

Overview of the TBS Group VISION 2030 and Medium-Term Management Plan 2023

(1) Basic Management Policies

TBS Holdings, Inc. and its consolidated subsidiaries (the “TBS Group”) renewed their shared philosophy as a corporate group as follows in the spring of 2020.

“The TBS Group aims to deliver timeless content and services to the world, respecting diverse values and striving to make a positive contribution to society”

To embody this philosophy, the TBS Group also established the following brand promise.

“From each moment, a better tomorrow”

The TBS Group hopes to meet the expectations of shareholders, aiming to increase the value of Group companies with the above philosophy and brand promise as indicators of its management activities across the board.

(2) Target Management Indexes

The TBS Group considers revenue, a source and an indicator of corporate value, and operating income, an indicator of efficient profit generation through the Group's main businesses, as important management indexes. Consolidated revenue for the fiscal year under review amounted to ¥325,682 million, down 8.7% from the previous fiscal year. Consolidated operating income was ¥10,841 million, down 17.3% year on year.

(3) Business Environment, Issues the TBS Group Should Address, Group Management Strategies, etc.

The TBS Group is aware that the sustained enhancement of the value of Group companies as enterprises sought in society is the top priority issue for itself under constantly changing business conditions that make prediction difficult. The TBS Group produced the TBS Group VISION 2030, which embodies the Group's vision of itself in the year 2030, in a bid to address this issue by backcasting from future goals from a long-term perspective, instead of accumulating efforts in traditional ways. As the Phase 1 for achieving those targets, the TBS Group developed the TBS Group Medium-Term Management Plan 2023 covering the period from FY2021 to FY2023.

Overview of TBS Group VISION 2030

The key concept for the TBS Group VISION 2030 is as follows:

“Spreading content boundlessly beyond the framework of broadcasting, creating memorable experiences”

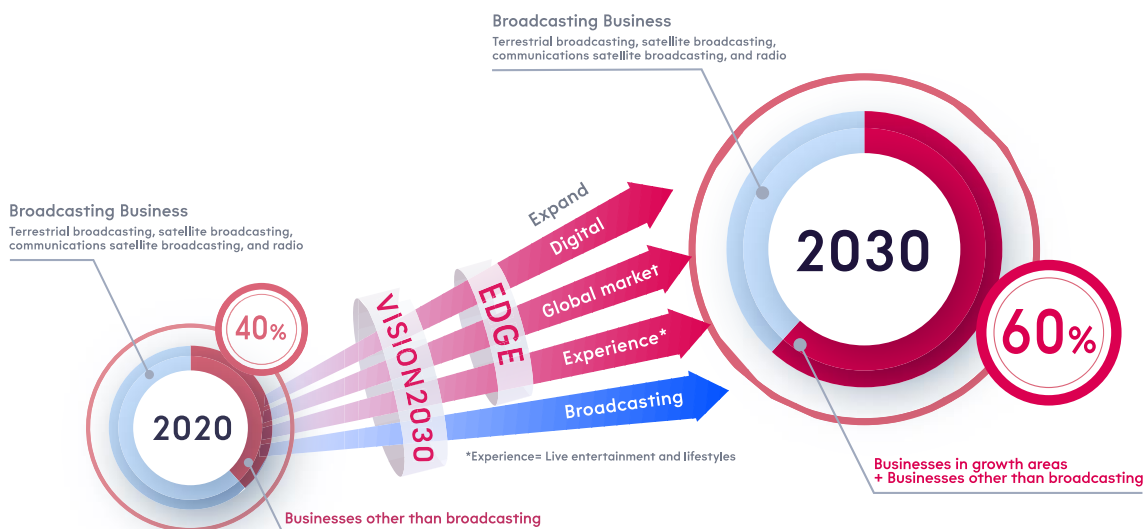
The capacity to create content is the greatest asset of the TBS Group. Responding to people’s expectations better than ever before, the TBS Group will create excellent content that enriches minds and lives, and will deliver this content beyond the framework of broadcasting. Defining all things that move people’s hearts as content, the TBS Group aims to become a group of content providers that maximize the value of all those things.

