

Corporate Governance Report

Last updated: July 2, 2026

TBS HOLDINGS, INC.

Ryujiro Abe, President & Chief Executive Officer

Contact: Corporate Secretary Department, General Affairs Division

Stock Code: 9401

<https://www.tbsholdings.co.jp/>

The corporate governance of TBS HOLDINGS, INC. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Views

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. At the same time, the Company firmly recognizes its social responsibilities to disseminate fair, just and accurate information, to perform the function of social lifeline particularly at the time of disasters and emergencies as a broadcasting business. In order to realize these social missions and maintain and improve our content production and development capabilities, particularly in the broadcasting business, the Group’s human resources such as employees, as well as the long-term relationships of trust with outsourcers, business partners, and other content supporters, are extremely important management resources and constitute the source of the Company’s corporate value.

To maximize its corporate value and the common interests of shareholders, the Company must develop and strengthen the sources of its corporate value from a medium- to long-term perspective. Based on this recognition, the Company considers that the basic policy for corporate governance is to endeavor to maximize the corporate value of the Company and common interests of shareholders by seeking high quality of contents created and the management efficiency at the same time.

In addition, the Company has formulated the TBS Group Code of Conduct as a basic oath that all officers and employees are required to uphold and also adopted the TBS Group Standards of Conduct as standards for the realization of the Charter and is working to ensure full compliance with them. As such the Company strives to strengthen the corporate governance to ensure that Directors perform their duties in accordance with the laws and regulations and the Articles of Incorporation and their management judgment and business execution are conducted in line with the above basic policy.

[Reasons for Non-compliance with the Principles of Japan's Corporate Governance Code]

The Company implements all of the principles of Japan's Corporate Governance Code.

[Disclosure Based on the Principles of Japan's Corporate Governance Code] [Updated]

[The content is described based on Japan's Corporate Governance Code (Revised June 2021).]

[Principle 1-4. Cross-Shareholdings]

The Company has been progressively reducing cross-shareholdings in accordance with Japan's Corporate Governance Code. The Company had sold cross-shareholdings totaling ¥153 billion over the six-year period from FY2018 to FY2023. The Company had planned to sell such stocks totaling more than ¥90 billion during the three-year period from FY2024 to FY2026, the period of the "TBS Group Medium-Term Business Plan 2026." However, with the divestments progressing more rapidly than originally planned, the Company revised the total sale volume for the three-year period from FY2024 to FY2026 to ¥135 billion in the "TBS Group Medium-Term Business Plan 2026 Updated," which was announced in May 2026. If the revised plan is executed, the cumulative proceeds from the sale of stocks over the nine years beginning from FY 2018 will exceed ¥288 billion.

The Board of Directors examines whether or not it is appropriate to continue to hold the cross-shareholdings on an annual basis, by comprehensively taking into account their economic rationale in terms of holding purposes, status of relationship and capital cost. The Company classifies cross-shareholdings into three groups, namely (1) Stocks that are essential for the purpose of core business strategies such as JNN affiliated stations and advertising companies, (2) Stocks of business partners such as TV sponsors, and (3) Source of capital for funding growth strategies. Stocks categorized in (1) and (2) are sold as appropriate if their significance of holding has deteriorated. Stocks categorized in (3) are sold for funding strategic investments in a flexible manner. In FY2025, the Board of Directors verified the cross-shareholdings in meetings held in August and September, and the Company conducted the sale of stocks with proceeds amounting to approximately ¥53.7 billion. In FY2026 as well, we have already sold shares worth approximately ¥16.2 billion. We will continue an effort to reduce cross-shareholdings, taking into account the capital allocation aimed at promoting management with an emphasis on capital efficiency, as outlined in the "TBS Group Medium-Term Business Plan 2026 Updated."

In exercising voting rights, while respecting the management policy of investees, the Company closely examines the content of proposals and exercises voting rights appropriately from the viewpoint of whether or not it contributes to enhancement of medium- to long-term corporate value. However, in the case where the Company's corporate value may be damaged, the case where any material violation of laws and regulations is seen, or other cases, the Company will have a sufficient dialogue, including confirmation of intent of the proposal, with the investee as needed, and make a careful judgment.

[Principle 1-7. Related Party Transactions]

In the event that competitive transactions or conflict-of-interest transactions with Directors occur, such transactions are conducted, after crucial facts are disclosed to the Board of Directors in advance, and then prior approval of the Board of Directors is obtained, in accordance with the Companies Act and the Regulations of the Board of Directors, and the outcome is reported to the Board of Directors. In addition, transactions with officers and their close relatives are confirmed regularly each year.

Transactions with related parties including major shareholders are to be conducted fairly in accordance with the TBS Group Standards of Conduct, as is the case with general transactions.

<https://www.tbsholdings.co.jp/about/governance/statement.html> (in Japanese)

[Supplementary Principle 2-4-1. Ensuring Diversity in the Appointment of Core Personnel, etc.]

(1) Promotion of female employees to managers

TOKYO BROADCASTING SYSTEM TELEVISION, INC. ("TBS TELEVISION, INC.") our core subsidiary, has set a target to "strive to increase the percentage of female managers to over 20% of the total," and we are actively pursuing the appointment of female employees to management positions so as to achieve that target. The percentage at TBS TELEVISION, INC. was 18.3% (as of March 2026), and we will strive toward our target.

(2) Promotion of foreign employees to managers

We do not include nationality in our selection criteria for both new graduates and mid-career hires, and recruit employees based on a fair assessment of the individual's abilities, aptitude and other factors. For management positions, we also place importance on whether the person has appropriate skills and insights, and appoint people without distinction of nationality or gender. For this reason, we have not set any specific target figures for the appointment of foreign employees to management positions.

(3) Promotion of mid-career employees to managers

In the TBS Group Medium-Term Business Plan 2026, we have set a target of recruiting 300 mid-career hires by 2026, and we are actively working to expand our pool of career personnel with specialized knowledge and abilities. Our core subsidiary, TBS TELEVISION, INC. hired 39 mid-career professionals in FY2024, and 42 in FY2025, and we will continue to actively recruit professional talent to expand our human resources portfolio. As mentioned above, when it comes to management positions, we place emphasis on whether the candidate has the appropriate abilities and insight, and we have not set any specific target figures for promoting mid-career hires to management positions.

For information on the Group's initiatives related to human capital management, including its Human Resource Development Policy, Internal Environment Improvement Policy and the implementation status thereof, please see the TBS Group Integrated Report.

<https://www.tbsholdings.co.jp/en/ir/report/>

[Principle 2-6. Roles of Corporate Pension Funds as Asset Owners]

As part of employee welfare benefits, the Company has introduced a defined contribution pension plan, and works to provide education on the plan to employees periodically.

[Principle 3-1. Full Disclosure]

(1) Company objectives (e.g., management principles), business strategies and business plans

Management principles, etc. of the Company have been disclosed on its website below.

<https://www.tbsholdings.co.jp/en/about/brand.html>

In addition, business strategies, business plans, etc. have been disclosed on the TBS Group Medium-Term Business Plan 2026 and TBS Group Medium-Term Business Plan 2026 Updated.

<https://www.tbsholdings.co.jp/en/about/plan.html>

(2) Basic views and basic policies on corporate governance based on each of the principles of the Code

As described in I-1. "Basic Views" in this report.

(3) Board of Directors policies and procedures in determining the remuneration of the senior management and directors

As described in II-1. "[Directors] Supplementary Explanation" and "[Director Remuneration] Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof" in this report.

(4) Board of Directors policies and procedures in the appointment/dismissal of the senior management and the nomination of director and audit & supervisory board member candidates

Candidates for Directors (including President & Representative Director) are nominated as those with high business execution skills capable of implementing management strategies, and understanding the Company's business characteristics with extensive experience and knowledge as a member of the top management. Furthermore, those who are not involved in business execution but have an important role of supervising Directors with high effectiveness are nominated as candidates for Outside Directors. The structural diversity of the Board of Directors and a good balance between business execution and supervision are taken into account upon nomination.

