



TBS Group Medium-Term Management Plan 2023

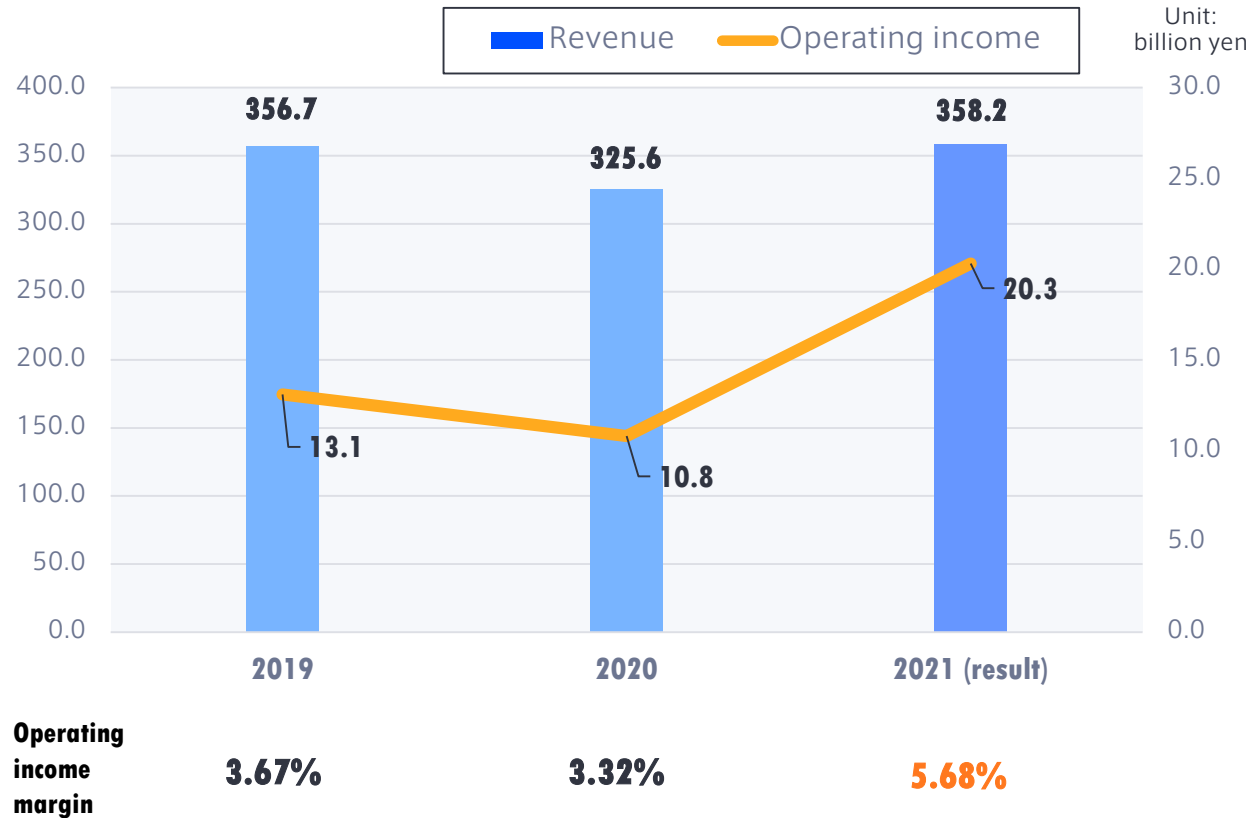
Updated

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FY2021 revenue and operating income far exceeded the targets.
The mid-term management plan will be updated.

