

Toward the Content Group

Medium-Term Business Plan 2024-2026

VISION2030 Ph.2

Drive EDGE Forward
- Leveraging Creative Engine

TBS

TBS HOLDINGS

THE SEVEN

TBS TELEVISION

CS-TBS

Seven Arcs

StylingLife
GROUP

TBS RADIO

TCエンタテインメント

やまぎスィッチアール

BS-TBS

TBS INTERNATIONAL

赤坂供給株式会社

TBS SPARKLE

TBS企画

TBS GLOWDIA

TBS-MRI

TBS SUNWORK

NICHION

TBS HEXA

TBS ACT

Manga Box

MSC
山崎スポンサー

Contents

➤ Our Philosophy and Targets

➤ Our Approach

- 1) Business Domain Strategy
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- 3) Sustainability Commitment

➤ Review of the Previous Medium-Term Plan

Pursuing and Providing Timeless Value

The TBS Group will pursue and provide Content IPs producing Timeless Value

Our Philosophy and Targets



**Drive EDGE Forward
Leveraging Creative Engine**

Note: This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original,
the original shall prevail.

Our Timeless Value Content IPs – Portfolio Expansion -

Core Content IPs

EDGE Content IPs

News / Information Documentaries



報道1930



Dramas / Variety Shows / Movies



Anime



IP Development



Live Entertainment



Experience

PLAZA

BCL
Beauty Creative Lab.