For candidates for audit & supervisory board members, those with considerable knowledge of internal control and diverse persons who are outside of the industry to which the Company belongs have been nominated.

Candidates for directors, including the President & Representative Director, are selected after deliberation by the Nomination Advisory Committee, and candidates for audit & supervisory board members are selected

after obtaining the consent of the Audit & Supervisory Board, which is then decided by the Board of Directors and proposed to the General Meeting of Shareholders.

In cases where it is objectively found appropriate that any Director, including the President & Representative Director, is dismissed, such as due to violation of any laws and regulations, the Articles of Incorporation, etc. by such Director, the dismissal is determined by the Board of Directors through deliberation of the Nomination Advisory Committee, and proposed to the General Meeting of Shareholders.

(5) Explanations with respect to individual appointments/dismissals of the senior management and nominations of director and audit & supervisory board member candidates by the Board of Directors
It is provided in “Reference Materials” of the Notice of Convocation of the General Meeting of Shareholders.
<https://www.tbsholdings.co.jp/en/ir/stakeholders/meeting.html>

[Supplementary Principle 3-1-3. Efforts for Sustainability]

To further reinforce and promote initiatives to improve corporate value in a sustainable manner and to achieve a sustainable society as a content group, in October 2021 we established the Sustainability Committee. Under the Committee, we have established three working groups of Global Environmental Conservation, Wellness, and Human Capital, which are responsible for monitoring the Group’s sustainability promotion structure, considering and proposing new measures, and examining methods for appropriate disclosure. Furthermore, in November 2023 we established the Human Rights Subcommittee to respond to human rights issues and conduct human rights due diligence, and the Group Sustainability Liaison Conference to share and promote sustainability measures across the Group.

The Sustainability Committee’s investigations, verifications, and policy proposals are reported to and approved by both the Board of Full-time Directors and Officers and the Board of Directors on an ad hoc basis, and are shared across the entire Group following decisions made at the top levels of management.

In July 2023, we elevated the SDGs Planning Department within the President’s Office to establish the Sustainability Transformation (SX) Center. In July 2025, we further bolstered the Center’s capabilities through measures including the establishment of an ESG Management Department within it. Such measures have enabled us to establish a framework that strengthens our ESG initiatives alongside our ongoing efforts to achieve the SDGs.

In support of the SDGs, which seek to achieve sustainability on a global scale, and with the aim of serving as a “starting point for influencing society” to help realize these goals, we continuously strive to become a “leading content company in terms of sustainability” through collaborative efforts with our partner companies, centering our efforts around the SDGs Campaign “WEEK to Make the Earth Smile” we have held every spring and fall since 2020.

For information on the Group’s sustainability approach and initiatives, please see “Part 2 Overview of Business, 2 Sustainability Approach and Initiatives” of the Annual Securities Report.
<https://www.tbsholdings.co.jp/ir/library/statement.html> (in Japanese)

We also disclose information related to sustainability in the TBS Group Integrated Report.
<https://www.tbsholdings.co.jp/en/ir/report/>

[Supplementary Principle 4-1-1. Scope of Matters Delegated to the Senior Management]

Important management matters requiring a resolution of the Board of Directors and matters for reporting concerning Directors’ performance of operations have been stipulated in the Regulations of the Board of Directors. In addition, with regard to individual performance of operations, the scope of matters delegated has been stipulated in the Regulations of the Board of Full-time Directors and Officers and various rules.

[Principle 4-9. Independence Standards and Qualification for Independent Outside Directors]

For the Company’s independence standards for outside officers, please see the informational materials for ordinary general meetings of shareholders.
<https://www.tbsholdings.co.jp/en/ir/stakeholders/meeting.html>

[Supplementary Principle 4-10-1. Authority and Role of the Nomination Committee and Remuneration Committee, etc.]

As described in II-1. “[Directors] Supplementary Explanation.”

[Supplementary Principle 4-11-1. Views on Diversity in the Board of Directors, etc.]

<Views on Balance of Knowledge, Experience and Ability, Diversity and Size of the Board of Directors as a Whole>

From the perspective of speeding up management decision-making and ensuring transparency and fairness, six of 12 Directors who make up the Board of Directors are Independent Outside Directors. The six Independent Outside Directors excel in fields like “corporate management,” “finance & accounting,” “human resource management,” and “legal & compliance,” and have a wealth of experience and knowledge in each domain of “Digital,” “Global,” and “Experience,” which the Company has set in its growth strategy, thereby ensuring diversity and multifacetedness.

<Combination of Skills, etc. Possessed by Directors>

With respect to the combination of skills, etc. possessed by Directors, the skills matrix is included as reference material for the proposal for the election of Directors in the Notice of Convocation of the Ordinary General Meeting of Shareholders of the Company.

<https://www.tbsholdings.co.jp/en/ir/stakeholders/meeting.html>

<Policies and Procedures for Appointment of Directors>

The policy for the appointment of Directors is as described in [Principle 3-1. Full Disclosure] (4) of this report. As the procedures, candidates for Directors are reported to the Board of Directors following deliberation by the Nomination Advisory Committee, which consists of ten persons including six Outside Directors, and then determined.

[Supplementary Principle 4-11-2. Concurrent Positions Held by Directors and Audit & Supervisory Board Members]

Important concurrent positions outside the Company of Directors and Audit & Supervisory Board Members (including candidates) are disclosed each year in disclosure documents such as Business Report, Reference Materials, and Securities Report.

[Supplementary Principle 4-11-3. Analysis and Evaluation of the Effectiveness of the Board of Directors]

The Company recognizes that it is important for the Board of Directors to fully fulfill its expected role and improve its functions in order to sustainably enhance corporate value and maximize the common interests of shareholders, and in order to obtain a more objective perspective, the Company has been conducting self-evaluations of the Board of Directors with the support of a third-party institution in an effort to improve its effectiveness. In FY2025, we conducted a questionnaire survey to each Director and Audit & Supervisory Board Member, and based on the report of the third-party institution, the Board of Directors discussed and evaluated its effectiveness.

[Summary of the questionnaire and interviews]

The FY2025 questionnaire survey was conducted primarily from the following perspectives:

(1) Composition and management of the Board of Directors, (2) Management strategy and business strategy, (3) Corporate ethics and risk management, (4) Evaluation and remuneration of management (including matters related to the operation and discussions of the Nomination Advisory Committee and the Remuneration Advisory Committee), (5) Dialogue with shareholders and other interested parties, (6) Expectations and requests regarding the performance of directors and audit & supervisory board members, and (7) Self-evaluation

[Progress of improvement measures evaluated in FY2024]

Upon reviewing the improvement measures in response to the evaluation of the effectiveness of the Board of Directors in FY2024, we confirmed that improvement efforts have been made. However, we also confirmed that the issues recognized in the FY2024 evaluation, namely “setting appropriate agenda items for the Board of Directors” and “further enhancing the efficient management of the Board of Directors,” remain ongoing issues and that these will be addressed going forward.

For FY2024 evaluation results of the Board of Directors’ effectiveness, please see page 87 of the TBS Group Integrated Report 2025.

<https://www.tbsholdings.co.jp/en/ir/report/pdf/2025/report2025.pdf?20251212>

[FY2025 Summary of evaluation]

As a result of the FY2025 evaluation, the effectiveness of the Company's Board of Directors was deemed to be generally ensured. In particular, the following points were evaluated as strengths of the Company.

(1) Composition and management of the Board of Directors

With its diverse and balanced composition, the Board draws on the professional expertise of its Outside Officers to hold constructive and vigorous discussions. Thanks to the appropriate proceedings of the chairperson of the Board of Directors and the healthy tension between Outside Officers and the management team, the Company has established a system that ensures high-quality decision-making to drive its growth.