Specifically, the TBS Group will bolster its creative capabilities by developing original intellectual property (IP). Taking a step further, the TBS Group will drive forward initiatives dubbed EDGE as its strategy for spreading created content boundlessly.

EDGE: Expand Digital Global Experience

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).

Changes in the Revenue Ratio from 2020 to 2030



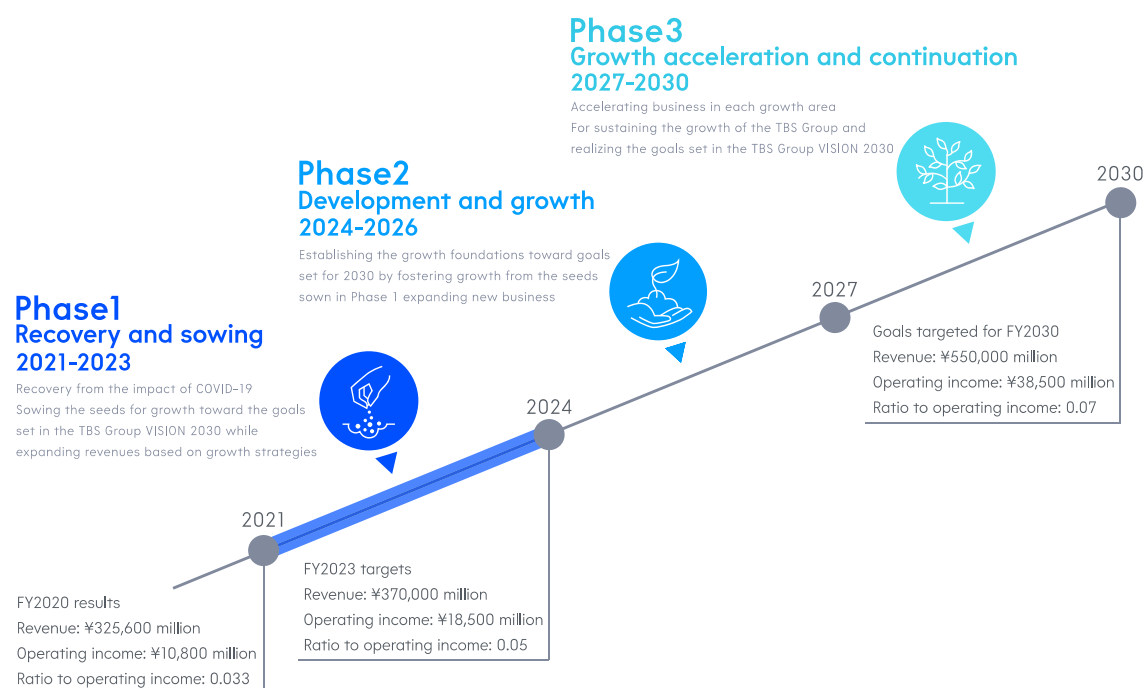
TBS Group VISION 2030 states that the TBS Group seeks to achieve consolidated growth by expanding businesses in growth areas and businesses other than broadcasting to 60% of consolidated revenue based on the EDGE strategy for spreading created content.

Moreover, the TBS Group will pursue a number of measures to offer wonderful moments to people on Earth (E), in society (S) and at shared workplaces as a group (G) of responsible companies, including media organizations with public and social missions, which are basing management on factors known as the environment, social and governance (ESG) principal. Through content and with all stakeholders, the TBS Group will build a happy, sustainable society where diverse values are respected.

Overview of the TBS Group Medium-Term Management Plan 2023

The TBS Group Medium-Term Management Plan 2023 corresponds to Phase 1 of the period covered by the TBS Group VISION 2030 (FY2021 to FY2030). The TBS Group set themes for this Medium-Term Management Plan focused on recovery and sowing. The TBS Group will sow seeds for growth toward the goals set in the TBS Group VISION 2030 while achieving a recovery from the impact of COVID-19 and expanding revenues based on growth strategies.