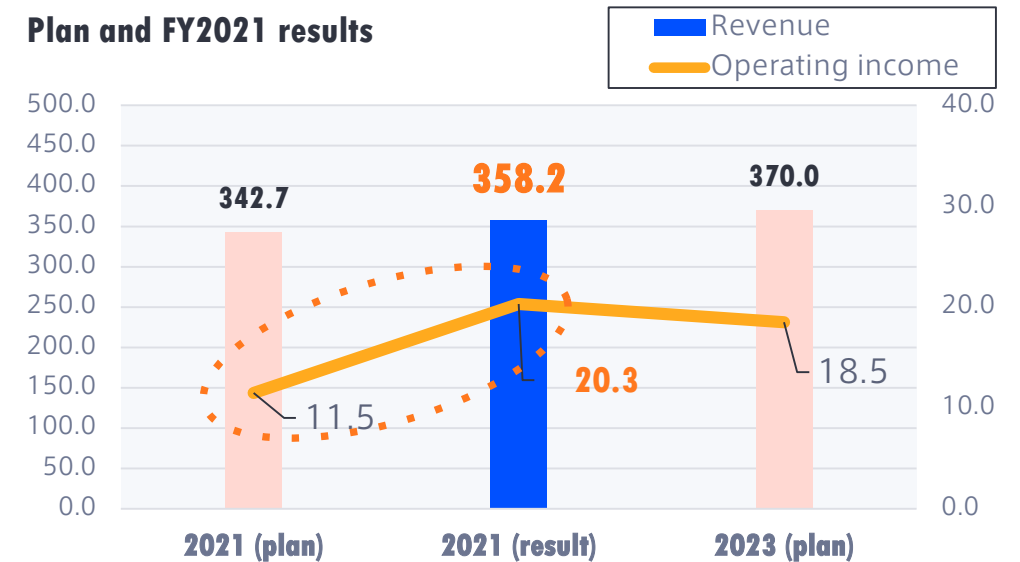
FY2021 results

Consolidated revenue / Operating income



- Consolidated revenue for FY2021 was **358.2 billion yen**, exceeding the initial forecast of 342.7 billion yen by 14.5 billion yen.
- Operating income was **20.3 billion yen**, far exceeding the forecast of 11.5 billion yen.

Plan and FY2021 results



In FY2021 operating income was **20.3 billion yen**.

This is the highest achieved since the shift to a holding company structure in FY2009.
The FY2023 target (18.5 billion yen) was achieved.

Measures taken in anticipation of the post-COVID-19 world

- Many industries have adapted themselves to the situation more promptly than expected.
- The online shopping and streaming businesses expanded significantly.
- Development of live streaming business, etc.
- Increase in the value of real experiences attributed to the growth of experience-oriented consumption

Recovery of terrestrial TV advertising

- Re-evaluation of reach and cost efficiency
- Shift of advertising costs from fixed to variable
- Reviewing and rebuilding the value of advertising utilizing data

Diversification of the forms of supplied content

- Diversification of streaming platforms
Expanding revenue base sustainably, with growing demand for content
⇒ Promotion of supply
Retention of viewers at various windows
- Increase in content supplied to overseas OTT giants

Instillation of cost control awareness and expansion of the streaming business

- Production costs reduced using COVID-19 as an opportunity to reforming productions ⇒ Catalyst for **eliminating waste created by customary behaviors**
- **A structure established for sustainable cost control**
- Significant expansion and improved profitability of the overall content streaming business

Acceleration of technological innovation

- **Remarkable progress of ICT and AI technologies**
- Business efficiency improvement accelerated through both production and administrative divisions
- **An important task is to secure ICT-related human resources.**

Economic climate and trends in financial markets

- Changes in dividends received ⇒ Affect non-operating revenue
- Changes in market capitalization value resulting from stock price fluctuations
- Price increases, such as surges in crude oil prices

Changes in social conditions

- Risk of large-scale loss of power due to a natural disaster
- Destruction of systems through cyberterrorism
- Uncertainty of consumption trends in the post-COVID-19 world
- Social unrest attributed to the spread of COVID-19 variants
- Russo-Ukrainian war and other world affairs
- High inflation and the FRB in the United States increasing interest rates