(2) Appropriate management, etc., of the Nomination and Compensation Advisory Committee

With a majority of its members consisting of Independent Outside Directors, including its chair, the Nomination and Compensation Advisory Committee conducts appropriate deliberations regarding the nomination and compensation of officers. Looking ahead, the nomination and compensation systems are expected to increase in sophistication.

(3) Stakeholder dialogue and disclosures

The quality of the various disclosure materials has been improving year by year, and efforts to proactively disclose sustainability information are also ramping up. In addition, feedback obtained through dialogue with shareholders and investors is properly shared with the Board of Directors.

Meanwhile, the following were identified as matters requiring attention to further improve effectiveness.

- (1) In addition to strengthening the monitoring of investment projects and key strategies, recognize the advancement of our talent strategy as a priority and hold discussions on the matter.
- (2) Further streamline the management of the Board of Directors and secure sufficient time for deliberating on key agenda items.
- (3) In addition to continuing off-site meetings, consider expanding opportunities for Outside Officers to gain a better understanding of our business and engage in dialogue.
- (4) Take the fraudulent expense reimbursement case seriously, work to improve the expense reimbursement process, and implement training programs to ensure that the Code of Conduct and other guidelines are thoroughly understood by all employees, including those at Group companies.
- (5) Work to strengthen the compliance and risk management framework, including at Group companies.

[Supplementary Principle 4-14-2. Training Policy for Directors and Audit & Supervisory Board Members]

To newly appointed outside officers, the Company's management principles, Medium-Term Business Plans, important strategies, various regulations, and internal control/risk management systems, among others, are explained. To newly appointed officers from the Company, the Company provides an opportunity to acquire necessary knowledge on the role and responsibilities based on important laws and regulations including the Companies Act upon assuming the office.

To incumbent Directors and Audit & Supervisory Board Members, the Company provides an opportunity to acquire and update necessary knowledge on the role and responsibilities.

[Principle 5-1. Policy for Constructive Dialogue with Shareholders]

Recognizing that shareholders' and investors' understanding is necessary to achieve sustainable growth and enhancement of the corporate value of the Group, the Company intends to provide information to shareholders and investors and hold a dialogue with them. The main policies concerning the system development and measures for promoting constructive dialogue with the Company's shareholders and investors are as follows.

- (1) Overall dialogue with shareholders and investors is overseen by the Director who is the Chief Financial Officer (CFO) and the Executive Officer who assists the Director.
- (2) Contact points and materials related to dialogue with shareholders and investors are handled by the Investor Relations Office, which cooperates with the Finance Department, Corporate Development Department, and Corporate Governance Department.
- (3) In principle, results briefings are held twice a year (May and November) for analysts and investors in the presence of the President & Representative Director, where the long-term vision and progress of the Medium-Term Business Plan are also explained.
- (4) Any opinions or requests from shareholders and investors obtained through dialogues are reported at meetings of the Board of Full-time Directors and Officers and the Board of Directors, as deemed appropriate.

- (5) In dialogues with shareholders and investors, insider information is managed appropriately in accordance with internal regulations “Insider Trading Prevention Rules.”

Status of Dialogue with Shareholders

For the status of dialogue with shareholders and investors, please see the TBS Group Integrated Report.
<https://www.tbsholdings.co.jp/en/ir/report/>

[Response to Realize Management with an Awareness of Capital Costs and Share Price]

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update (Updated)	July 2, 2026

Explanation of Responses (Updated)

1. “TBS Group VISION 2030” and “TBS Group Medium-Term Business Plan 2026”: An overview of progress and updates

In May 2021, the Company announced “TBS Group VISION 2030” (“VISION 2030”), the Group’s long-term management vision. Based on the premise that the ability to “create content” is essential for the Group, and the “content IP” generated from here is the source of the Group’s corporate value, VISION 2030 sets forth a policy to create excellent content that enriches people’s hearts and lives, earning their trust more than ever before, even as the media landscape undergoes dramatic change. Defining all things that move people’s hearts as content, the TBS Group aims to become a group of content providers that maximize the value of all those things, bolstering its creative capabilities by promoting the development of its original intellectual property (IP). Taking a step further, the TBS Group will drive forward initiatives dubbed EDGE (Expand Digital Global Experience) as its strategy for spreading created content boundlessly. Concretely speaking, the TBS Group will develop digital content by stepping up program distribution (Digital), pursue further breakthroughs in overseas markets (Global), and concentrate its resources on expanding the business of experiencing live entertainment and lifestyles (Experience).

In May 2024, the Company announced the “TBS Group Medium-Term Business Plan 2026” (“MTBP 2026”), Phase 2 of the Medium-Term Business Plan, which is divided into three-year periods as part of VISION 2030. In FY2025, the Company recorded consolidated net sales of ¥424.8 billion and consolidated operating profit of ¥24.7 billion, achieving the operating profit target of ¥24.0 billion initially set for FY2026 in the “MTBP 2026” one year ahead of schedule. Therefore, as a partial update of its content, the Company announced the “TBS Group Medium-Term Business Plan 2026 Updated” (“MTBP 2026 Updated”) in May 2026. The Company is now promoting management based on those plans.

2. Growth strategies and specific progress (such as IP development and global investment)

In the “MTBP 2026,” the Company aims to grow sustainably as a company and enhance its corporate value in the medium to long term by continuing to actively make investments that advance the Company’s growth strategies for the TBS Group to evolve from a media group to a content group, while fulfilling the Company’s social mission as a key news media outlet, expected to perform the function of a social lifeline. At the same time, the Company has clearly stated its policy to further increase the return to its shareholders through such growth.

The two pillars of the growth strategies are “strengthening planning and production capabilities for content IP” and “promoting global business,” and in terms of the growth investments to realize them, the Company plans total investment of ¥160 billion, exceeding the actual results of the “TBS Group Medium-Term Business Plan 2023” (“MTBP 2023”) (total amount of ¥145.1 billion). As a specific progress, in May 2025, the Company established SAND B Inc. for the purpose of acquiring, developing, and expanding content IPs and acquired K contents inc. as a subsidiary, and also announced the acquisition of Xenotoon Inc. as a subsidiary in May 2026. In January 2026, through its subsidiary THE SEVEN US, INC., the Company invested in and executed a capital and business alliance agreement with Legend Pictures, LLC, a U.S. film production and media company. In February, the Company decided to establish StudioMonowa Co., Ltd. as a joint venture with CJ ENM Co., Ltd., a Korean entertainment company, and U-NEXT HOLDINGS Co., Ltd., an operator of a distribution platform, thereby taking the initiative to establish a global content IP development and production system. In addition, the Company has launched the “Edu-Tainment” business, utilizing the

Company group's content production capabilities. This is being done to spur motivation to learn through learning tied to the real world and to realize proactive, interactive, and deep learning, and the Company is promoting initiatives to reinforce and expand its IP portfolio, such as working toward commercialization through demonstration projects. In these ways, the Company will accelerate business growth in the "EDGE" domain as well as existing media businesses.

3. Improving capital efficiency and our financial strategy

In the MTBP 2026, we have designated return on invested capital (ROIC) as a management indicator to promote management with an emphasis on capital efficiency, explicitly stating our goal to achieve an ROIC of 5% or more by FY2030. Due in part to strong business performance, ROIC for FY2025 reached 3.8% (up 0.7 percentage points year-on-year), putting us on track to meet our target.

The MTBP 2026 Updated lays out our policy to continue to give top priority to sustainable growth through strengthening our earnings base and investments in growth strategies, while at the same time pursuing an appropriate balance between investments in growth strategies and shareholder returns, having taken into account that growth investments in content IP and similar areas inherently require a certain period of time before generating a cycle of expanding operating cash flow. The MTBP clearly states that in promoting our business operations, we will review the balance between equity and debt financing through the appropriate assessment of risks and returns, and work to improve capital efficiency. It also explicitly states that in terms of balance sheet management, we will promote measures such as improving working capital turnover and replacing fixed assets through selection and focus. Furthermore, by adopting capital allocation as a management indicator, we will allocate resources appropriately and further promote management with an awareness of capital costs.

