLC

Ryuichi Makino
Designated and Engagement Partner
Certified Public Accountant

Katsunori Tsukahara
Designated and Engagement Partner
Certified Public Accountant

Kentaro Mikuriya
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, 2019 and for the year from April 1, 2018 to March 31, 2019 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 92nd business term from April 1, 2018 through March 31, 2019 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, Compliance Division, 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 and audit & supervisory board members 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.

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 requested explanations when necessary.

Based on the above methods, we examined the Business Report and supporting schedules, 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 14, 2019

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
Teisuke Kitayama

Outside Audit & Supervisory Board Member
Mie Fujimoto

Outside Audit & Supervisory Board Member
Toshiaki Katsushima

Akasaka Entertainment City Initiative

We planned the "Akasaka Entertainment City Initiative" as part of the "total media strategy that creates synergies for TBS," which is set forth in the "Group Medium-term Management Plan 2020." The purpose of this project is to develop and expand new entertainment facilities and functions of cutting-edge cultural communication with the aim of making Akasaka "a city that conveys the greatest excitement in the world."
In order to achieve this initiative, we will take the following actions:

1 Participation in new redevelopment in Akasaka

We concluded a business agreement on the joint redevelopment of the "Kokusai Shin-Akasaka Building" which is adjacent to the Company, with Mitsubishi Estate Co., Ltd. In the future, we will proceed with the plan to enhance the media function as a "real" place and build a base from which next-generation entertainment will be distributed in this redevelopment area. Although a specific facility plan has not been determined yet, we will consider various establishments, such as a virtual-type facility with state-of-the-art technologies and an open space where media festivals can be held.

2 Renewal of Akasaka Sacas and surrounding area

- Following renovation of "TBS Gallery" during the previous year, renewal work for Akasaka Sacas was performed in March 2019 to make this space comfortable for all visitors.
- Furthermore, "Mynavi BLITZ Akasaka" will be repurposed as a studio with an open visit function, enabling visitors to become familiar with TBS television as a "real" place.
- During the previous year, we also acquired "The Hexagon" building, which is adjacent to the Company's premises. Although it is currently a tenant building, in the future we will consider positioning it as a strategic base to develop a cutting-edge media area.

Contributions to a creative culture and revitalization of local communities

While the environment surrounding the broadcasting media is changing significantly, the Company positions the" Akasaka Entertainment City Initiative" as an activity to form an extremely important base to achieve development as a comprehensive media company. The realization of the initiative will lead to the enhancement of the Company's corporate value and contribute to a creative culture and revitalization of local communities throughout Akasaka, as a dynamic city area people come to visit.