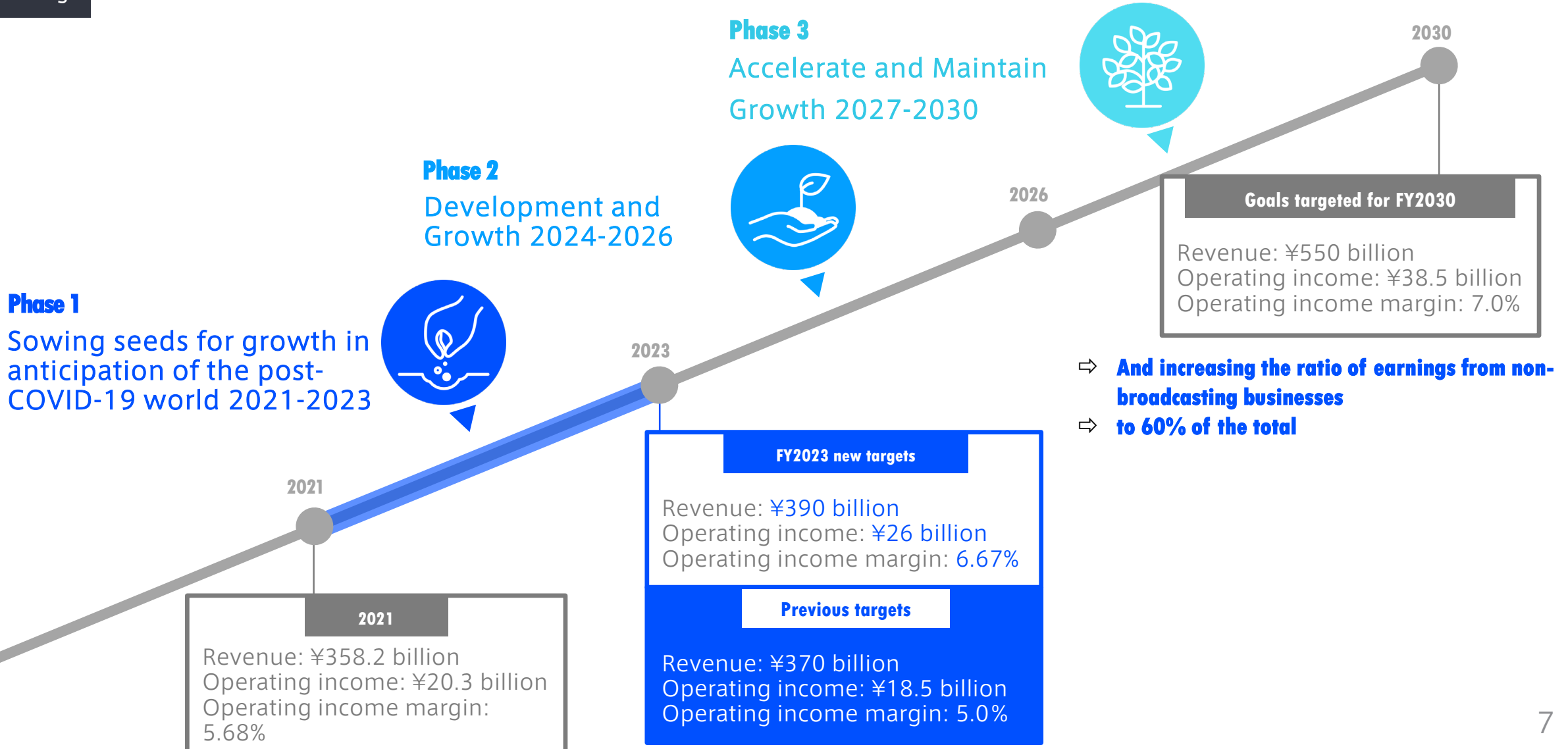
Acceleration of SDG initiatives


- Era when companies are expected to have a basic stance that enables the company to act to help achieve the SDGs
- The actions a company takes to help achieve the SDGs are directly linked to the evaluation of the company.

Legal regulations (including soft laws)

- Revision of Corporate Governance Code
- TSE's market restructuring
- Cabinet decision regarding the proposed amendment of the Broadcasting Act
- Review of the principle of preventing owners from owning multiple media outlets

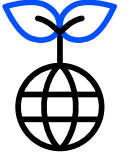
TBS Group Medium-Term Management Plan 2023 in the TBS Group VISION 2030
Dividing the TBS Group VISION 2030 period into three phases



Materiality

For creating wonderful moments
Original contents/Social missions/Technologies

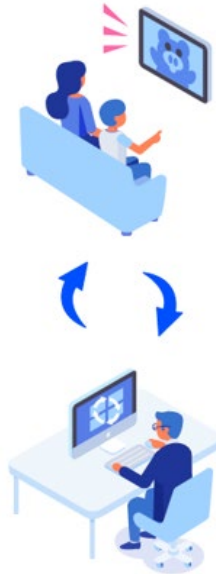


ESG Strategy

For the Earth as a life-bearing planet, for everyone working, as a group of responsible companies