Based on this view, to both improve capital efficiency and enhance shareholder returns, in the "MTBP 2026 Updated," the Company plans to significantly increase the scale of shareholder returns during the Medium-Term Business Plan period on a cash flow basis from the initial plan of ¥60 billion (expanded to ¥80 billion in November 2025) and plans to expand to a scale of ¥105 billion (the actual result for the MTBP 2023 period is approximately ¥43 billion).

As stated above, for purposes of securing financial sources of capital for growth investments and expanding shareholder returns as well as compliance with the Corporate Governance Code and balance sheet improvement, the Company has steadily carried out sales of cross-shareholdings. The "MTBP 2026 Updated" significantly increases the total amount of planned sales of cross-shareholdings from the originally planned ¥90 billion or more to ¥135 billion or more (the actual result for the MTBP 2023 period is approximately ¥81.4 billion).

Through such growth and financial strategies, the Company aims to improve return on capital, and plans to secure and enhance its corporate value and the common interests of our shareholders.

Further, the VISION 2030, MTBP 2026 and MTBP 2026 Updated are available on the Company's website.
<https://www.tbsholdings.co.jp/en/about/plan.html>

[Translation]

2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%
----------------------------	---------------------------

[Status of Major Shareholders] [Updated]

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,116,400	9.41
The Master Trust Bank of Japan, Ltd. (Pension Account-Pension Trust Account held for DENTSU INC.)	9,310,500	5.80
MBS MEDIA HOLDINGS, INC.	9,018,900	5.62
Mitsui Fudosan Co., Ltd.	5,713,728	3.56
NTT DOCOMO, INC.	5,713,000	3.56
STATE STREET BANK AND TRUST COMPANY 505001	5,473,486	3.41
Nippon Life Insurance Company	5,006,235	3.12
Custody Bank of Japan, Ltd. (Trust Account)	4,867,262	3.03
BIC CAMERA INC.	4,190,000	2.61
Kodansha Ltd.	3,771,200	2.35

Controlling Shareholder (except for Parent Company)	—
Parent Company	N/A

Supplementary Explanation [Updated]

The status of major shareholders presented above is based on information in the register of shareholders as of March 31, 2026. In addition, the “Shareholding Ratio (%)” is calculated by deducting the number of treasury shares held as of March 31, 2026 from the denominator.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Information & Communication
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 10 to less than 50

[Translation]

4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Special Circumstances Which May Have Material Impact on Corporate Governance

—

[Translation]

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board Members
-------------------	--

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	14
Term of Office Stipulated in Articles of Incorporation	1 year
Chair of Board of Directors	Chairman (excluding the case where the person concurrently serves as President)
Number of Directors [Updated]	12
Appointment of Outside Directors	Appointed
Number of Outside Directors [Updated]	6
Number of Independent Officers Designated from among Outside Directors [Updated]	6

Outside Directors' Relationship with the Company (1) [Updated]

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yosuke Yagi	From another company								○			
Makoto Haruta	From another company								○			
Natsuko Takei	From another company											
Noriko Makino-Villanti	From another company											
Kyoichiro Uenishi	From another company											
Yoshie Tsukamoto	From another company											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category; and

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category; and

"▲" when a close relative of the director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Non-executive director or executive of the parent of the Company

c. Executive of a fellow subsidiary of the Company

d. Party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

[Translation]

- h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
- i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)
- j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)
- k. Other

Outside Directors' Relationship with the Company (2) [Updated]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Yosuke Yagi	○	Mr. Yosuke Yagi is a Director of IWNC Inc., Ltd., a company to which the Group has made payments totaling less than ¥1 million (primarily in training participation fees). As the transaction amount is small, the Company has determined that there is no risk of his independence being affected.	Mr. Yosuke Yagi has considerable experience and a high degree of knowledge primarily in the fields of corporate management, human resources development, and global business as the head of human resources strategy and a member of top management of operating companies in Japan and abroad. As he is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, he is appointed as Outside Director of the Company. In addition, since he meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for outside officers established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated him as Independent Officer.

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Makoto Haruta	○	Mr. Makoto Haruta is the Representative Director & President of ExaWizards Inc., a company to which the Group has made payments totaling approximately ¥2 million (primarily in generative AI system usage fees). As this amount represents less than 2% of said company group's consolidated revenue, the Company has determined that there is no risk of his independence being affected.	Mr. Makoto Haruta has considerable experience and a high degree of knowledge primarily in the fields of corporate management, finance and accounting, and digital domains as the head of financial strategy and a member of top management of operating companies in the IT and entertainment sectors. As he is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, he is appointed as Outside Director of the Company. In addition, since he meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for outside officers established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated him as Independent Officer.
Natsuko Takei	○	—	Ms. Natsuko Takei has considerable experience and a high degree of knowledge primarily in the fields of legal and compliance, global business, and risk management as the head of legal affairs and compliance at a global operating company. As she is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, she is appointed as Outside Director of the Company. In addition, since she meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for outside officers established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated her as Independent Officer.

[Translation]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Noriko Makino-Villanti	○	—	Ms. Noriko Makino-Villanti has considerable experience and a high degree of knowledge primarily in global business and human resources development as the head of global companies in various industries. As she is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, she is appointed as Outside Director of the Company. In addition, since she meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for outside officers established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated her as Independent Officer.
Kyoichiro Uenishi	○	—	Mr. Kyoichiro Uenishi has considerable experience and a high degree of knowledge primarily in the fields of corporate management and experience domains as Representative Director and President of one of Japan's leading entertainment companies. As he is expected to offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, he is appointed as Outside Director of the Company. In addition, since he meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for outside officers established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated him as Independent Officer.

[Translation]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Yoshie Tsukamoto		—	Ms. Yoshie Tsukamoto has considerable experience and a high degree of knowledge primarily in the fields of corporate management and digital domains as the head of business operations and a member of top management in the IT and digital sectors. As she is expected to offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, she is appointed as Outside Director of the Company. In addition, since she meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for outside officers established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated her as Independent Officer.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Remuneration Committee	Established
--	-------------

Committee's Name, Composition, and Chairperson's Attributes [Updated]

	Committee Equivalent to Nomination Committee	Committee Equivalent to Remuneration Committee
Committee's Name	Nomination Advisory Committee	Remuneration Advisory Committee
Total Committee Members	10	10
Full-time Members	0	0
Inside Directors	4	4
Outside Directors	6	6
Outside Experts	0	0
Other	0	0
Chairperson	Outside director	Outside director

Supplementary Explanation [Updated]

The Nomination Advisory Committee consists of ten members, including six Independent Outside Directors, and its members are selected by resolution of the Board of Directors. As for the composition of the committee, a majority of the members shall be Outside Directors, and the committee is chaired by an Outside Director to ensure its independence and objectivity as a committee. The Nomination Advisory Committee holds a meeting regularly and as necessary, deliberates on matters such as appointment and dismissal of Directors, a succession plan for President & Representative Director and the situation of training of a candidate from an objective and fair standpoint at the request of the Board of Directors, and makes recommendations to the Board of Directors.

(Members of Nomination Advisory Committee)

Chairperson: Yosuke Yagi, Outside Director

Members: Makoto Haruta, Outside Director, Natsuko Takei, Outside Director, Noriko Makino-Villanti, Outside Director, Kyoichiro Uenishi, Outside Director, Yoshie Tsukamoto, Outside Director, Ryujiro Abe, President & Chief Executive Officer, Masamine Ryuho, Vice President and Representative Director, Yasushi Gamba, Senior Managing Director, and Takanobu Goda, Managing Director

The number of meetings held in FY2025 is five (the number of meetings held in FY2024 is five), and all the members attended the committee meetings held.