英語で遊ぶ、学ぶ
KidsDuo
After School Care
Pre School Care

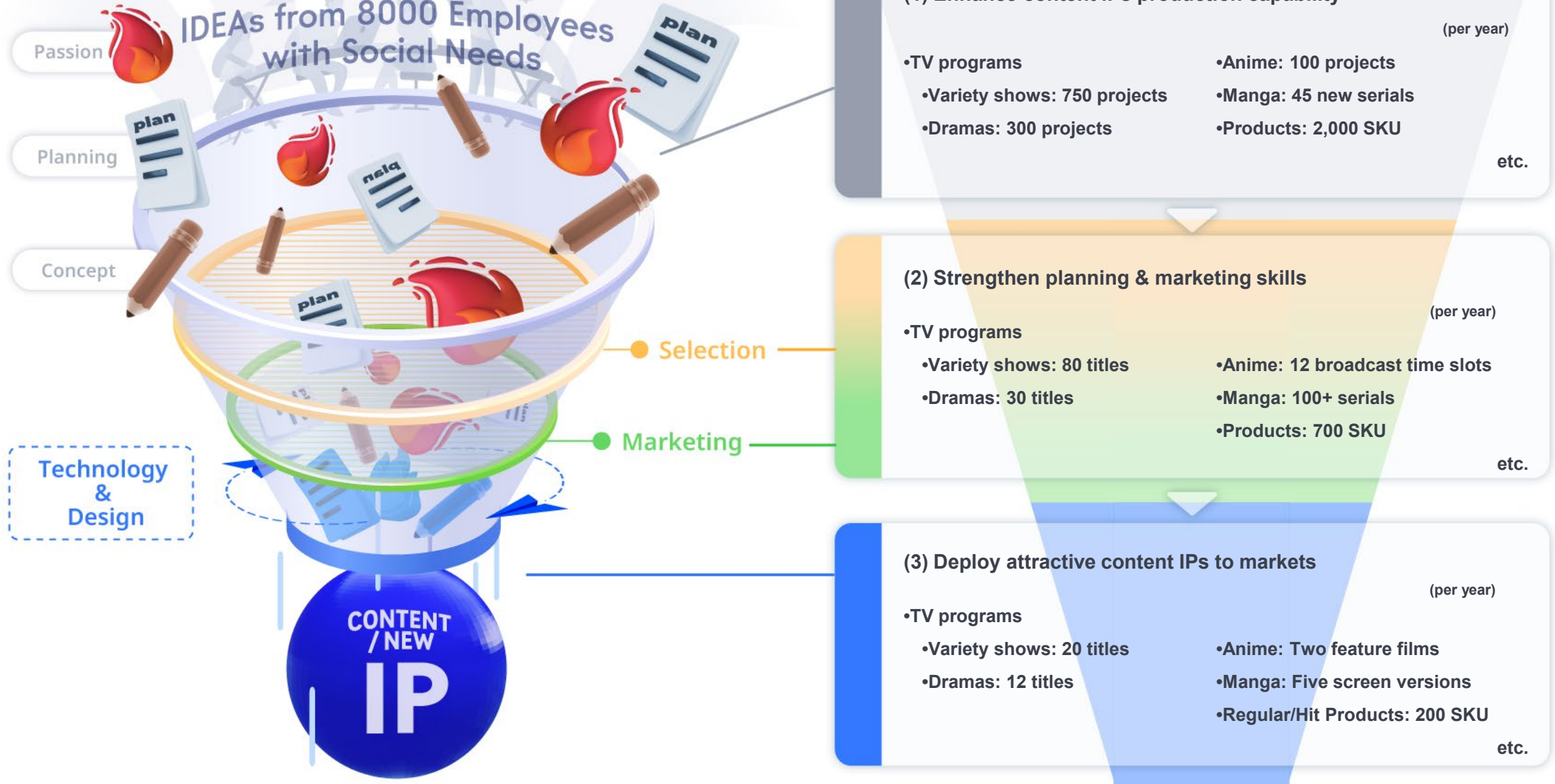
バイリンガル幼児園
KidsDuo
International

スポーツを科学する
忍者ナイン

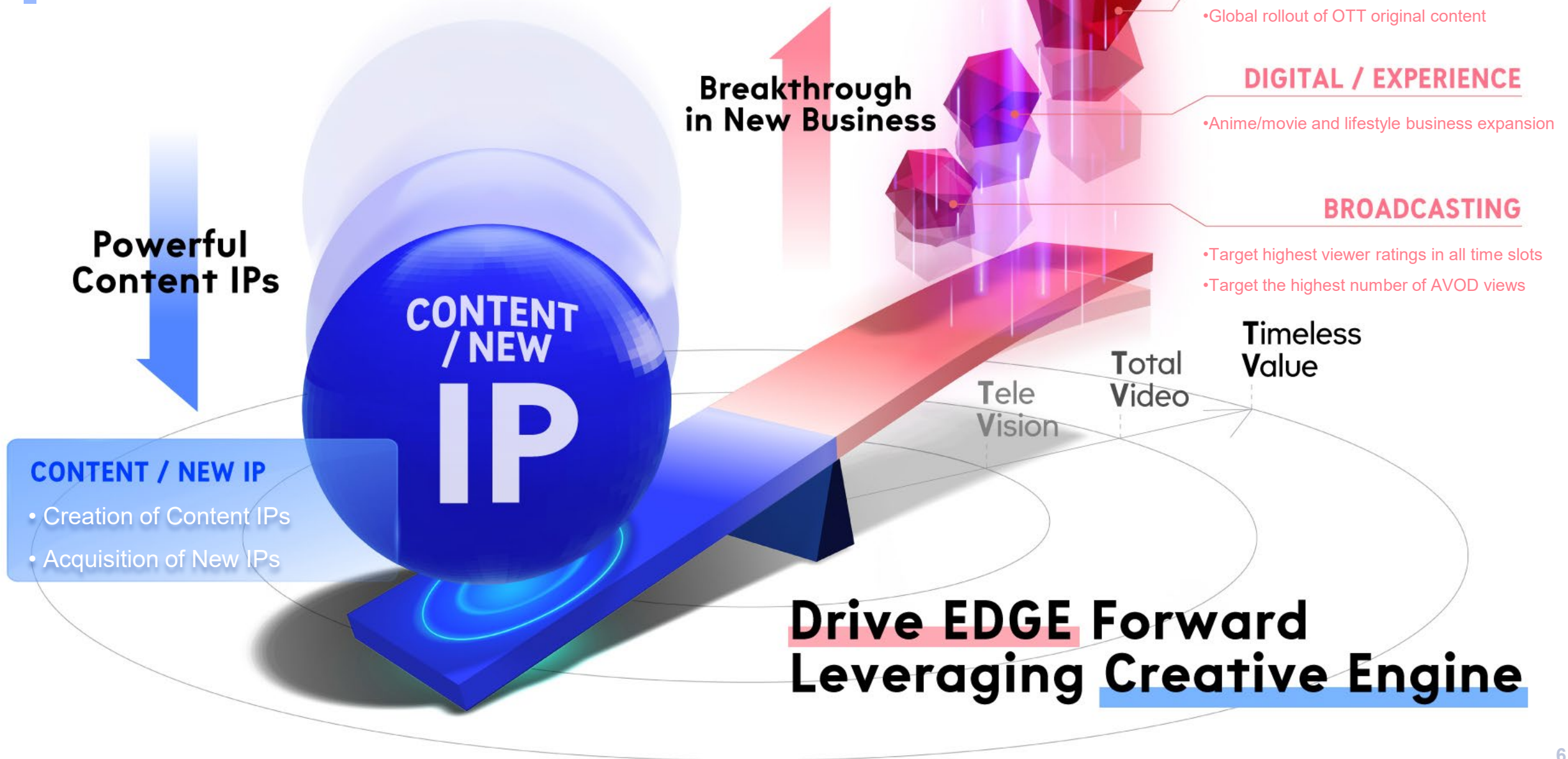
個別指導
スクールIE

Amazing Sports Lab
Japan

Creative Engine FUNNEL Model



Drive EDGE Forward Leveraging Creative Engine



Improve Capital Efficiency - ROIC of 5% -

Given the rapid shifts in the terrestrial advertising market, we will continue to **create and acquire content IPs** while concurrently **making growth investments that leverage our content** for multi-faceted monetization.