2021
results

	New Family Core demographic	ALL
All day	1 NTV 2 CX 3 TBS 4 EX	1 NTV 2 EX 3 NHK 4 TBS
Golden time	1 NTV 2 CX 3 TBS 4 EX	1 NHK 2 NTV 3 EX 4 TBS
Prime time	1 NTV 2 CX 3 TBS 4 EX	1 NTV 1 EX 3 NHK 4 TBS
Non-prime time	1 NTV 2 CX 3 TBS 3 EX	1 NTV 2 EX 3 NHK 4 TBS

Future
measures

Improving non-prime time programs and regular programs Winning next-generation viewers, expanding the scope of reach, and rebuilding the value of TV

- Aim to be ranked 2nd or higher in all time slots in both the new Family Core demographic and all viewers

Improving the program lineup and earning power by improving regular morning programs

Reorganizing and strengthening variety shows in Golden and Prime times

Further promoting the development of creators and renewing programs

Improving the value of broadcasting through major sports events and the SDGs campaign

- Using data to explain and propose the value of media

Analyzing and utilizing viewer data again

⇒ Rediscovering and rebuilding the value of TV advertising

- The share of the spot advertising market held by the five key broadcasters in Tokyo **exceeded 20%** for the first time since 2008.

← Significant growth in the **New Family Core demographic (men and women aged 4 to 49 years old)** as an important index of spot advertising sales

Growth strategy

- Starting global content streaming on overseas streaming platforms
- Starting to produce content which are assumed to be distributed in the global market
- Expanding collaborations with overseas creators



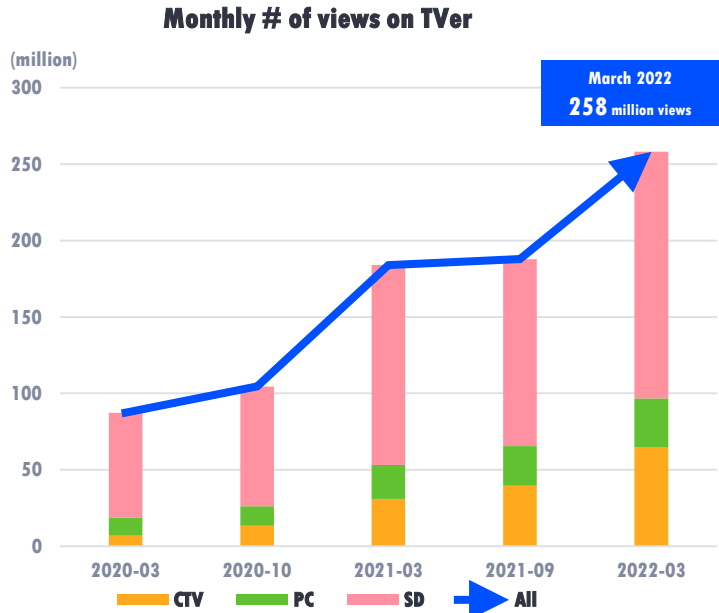
Establishing THE Factory, a new company for overseas strategies

A total budget of 30 billion yen for content production
Creating 2 or 3 global hits within five years

Building a new studio in Midoriyama

Global standard specifications/One of the largest studios in Japan
To be completed in June 2023
Making it the base for the production of high-end content

Remaining strong in the free streaming domain (such as TVer)



The MUB* of TBS content increased 35.8% on average, which is the highest among all commercial broadcasters.

* MUB: Number of monthly unique browsers

The program ranked 1st overall in the three months ended December 31, 2021 is TBS's *Saiai*.
First piece of content to achieve more than 20 million views in one season

(Data from Video Research Ltd.)