Ms. Noriko Makino-Villanti was appointed as a member of the Nomination Advisory Committee on June 27, 2025, and Mr. Kyoichiro Uenishi, Ms. Yoshie Tsukamoto, and Mr. Takanobu Goda on June 26, 2026.

The Remuneration Advisory Committee consists of ten members, including six Independent Outside Directors, and its members are selected by resolution of the Board of Directors. As for the composition of the committee, a majority of the members shall be Outside Directors, and the committee is chaired by an Outside Director to ensure its independence and objectivity as a committee. The Remuneration Advisory Committee holds a meeting regularly and as necessary, deliberates on the system and level of Directors' remuneration of the Company from an objective and fair standpoint at the request of the Board of Directors in accordance with the policy established by the Board of Directors, and makes recommendations to the Board of Directors.

(Members of Remuneration Advisory Committee)

Chairperson: Yosuke Yagi, Outside Director

Members: Makoto Haruta, Outside Director, Natsuko Takei, Outside Director, Noriko Makino-Villanti, Outside Director, Kyoichiro Uenishi, Outside Director, Yoshie Tsukamoto, Outside Director,

[Translation]

Ryujiro Abe, President & Chief Executive Officer, Masamine Ryuho, Vice President and Representative Director, Yasushi Gamba, Senior Managing Director, and Takanobu Goda, Managing Director The number of meetings held in FY2025 is four (the number of meetings held in FY2024 is three), and all the members attended the committee meetings held. Ms. Noriko Makino-Villanti was appointed as a member of the Remuneration Advisory Committee on June 27, 2025, and Mr. Kyoichiro Uenishi, Ms. Yoshie Tsukamoto, and Mr. Takanobu Goda on June 26, 2026.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditor and Internal Audit Department

Audit & supervisory board members maintain close cooperation with KPMG AZSA LLC, the Accounting Auditor, by holding a regular meeting with the firm and other means, and proactively exchanges opinions and information, working to conduct efficient audits. Audit & supervisory board members receive a summary of audit plan from the Accounting Auditor and reports on risk assessments, etc. on internal controls related to financial reporting as well as explanation on priority items to be audited and others, and exchange opinions. Standing statutory audit & supervisory board members and the Internal Audit Division, an internal audit department, hold a meeting every two weeks in principle to share information on development and implementation of internal controls. Outside audit & supervisory board members will receive reports on matters to be audited from the Internal Audit Division as needed. In addition, the Audit & Supervisory Board regularly receives reports on an annual audit plan, the results of implemented internal audits, etc. from the Internal Audit Division.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Independent Officers Designated from among Outside Audit & Supervisory Board Members	3

Outside Audit & Supervisory Board Members' Relationship with the Company (1) [Updated]

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Mie Fujimoto	From another company										○			
Masahiko Oshima	From another company													
Junko Kogayu	From another company													

[Translation]

- * Categories for “Relationship with the Company”
 - * “○” when the audit & supervisory board member presently falls or has recently fallen under the category; and
“△” when the audit & supervisory board member fell under the category in the past
 - * “●” when a close relative of the audit & supervisory board member presently falls or has recently fallen under the category; and
“▲” when a close relative of the audit & supervisory board member fell under the category in the past
- a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
 - b. Non-executive director or accounting advisor of the Company or its subsidiary
 - c. Non-executive director or executive of the parent of the Company
 - d. Audit & supervisory board member of the parent of the Company
 - e. Executive of a fellow subsidiary of the Company
 - f. Party whose major client or supplier is the Company or an executive thereof
 - g. Major client or supplier of the Company or an executive thereof
 - h. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director
 - i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
 - j. Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the audit & supervisory board member himself/herself only)
 - k. Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the audit & supervisory board member himself/herself only)
 - l. Executive of a corporation to which outside officers are mutually appointed (the audit & supervisory board member himself/herself only)
 - m. Other

Outside Audit & Supervisory Board Members’ Relationship with the Company (2) [Updated]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Mie Fujimoto	○	Ms. Mie Fujimoto is a partner at TMI Associates, a law firm to which the Group has made payments totaling approximately ¥24 million (primarily in fees for legal services). Although the firm does not publicly disclose its revenues, given the scale of this law firm, it can be strongly inferred that the aforementioned amount represents less than 2% of the law firm’s revenues. Therefore, the Company has determined that there is no risk of her independence being affected.	Ms. Fujimoto has extensive experience and a high degree of knowledge, etc. as a lawyer specialized in corporate legal affairs. Although she has no experience being involved in corporate management by means other than serving as an outside officer, for the above reason, she is expected to offer valuable opinions and comments to the management of the Group from an objective standpoint. Therefore, the Company has determined that she can execute the duties as its outside audit & supervisory board member appropriately. In addition, since she meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for outside officers established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated her as Independent Officer.

[Translation]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Masahiko Oshima	○	—	Mr. Oshima has extensive experience and high degree of knowledge, etc. as a member of the top management of a financial institution. He is expected to offer valuable opinions and comments to the management of the Group from an objective standpoint. Therefore, the Company has determined that he can appropriately execute the duties as its outside audit & supervisory board member. In addition, since he meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for outside officers established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated him as Independent Officer.
Junko Kogayu	○	—	Ms. Kogayu has extensive experience and high degree of knowledge, etc. as a certified public accountant and tax accountant. Although she has not been involved in corporate management by other means than serving as an outside officer, for the above reason, she is expected to offer valuable opinions and comments to the management of the Group from an objective standpoint. Therefore, the Company has determined that she can appropriately execute the duties as its outside audit & supervisory board member. In addition, since she meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for outside officers established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated her as an Independent Officer.

[Independent Officers]

Number of Independent Officers[Updated]	9
---	---

[Translation]

Matters relating to Independent Officers

The Company designates outside officers qualified to be Independent Officers as such.

[Incentives]

Implementation of Measures to Provide Incentives to Directors

Performance-linked remuneration

Supplementary Explanation

For information on the content, etc. of the policy for determining the ratio of provision between performance-linked remuneration and remuneration, etc. other than performance-linked remuneration, please refer to “Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof” below.

Recipients of Share Options

Supplementary Explanation

—

[Director Remuneration]

Disclosure of Individual Directors’ Remuneration [Updated]

Disclosure for selected directors

Supplementary Explanation[Updated]

The Company has a policy of disclosing Directors’ remuneration in the Annual Securities Report and others in accordance with laws and regulations, etc.
<https://www.tbsholdings.co.jp/ir/library/statement.html> (in Japanese)

Policy for Determining Remuneration Amounts or Calculation Methods Thereof[Updated]

Established

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

The Company’s Board of Directors has established a determination policy on details of remuneration, etc. for each individual Director, and an outline of which is as follows.

<Basic remuneration policy>

With regard to Directors’ remuneration of the Company, the following basic policy is adopted based on the report from the Remuneration Advisory Committee at the request of the Board of Directors.

- The remuneration system shall secure and maintain talented human resources so as to enhance corporate value and fulfill our public mission, and serve as a stable business foundation.
- The remuneration system shall focus on the shareholders’ point of view and further share value with shareholders.
- The determination process shall be objective and highly transparent through deliberation of the Remuneration Advisory Committee.

Based on the above-stated basic remuneration policy, Directors' remuneration of the Company consists of a. base remuneration, b. performance-linked remuneration, c. non-performance-linked share-based remuneration, and d. medium- to long-term incentive share-based remuneration. The Company does not provide b. performance-linked remuneration and d. medium- to long-term incentive share-based remuneration to Outside Directors.