Dividing the TBS Group VISION 2030 period into three phases



To begin with, the TBS Group will work on innovating broadcasting, a core business for the Group, as an urgent issue in the period covered by the TBS Group Medium-Term Management Plan 2023.

The TBS Group aims to maximize the scope of its reach while positioning the new Family Core demographic (male and female individuals age 4 years to 49) as a priority target for winning next-generation viewers and rebuilding social value. Moreover, the TBS Group will present, explain and propose media value by strengthening data coordination.

As growth strategies, the TBS Group will first bolster distribution and develop content in the digital area to put into tangible form the EDGE strategy for distributing content, as set out in the TBS Group VISION 2030. The TBS Group will expand the scope of news reach and develop new digital content businesses while expanding revenues by increasing the use of video distribution platforms every fiscal year.

Globally, the TBS Group will step up its efforts to rebuild distribution channels, expand format businesses, produce internationally-focused content assuming distribution in markets worldwide, and develop other businesses with overseas partners in order to accelerate progress in overseas markets through alliance expansion and M&A efforts.

Taking an additional step in the area of experience, the TBS Group will premiere the first long-run presentation in Asia of *Harry Potter and the Cursed Child* to expand its live entertainment experience business. In addition, the TBS Group will advance initiatives, including original content development, multi-use application, and the establishment of a TV studio with an immersive element for visitors in the Akasaka Sacas area, to realize the Akasaka Entertainment City Plan.

In the lifestyle business, the TBS Group seeks a new growth track after achieving a recovery in revenues from commercial facilities in the StylingLife Group and inbound operations. The TBS Group will also work to develop experience and value businesses in the intellectual training and education fields.

Based on the initiatives described above, the TBS Group set consolidated revenue of ¥370,000 million, consolidated operating income of ¥18,500 million and the ratio of operating income to revenue of 5.0% as its quantitative targets for FY 2023 in the TBS Group Medium-Term Management Plan 2023. Looking at the quantitative targets by segment, the TBS Group aims to achieve revenue of ¥284,500 million and segment income of ¥9,000 million in the Media & Content business segment by achieving a broadcasting income recovery, expanding the distribution business and leading the live

entertainment business to recovery. The TBS Group seeks to realize revenue of ¥63,500 million and segment income of ¥2,200 million in the Lifestyle business segment by achieving a recovery in results for the StylingLife Group. The TBS Group sets out to accomplish revenue of ¥16,000 million and segment income of ¥7,300 million in the Real Estate & Other business segment.

The TBS Group aims to expand profits over the medium and long terms, and to improve capital efficiency by decisively pursuing investments in growth worth ¥100,000 million or more, using funds obtained from the sale of cross-held shares, net cash from operating activities and the like.

Dividend Policy

As its basic policy, TBS Holdings, Inc. (the “Company”) maintains shareholders’ equity necessary and sufficient for continuously improving corporate and shareholder value through business investments that contribute to future growth and the development of competitive businesses, in addition to fulfilling a demanding public mission as an authorized broadcast holding company.

Regarding dividends, the Company positions the return of profits to shareholders as an important management issue. The Company adopts the basic position of continuing stable dividend payment with a consolidated payout ratio of 30% as its target. The Company also works to increase the return of profit to shareholders through measures that include the payment of special dividends, taking into consideration factors such as improvements in results. The Company will determine the amount of dividends separately, taking the effects of special factors into consideration, in cases including those where significant fluctuations in profits result from such factors.

The Company will take action, including the acquisition of treasury shares, their disposal and retirement, flexibly in response to changes in business conditions as part of its financial and other strategies to contribute to enhancing shareholder value.

The Company sets ¥30 per share as the minimum annual dividend for FY2021 to FY2023 covered by the TBS Group Medium-Term Management Plan 2023. However, the Company may revise the minimum dividend in cases where it does not record a profit attributable to owners of parent for two fiscal years in a row.