■ A play of *Harry Potter and the Cursed Child*

Asia debut, set for a long-run, at TBS Akasaka ACT Theater in July 2022

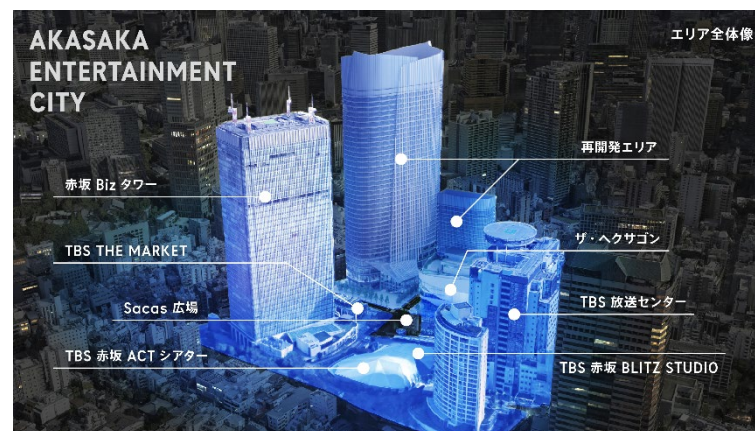
Advance tickets sold out for all performance dates on and before September 30



■ Akasaka Entertainment City

The area for new development will be completed in 2028.

Bring inspirational fun, surprise, and pleasure to people all over the world under the concept, "Shake The World. AKASAKA."



Improve the value of Akasaka further to make it a town that delivers wonderful moments to share pleasure and happiness with people, such as by opening a studio with a spectating function.

Material issue: For the creation of wonderful moments

The most important tasks in business domains that the TBS Group should work on



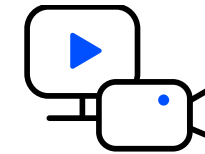
Creating original content loved by the world

- Developing and recruiting creators who create **original IP**
- Creating a corporate culture and a framework that will enable the group to support **challenges**
- Recruiting human resources and reinforcing the structure for **overseas expansion**
- Establishing a system for managing and using content that will increase their **lifetime value**



Fulfilling the social missions of a media company

- Establishing norms and system to win **overwhelming trust** for all content
- Further enhancing functionality to serve as an **information lifeline** in the event of a disaster
- **Driving changes in society** with content aimed at achieving the SDGs
- **Enhancing global measures** as a company introducing Japanese culture



Changing workstyles by developing and using technologies

- **Developing and using unique technologies** for improving the quality of content
- Reinforcing the analysis infrastructure for **data-driven** operations
- **Developing technologies** that will lead to higher business process efficiency and labor-saving (cost reduction)



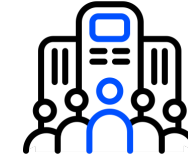
Providing wonderful moments to the Earth, a life-bearing planet

- Setting targets and taking action to achieve **zero carbon**
- Driving **the production of environmentally friendly, sustainable content**
- Strengthening the array of measures for **maintaining biodiversity**



Providing wonderful moments to everyone working

- Creating a fair, safe work environment where **diverse human resources can participate actively**
- **Enhancing training programs** to improve the skills of all workers
- Ensuring appropriate commitment to the **supply chain**