The details of each type of remuneration are described below.

a. Base remuneration

Base remuneration shall be determined for each Director as a monthly remuneration with matters such as title, strategic division they are responsible for, and change in business environment taken into account. The remuneration is paid on a monthly basis.

b. Performance-linked remuneration

Performance-linked remuneration is intended to motivate Directors to achieve good single-fiscal-year performance. It consists of (i) "performance-linked assessment remuneration," which varies across eight levels from 0% and 200%, based on the ratio of actual results to the "consolidated operating income" forecast disclosed in the summary of consolidated financial results at the end of the previous fiscal year, and (ii) "qualitative assessment remuneration," which varies across seven levels from 0% to 200%, based on the qualitative assessment of the performance of the strategic divisions for which each Director is responsible. These components shall be determined based on the standard remuneration amounts set for each position and role, deliberated by the Remuneration Advisory Committee, and approved by the Board of Directors before being paid.

c. Non-performance-linked share-based remuneration

Non-performance-linked share-based remuneration is intended to motivate Directors to enhance the medium- to long-term corporate value and to promote the sharing of the value with stakeholders. Each year, restricted shares are granted to Directors, with the grant amount determined individually, with matters such as title, strategic division they are responsible for, and change in business environment taken into account.

d. Medium- to long-term incentive share-based remuneration

Medium- to long-term incentive share-based remuneration is intended to deepen the sharing of value with stakeholders and motivate Directors to contribute to the enhancement of corporate value over the medium to long term. The level of achievement of the target values, etc., outlined in the Medium-Term Business Plan is evaluated at the end of each period of the Medium-Term Business Plan and following deliberations by the Remuneration Advisory Committee, the Board of Directors determines and grants restricted shares. The number of shares to be granted is calculated by multiplying the standard number of points determined for each role and position by an evaluation coefficient (0% to 100%) based on the level of achievement of the targets and other factors.

<Composition of Directors' remuneration, etc.>

The composition of Directors' remuneration, etc. is deliberated by the Remuneration Advisory Committee at the request of the Board of Directors in accordance with the basic remuneration policy, and determined based on the report therefrom. The specific composition, etc. is as follows.

(i) Medium- to long-term incentive share-based remuneration and the ratio of other remuneration

As described above, the number of shares to be granted under medium- to long-term incentive share-based remuneration is calculated by multiplying an evaluation coefficient (ranging from 0% to 100%) based on the level of achievement of the target values, etc. outlined in the Medium-Term Business Plan and other factors. When the annual total amount of other remuneration (base remuneration, performance-linked remuneration, and non-performance-linked share-based remuneration) is set to 1.0, the monetary conversion amount of the medium- to long-term incentive share-based remuneration is designed to be approximately 0.4 to 0.6 times that amount.

Note: This calculation assumes a 100% payment rate for both the performance-linked remuneration, and the medium- to long-term incentive share-based remuneration, and the number of shares granted for one year of the medium- to long-term incentive share-based remuneration is converted into monetary terms using the closing price of the Company's Shares on the Tokyo Stock Exchange market of ¥5,591 on March 31, 2026.

(ii) Composition of other remuneration (base remuneration, performance-linked remuneration, and non-performance-linked share-based remuneration)

The composition ratio for other remuneration (base remuneration, performance-linked remuneration, and non-performance-linked share-based remuneration), excluding medium- to long-term incentive share-based remuneration is shown below.

Directors (excluding the following Directors)	A : B : C : D = 50% : 20% : 20% : 10%
Chairman and Director	A : B : C : D = 50% : 30% : 20% : 0%
President & Chief Executive Officer	A : B : C : D = 40% : 20% : 30% : 10%
Outside Directors	A : B : C : D = 80% : 20% : 0% : 0%

Note: This ratio assumes the standard amount of remuneration for Directors is set at 100%.

A: Base remuneration

B: Non-performance-linked share-based remuneration

C: Performance-linked remuneration (performance-linked assessment remuneration)

D: Performance-linked remuneration (qualitative assessment remuneration)

The total individual remuneration for Directors, excluding Outside Directors, and excluding medium- to long-term incentive share-based remuneration, fluctuates within the range of 60% to 140% when the standard is set at 100%, depending on evaluations of the performance-linked remuneration (performance-linked assessment remuneration and qualitative assessment remuneration).

Supporting System for Outside Directors and/or Outside Audit & Supervisory Board Member [Updated]

The Corporate Secretary Department, General Affairs Division provides assistance to Outside Directors, and the Office of Audit & Supervisory Board Members provides assistance to Outside Audit & Supervisory Board Members. The officer in charge of the Board of Directors and standing statutory audit & supervisory board members have a face-to-face meeting with outside directors and outside audit & supervisory board members as needed, and communicate information or explain the situation to them before/after a meeting of the Board of Directors and the Audit & Supervisory Board. In addition, a report is made on the situation of audits by the audit department and on progress of developing the internal control system by the internal control department.

Status of Persons Who Have Retired from a Position Such as President & Representative Director

Retired President & Representative Director, etc. Holding Advisory or Any Other Position in the Company

Name	Title/ Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
—	—	—	—	—	—

Total Number of Retired President & Representative Director, etc. Holding Advisory or Any Other Position in the Company

—

Other Matters

—

2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Updated]

(1) Board of Directors

The Board of Directors meets once a month in principle to make decisions on the company's important business operations and to report on important matters. Please refer to the TBS Group Integrated Report for information on the composition of the Board of Directors, attendance status, main topics of discussion, and other such items.

<https://www.tbsholdings.co.jp/en/ir/report>

The Board of Directors consists of 12 persons, including four women, and six of whom are Outside Directors. Details of the six Outside Directors are as stated in the Notice of General Meeting of Shareholders, and we ensure diversity and multifacetedness by selecting individuals with a wealth of experience and knowledge.

<https://www.tbsholdings.co.jp/en/ir/stakeholders/meeting.html>

(2) Nomination Advisory Committee

The Nomination Advisory Committee is as described in the Supplementary Explanation section of II. 1. Organizational Composition and Operation [Directors] of this report.

(3) Remuneration Advisory Committee

The Remuneration Advisory Committee is as described in the Supplementary Explanation section of II. 1. Organizational Composition and Operation [Directors] of this report.

(4) Audit & Supervisory Board

Standing statutory audit & supervisory board members (two persons) proactively work to improve the audit environment and collect information internally, and monitor and examine the status of building and operating internal control systems on a daily basis in collaboration with the internal audit department, etc. Standing statutory audit & supervisory board members hold a meeting with President regularly and exchange opinions on management policy, risks to be addressed by the Company, and important audit issues. Standing statutory audit & supervisory board members also attend important meetings, peruse documents concerning important decisions, and receive reports concerning the performance of operations.

In addition, standing statutory audit & supervisory board members endeavor to share information obtained in the course of duties with outside audit & supervisory board members (three persons).

For details of the attendance record of the Audit & Supervisory Board and the main matters discussed, please refer to "4. Status of Corporate Governance. (3) Status of Audits" in our Securities Report.

<https://www.tbsholdings.co.jp/ir/library/statement.html> (in Japanese)

(5) Internal audits

The Internal Audit Division (eight persons, including three Certified Internal Auditors and one Qualified Internal Auditor), which reports directly to the President, performs internal audits of each department of the Company and group companies based on the annual audit plan reported to the Board of Directors, and assesses appropriateness, effectiveness and efficiency of the Group's business operations. Audit results are reported to the President, and follow-up is done with regard to matters pointed out for improvement to relevant departments and companies. Results of an annual audit are reported to the Board of Directors. In addition, this Division performs "evaluation of internal controls over financial reporting" under the Financial Instruments and Exchange Act.

Audit & supervisory board members maintain close cooperation with KPMG AZSA LLC, the Accounting Auditor, by holding a regular meeting with the firm and other means, and proactively exchanges opinions and information, working to conduct efficient audits. Audit & supervisory board members receive a summary of audit plan from the Accounting Auditor and reports on risk assessments, etc. on internal controls related to financial reporting as well as explanation on priority items to be audited and others, and exchange opinions. Standing statutory audit & supervisory board members and the Internal Audit Division, an internal audit department, hold a meeting every two weeks in principle to share information on development and implementation of internal controls. Outside audit & supervisory board members will receive reports on matters to be audited from the Internal Audit Division as needed.