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2026	FY2030
Revenue (¥ billion)	325.6	358.2	368.1	394.3	400.0	450.0	550.0
Operating income (¥ billion)	10.8	20.3	20.7	15.1	16.5	24.0	38.5
Operating income margin (%)	3.33%	5.68%	5.65%	3.85%	4.13%	5.33%	7.00%
ROIC (operating income after tax) (%)	1.9%	3.6%	3.5%	2.6%	2.8%	3.3%	5.0%

Targeting 5% ROIC by 2030

*Going forward, we will consider managing capital efficiency by business.

Capital Allocation

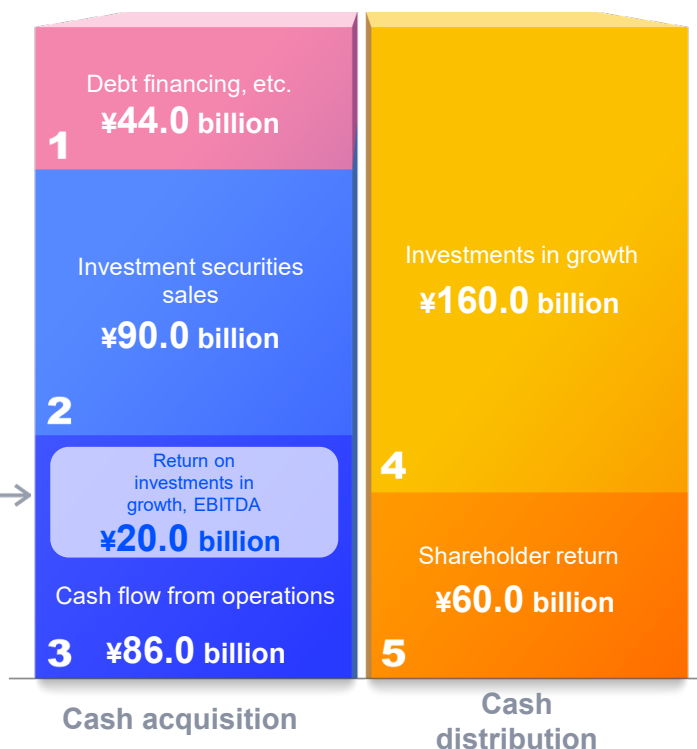
Basic Policy

- Create a chain of cash flow expansion through growth investments
- Utilize diverse financing options, including debt
- Reduce cross-shareholdings and enhance shareholder returns

Plan 2023 Results



Plan 2026



Key Points

Cash acquisition

1 Utilize diverse financing options (green finance, etc.)

2 Utilize cash from stock sales for growth investments and shareholder returns

3 Create a chain of cash flow expansion through growth investments

Cash distribution

4 Set KPIs and monitor progress

5 Consider total payout ratio and purchase treasury stock flexibly

¥160 Billion Investments in Growth

Basic Policy

- Enhance capital efficiency with **green finance and other funding options** and utilize cash from share disposal
- **Set and monitor KPIs for growth investments**, focusing core competencies
- Invest in ESG areas, such as social businesses for sustainability

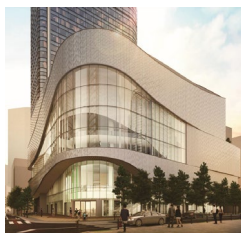
Plan 2023: Invest ¥145.1 billion

Plan 2026: Invest **¥160 billion** for faster growth

Main Results of Investments in Growth

THE SEVEN
Enhanced high-end
content creation

やる気スイッチグループ
Entered the
Intellectual training and
education business



Akasaka Entertainment City Project
(Scheduled completion: 2028)

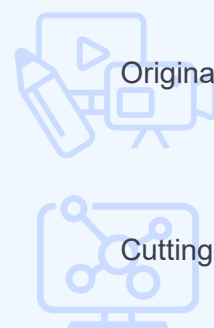
StylingLife
Reach for Generation Z

U-NEXT
Paid
streaming
business
strengthened

Manga Box
Original IP
development

Seven Arcs
Anime
business
strengthened

Content IPs Creation and Acquisition



Original IP development/acquisition



Cutting-edge technology (VFX/AI, etc.)