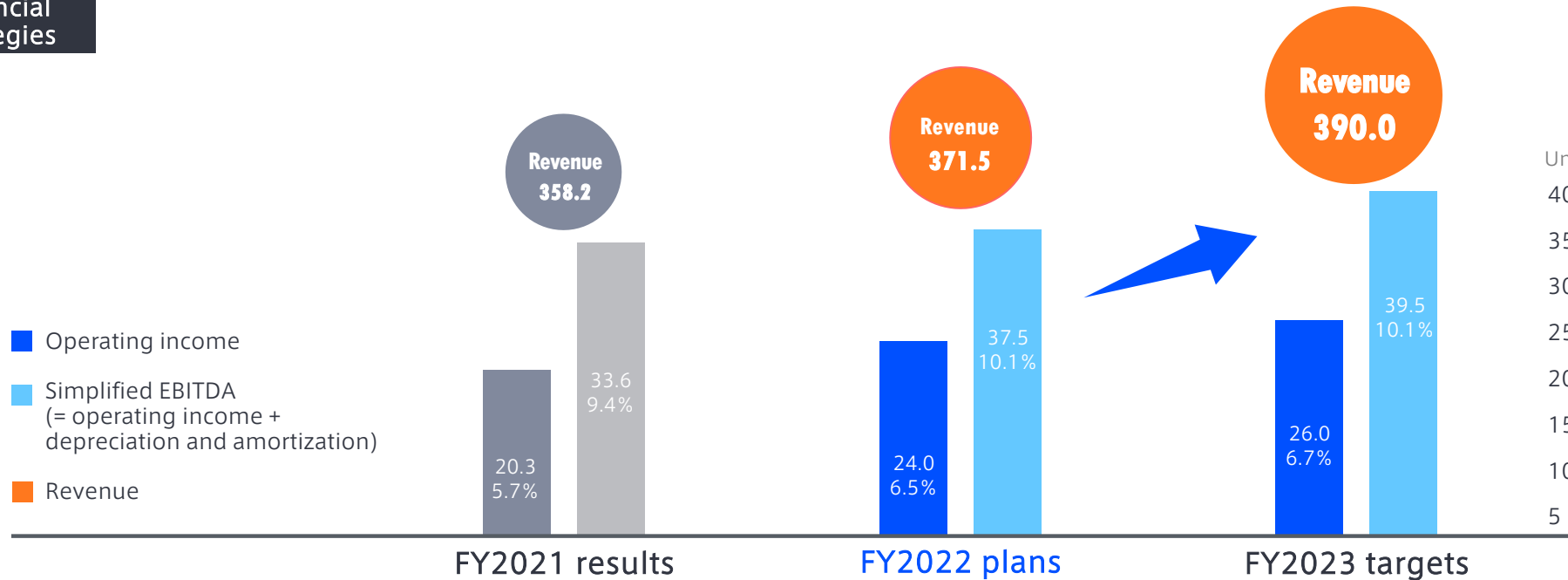


Strengthening governance as a group of responsible companies

- Strategically making decisions and strengthening risk management for the reform of the business portfolio
- Ensuring the directors and executive officers are diverse in their skills, genders and other attributes
- Thorough engagement with all stakeholders including shareholders

Expanding the revenue base through initiatives including the innovation of broadcasting and the expansion of the streaming business

Improving profitability by maintaining the cost control structure



FY2023 targets

Revenue: 390 billion yen
 Operating income: 26 billion yen
 Simplified EBITDA: 39.5 billion yen

Share of revenue from non-broadcasting businesses:
 Increasing it to 47.0% of the total
 (Up 3.6 percentage points from FY2021)