In addition, the Audit & Supervisory Board regularly receives reports on an annual audit plan, the results of implemented internal audits, etc. from the Internal Audit Division.

(6) Accounting audits

The Company uses KPMG AZSA LLC as Accounting Auditor under the Companies Act and for accounting audits under the Financial Instruments and Exchange Act. The said auditing firm and its engagement partners who are engaged in audits of the Company have no special interest in the Company.

Names of certified public accountants who executed operations

Designated and Engagement Partner; Takeshi Nakatani, Daiki Sato

In accordance with the provision of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with seven non-executive Directors and five audit & supervisory board members that limits their liabilities as defined in the provision of Article 423, paragraph (1) of the said act. The maximum amount of the liabilities for damages based on this agreement shall be the amount stipulated by laws and regulations. This limited liability is accepted only in the case of absence of ill intent and gross negligence on the part of the relevant non-executive Director or audit & supervisory board member in the execution of his or her duties that caused the liability.

3. Reasons for Adoption of Current Corporate Governance System [Updated]

The Company has adopted a governance system based on the Board of Directors and the Audit & Supervisory Board. In addition to the system in which the Audit & Supervisory Board audits the performance of duties by Directors, we have appointed multiple Outside Directors to invigorate deliberations at Board of Directors meetings and strengthen supervisory functions, thereby building a system that ensures effective corporate governance. Currently there are 12 Directors, of which six are Outside Directors. Outside Directors excel in fields like “corporate management,” “finance & accounting,” “human resource management,” and “legal & compliance,” and have a wealth of experience and knowledge in each domain of “Digital,” “Global,” and “Experience,” which the Company has set in its growth strategy, thereby ensuring diversity and multifacetedness. There are five audit & supervisory board members, which consist of two standing statutory audit & supervisory board members and three outside audit & supervisory board members. The Company believes that the outside audit & supervisory board members play an adequate role as the management supervisory function from an independent and neutral standpoint.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The convocation notice is sent out 24 days prior to the date of the General Meeting of Shareholders and measures to provide the content in electronic format are taken to post the notice on the Company's website on the same day (including the English translation).
Allowing Electronic or Magnetic Exercise of Voting Rights	Available
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company has participated in ICJ's voting rights platform since 2016.
Providing Convocation Notice in English (Translated Fully or Partially)	The notice has been posted on websites of the Tokyo Stock Exchange and the Company. The Company's website: https://www.tbsholdings.co.jp/en/ir/stakeholders/meeting.html

2. IR Activities [Updated]

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The content of the TBS Group Information Disclosure Policies, which was formulated by the Board of Directors, has been disclosed on the Company's website. https://www.tbsholdings.co.jp/about/governance/internalcontrol.html (in Japanese)	
Holding Regular Investor Briefings for Individual Investors	With regards to results briefings held in conjunction with announcement of annual results and semi-annual results, the Company has enhanced the provision of information to individual investors by delivering a video of the presentation by the top management on its website, and also posting materials for the briefings distributed at the venue. https://www.tbsholdings.co.jp/en/ir/library/presentation.html	Yes
Holding Regular Investor Briefings for Analysts and Institutional Investors	Results briefings are held in conjunction with announcement of annual results and semi-annual results, and the top management explains the operating results there. In addition, a meeting and site visit to acquire a further understanding of the Company's business operations are held though they are irregular, and requests for individual meetings, interviews, etc. from institutional investors and analysts are accepted as needed.	Yes

	Supplementary Explanations	Explanation by Representative
Holding Regular Investor Briefings for Overseas Investors	Overseas IR activities are performed where appropriate. The English version of explanatory materials for earnings summary and annual results has been posted for overseas investors on the Company's website, and many materials in English summarizing operating results have also been placed. https://www.tbsholdings.co.jp/en/ir/stakeholders/ In addition, requests for individual meetings, interviews, etc. from overseas investors are also accepted as needed.	Yes
Posting IR Materials on Website	With regard to matters posted in Investor Relations on the Company's website (https://www.tbsholdings.co.jp/ir/) (in Japanese), in addition to explanatory materials for quarterly earnings summary and annual results, video and distributed documents of IR briefings, stock information, securities reports, timely disclosure information, etc., the Company has posted a wide range of materials to enhance investors' understanding by providing fact sheets and earnings highlights visually summarizing operating results using many charts.	
Establishment of Department and/or Manager in Charge of IR	Investor Relations Office, Corporate Secretary Department, General Affairs Division	

3. Measures to Ensure Due Respect for Stakeholders [Updated]

	Supplementary Explanations
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	In 2023, the Group created a new brand message "Moments in motion." to communicate with its customers. We will incorporate this message, derived from our corporate philosophy and brand promise, into various content and services to further enhance our Group's communication. For details on our brand statement, including our corporate philosophy, brand promise, and brand message, please refer to our website below. https://www.tbsholdings.co.jp/en/about/brand.html In addition, the Company has formulated the TBS Group Code of Conduct as a basic oath that all officers and employees are required to uphold and also adopted the TBS Group Standards of Conduct as standards for the realization of the Charter. For details on the TBS Group Code of Conduct and the TBS Group Standards of Conduct, please refer to our website below. https://www.tbsholdings.co.jp/about/governance/statement.html

	Supplementary Explanations
Implementation of Environmental Activities, CSR Activities, etc.	The TBS Group Code of Conduct stipulates that, as part of our contribution to society and environmental conservation, “We place a great importance on relations with society and harmonious coexistence with nature, and commit ourselves to a sustainable society as well as in the realization of a better global environment.” In addition, the TBS Group Sustainability Policy states “We will work to resolve environmental and social issues by disseminate fair, just and accurate information, content, and services.” Thus, we have made efforts to contribute to the international community’s aims to conserve the environment and reduce the burden on the environment. Especially in regard to the environment, we formulated an environmental policy in April 2025 that details our policies and initiatives regarding the above. We have also set a goal of achieving Groupwide 100% renewable electricity by FY2026 as our materiality and are working on measures to achieve that goal. In addition, to pursue sustainability throughout the entire Group, we have established the “Sustainability Transformation (SX) Center,” with the “SDGs Planning Department,” “CSR Promotion Department,” and “ESG Management Department” as sub-organizations, through which we are proactively undertaking environmental conservation and CSR activities. For details, please see the following pages of the Company’s website. [Information on our TCFD disclosures, environmental initiatives, and related topics] https://www.tbs.co.jp/TBS_sustainability/esg/environment/TCFD.html (in Japanese) [Information on our CSR activities and related topics] https://www.tbs.co.jp/csr/ (in Japanese)
Formulation of Policies for Information Provision to Stakeholders	The TBS Group Information Disclosure Policies have been established and published on the Company’s website. https://www.tbsholdings.co.jp/about/governance/internalcontrol.html
Other	The TBS Group has adopted “Delivering wonderful ‘moments’ to everyone we work with” as its materiality and is actively working to create a fair and physically and mentally safe working environment where diverse human resources can thrive. For details, please see the following page of the Company’s website. https://www.tbs.co.jp/TBS_sustainability/esg/society/ (in Japanese)

IV. Matters Related to Internal Control System

1. Basic Views on Internal Control System and Progress of System Development [Updated]

Basic policy on the internal control system is as follows.