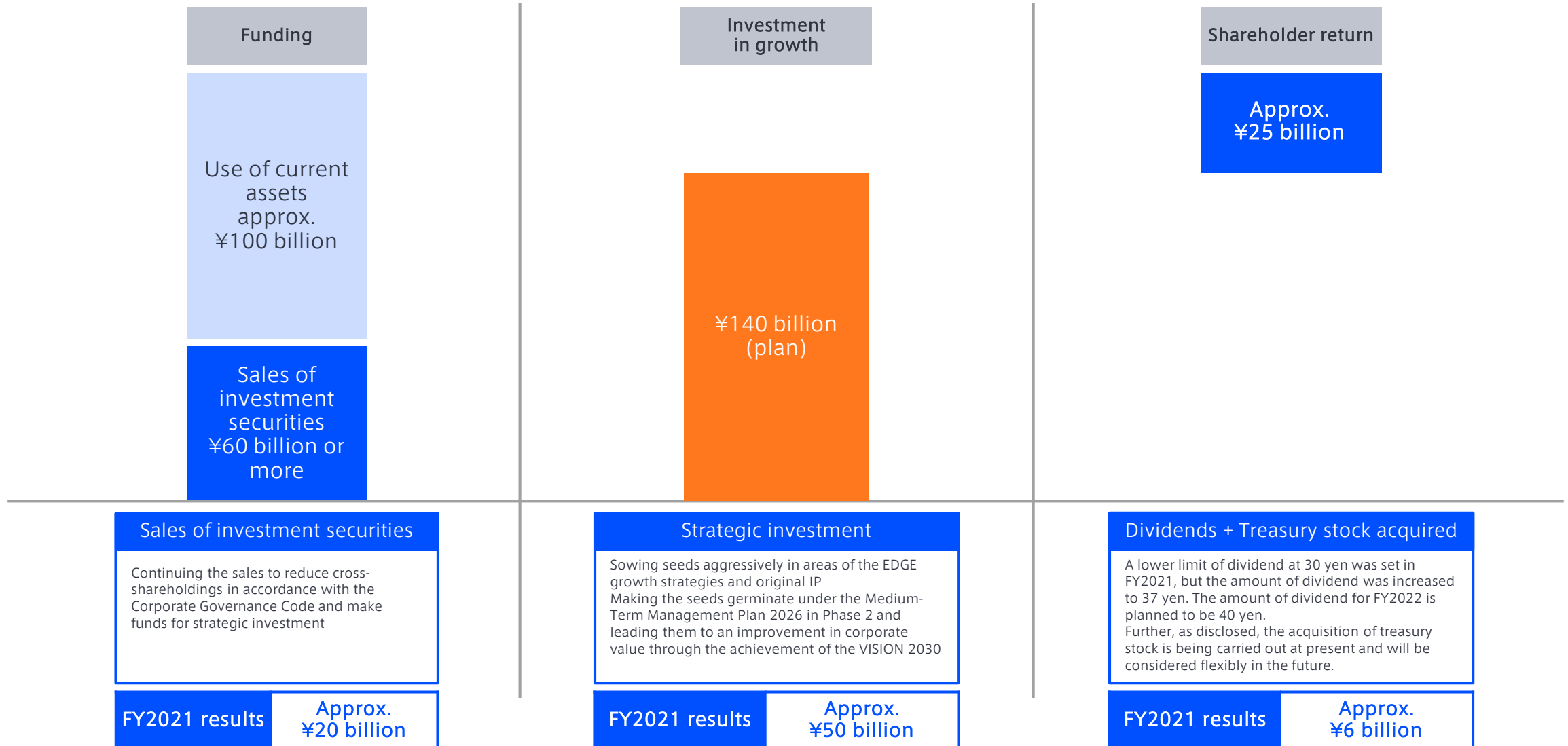
	FY2021 results	FY2022 plans	FY2023 targets
Media Content Business	281.4	291.4	307.4
Business	10.9	14.3	16.0
Lifestyle Business	61.0	63.7	66.0
	2.3	2.4	2.6
Real Estate and Other Business	15.8	16.4	16.6
	7.0	7.3	7.4
Total	358.2	371.5	390.0
	20.3	24.0	26.0
Share of revenue from non-broadcasting businesses	43.4%	44.9%*	47.0%*

Upper column: Revenue

Lower column: Operating income

* Rough estimate

Sowing seeds aggressively over the three years with a focus on EDGE areas by using funds from sales of investment securities
 Improving the earning power towards achieving the VISION 2030. Aiming for sustainable shareholder return as well.



Return of profits to shareholders: Dividend increased and treasury stock acquired in anticipation of the post-COVID-19 world

- We will invest in growth aggressively and expand profit over medium- to long-term, aiming to improve our corporate value.
- We will strive to increase dividends by switching to a basic policy of stably, sustainably paying dividends.
- During the period for the Medium-Term Management Plan 2023, we will continue to pay dividends stably with a lower limit of 30 yen, in consideration of the fact that our business performance is recovering from the impact of the COVID-19 pandemic and the future is uncertain.

Basic policy

The Company positions the return of profits to shareholders as an important management issue and its basic policies are to provide stable and continuous dividends while aiming for a payout ratio of 30% on a consolidated basis. The Company also strives to enhance returns through special dividends and other measures when business performance increases. We will continue to flexibly consider the acquisition of treasury shares as before.

Medium-Term Management Plan 2023 Dividend policy

Minimum amount of 30 yen per share.

However, the Company may revise its minimum dividend in the event that it does not record net income for two consecutive fiscal years.

FY2021
Dividend

37 yen per share
(interim: 15 yen, year-end: 22 yen)

FY2022
Dividend forecast

40 yen per share
(interim: 20 yen, year-end: 20 yen)

Disclaimer

Forward-looking statements on future results and all other content in this document are based on the Company's judgment at the time of publication. This document does not assure or guarantee that the stated numerical plans and measures will be achieved. Risks and uncertainties are inherent in this document.

Please note that future results may differ materially from statements herein, depending on changes in factors, including economic circumstances, market trends and business conditions.

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TBS

From each moment, a better tomorrow.