Introduction

As a certified broadcast holding company, with broadcasters under its umbrella that are entrusted with the use of finite and valuable radio waves, TBS Holdings, Inc. is profoundly aware of the social responsibilities and public mission of broadcasting, as stated in the TBS Group Code of Conduct, 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 system
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 Code of Conduct, 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 Standards of Conduct, 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 and outside audit & supervisory board members, 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) TBS 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, TBS 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 TBS 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 Board of Full-time Directors and Officers.
 - (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 and the TBS Group Cybersecurity Basic 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 Board of Full-time Directors and Officers, which is in principle held once a week. Decisions on executive actions are taken after these deliberations.
 - (c) Important matters pertaining to major Group companies are discussed at Group Executive Committee, which is in principle held once a month. Decisions on executive actions are taken after these deliberations.
 - (d) The Board of Full-time Directors and Officers, which advises the President, directly 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 Code of Conduct as a basic oath that all officers and employees are required to uphold. We have also adopted the TBS Group Standards of Conduct as standards for the realization of the Charter.
 - (b) We will ensure that Legal&Compliance Division 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 Internal Audit Division 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 Legal&Compliance Division 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 TBS Holdings, Inc. and Its Subsidiaries
- (a) We will apply the TBS Group Code of Conduct and the TBS Group Standards of Conduct 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) TBS TELEVISION, INC., TBS RADIO, Inc. BS-TBS, INC., and CS-TBS, Incorporated, broadcasters under its umbrella, will set the Council of Program Practice in accordance with the Broadcasting Act, 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 Internal Audit Division to conduct internal audits 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.
 - (g) We seek to share information on business conditions of the Group through reports from each group company at the Group Executive Committee.
- (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 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 the 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 Internal Audit Division.
 - (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, the Internal Audit Division and Legal&Compliance Division 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.

2. Basic Views on Eliminating Antisocial Powers and Progress of Related Efforts

The TBS Group Standards of Conduct specify that the Company shall steadfastly confront antisocial powers and organizations that pose a threat to social order and security and shall not provide any favors to them regardless of names, and that if any wrongdoing is found, efforts shall be made to report it promptly. Based on the said standards, the Company has developed operational regulations for an internal reporting system.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Adopted
------------------------------------	---------

Supplementary Explanation [Updated]

The Company has adopted a “Policy on Responding to Takeover Proposals for Company Shares.” For the objectives and schemes, etc. related to the adoption of this policy, see the “Basic Policy on the Stance of Persons who Control Decisions on Corporate Financial Affairs and Business” posted on the Company’s website.

<https://www.tbsholdings.co.jp/about/governance/decision.html> (in Japanese)

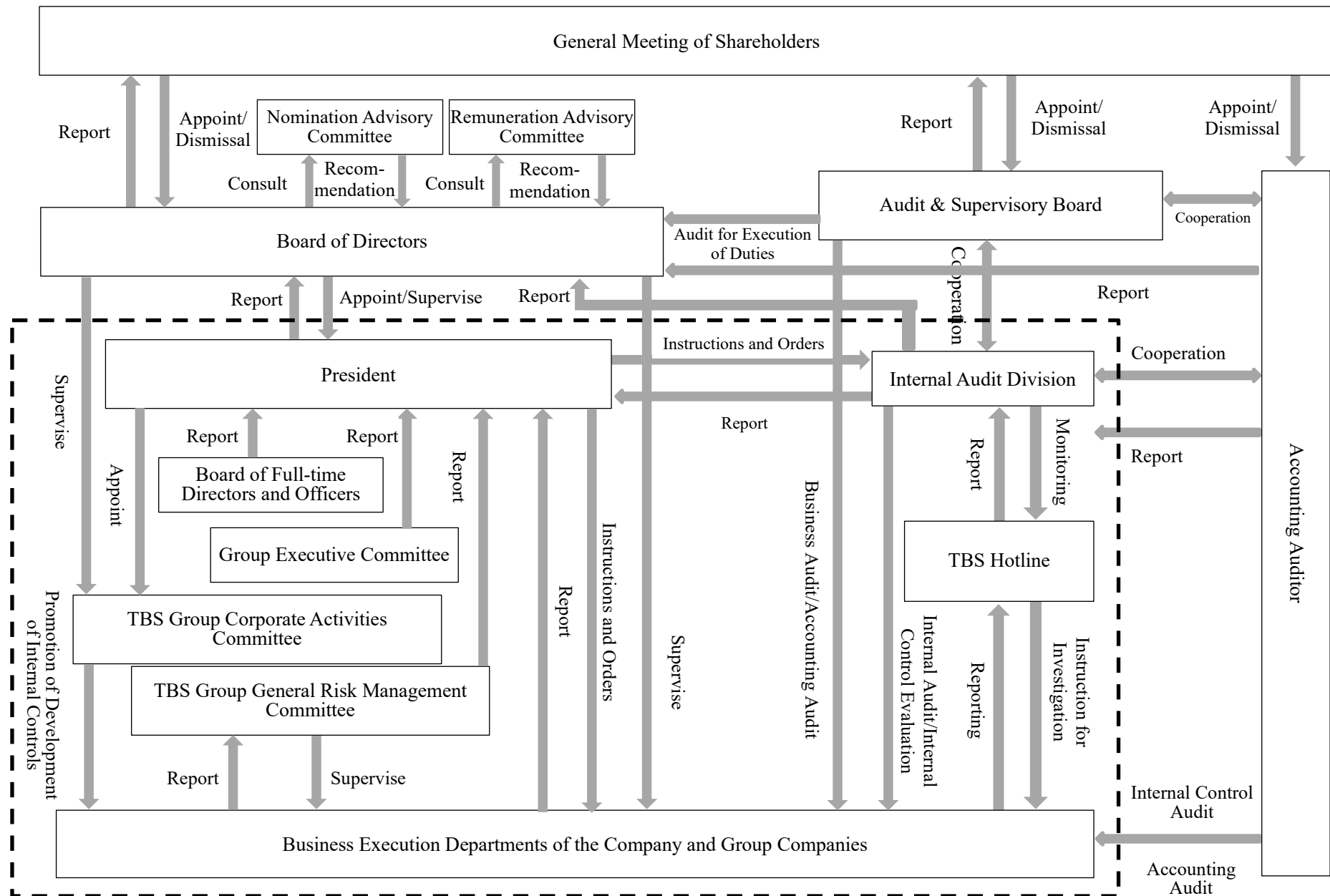
2. Other Matters Concerning Corporate Governance System [Updated]

Decisions on important matters of the Company and decisions and reports on financial results, etc. are made by the Board of Full-time Directors and Officers and the Board of Directors. The Division President of General Affairs Division, who attends the Board of Full-time Directors and Officers and the Board of Directors, serves as the Information Handling Manager, and the system where important information is consolidated to the Information Handling Manager has been established.

As for information disclosure, information is disclosed without delay pursuant to instructions from the Information Handling Manager after decision is made on the important matter or the important fact occurs.

With regard to management of important information, the Company strives to ensure thorough information management by stipulating in internal regulations that officers and employees, etc. who are involved in operations for preparation of proposals on important matters and others shall particularly keep tight control over relevant information before a decision and report is made on important matters, etc. at the Board of Directors meeting and other occasions, in addition to maintaining general confidentiality, to prevent leakage. Furthermore, the Information Disclosure Committee has been set up to further ensure the understanding and management of important information as well as the timely and appropriate information disclosure. The Information Disclosure Committee is made up of Division President of General Affairs Division, Division President of Legal&Compliance Division, Division President of Accounting Service Division and Division President of Group Managerial Planning Division, and its responsibilities are for matters related to formulation of the basic policy for management of important information, determination of measures for information disclosure, etc. In addition, the Executive Meeting, which consist of those in manager level positions such as the Head of General Affairs Department, Head of Corporate Secretary Department, and Head of Finance Department, has been put in place under the Information Disclosure Committee. The Executive Meeting shall summarize and closely examine information related to important information and provide reports and opinions on management and disclosure methods for the information to the committee, and also conduct checks of materials for disclosure and other tasks.

Corporate governance system



Internal System regarding Timely Disclosure of Corporate Information