**TBS Group ID
expansion to link
customers with
content**

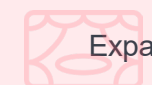
EDGE Strategy Implementation



Global rollout of content IPs



Expansion of the intellectual
training and education business



Expansion in the experience area

**Contribution to
sustainable society**



Invest in human capital/DX



Invest in energy saving/GX

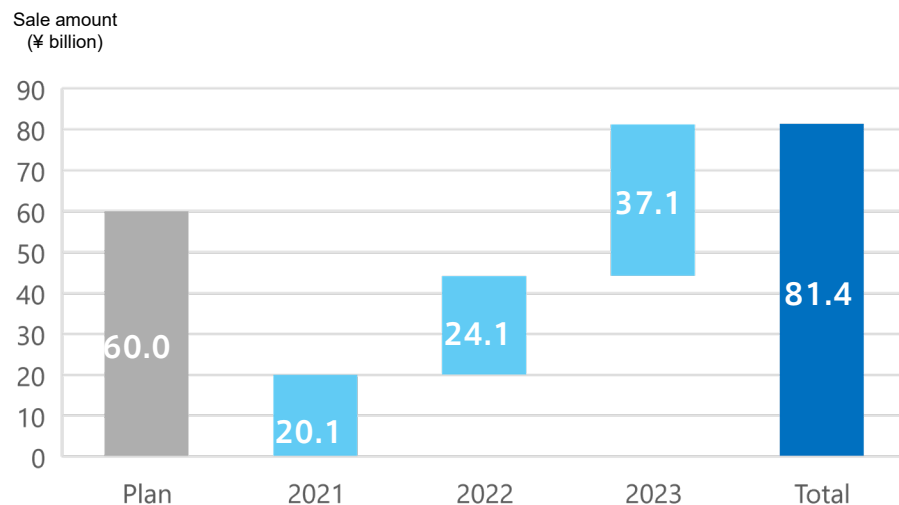
Cross-Shareholdings Sales in Excess of **¥90 Billion**

Basic Policy

- Accelerate sales of cross-shareholdings in accordance with Corporate Governance Code
- Use cash obtained through stock sales for **growth investments and shareholder returns**

Results in Plan 2023 Period

More cross-shareholdings sold than planned
Planned amount: ¥60.0 billion → Actual amount: ¥81.4 billion



Actions to Reduce Cross-Shareholdings

Board of Directors examines cross-shareholdings at least once per year

Sell shares no longer worth holding

Need for investments in growth in order to expand business

Investigate multi-faceted ways to procure capital, and, if necessary, use as a source of funding

Plan 2026: Sell at least
¥90 billion of cross-shareholdings over three years

Work on balance sheet improvement towards the achievement of VISION 2030

Shareholder Return of ¥60 Billion in Total - Dividends/Purchases of Treasury Stock -

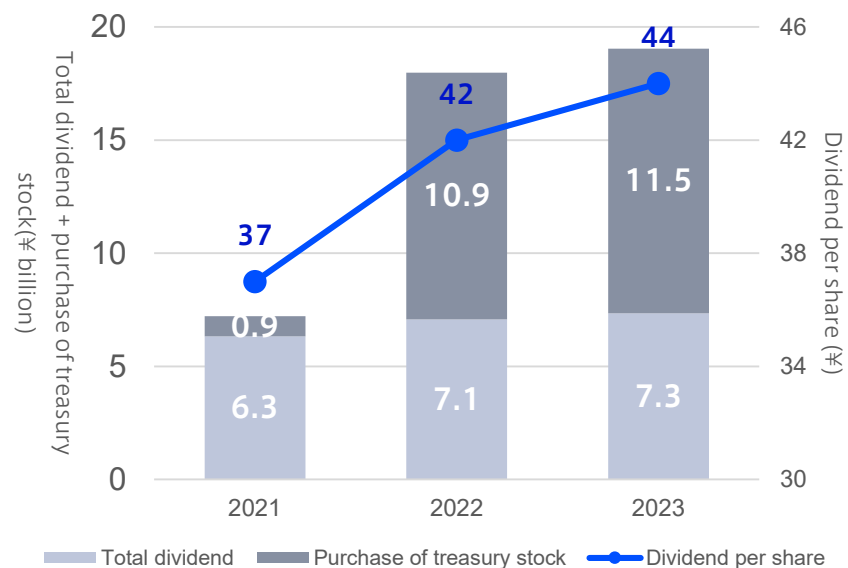
Basic Policy

- Commit to growth investments to increase corporate value
- Provide stable and continuous dividends with **dividend payout ratio of 40%**

*Determine dividend amount considering profit fluctuations significantly caused by special factors

Results in the Plan 2023 Period

Total of ¥44 billion returned through dividends and treasury stock acquisition



*Annual dividend basis

Shareholder Return in Plan 2026

Shareholder return of ¥60 billion in total during the period of Plan 2026
through dividends and acquisition of treasury stock



We will provide opportunities for shareholders to experience our content IPs to understand our appeal.

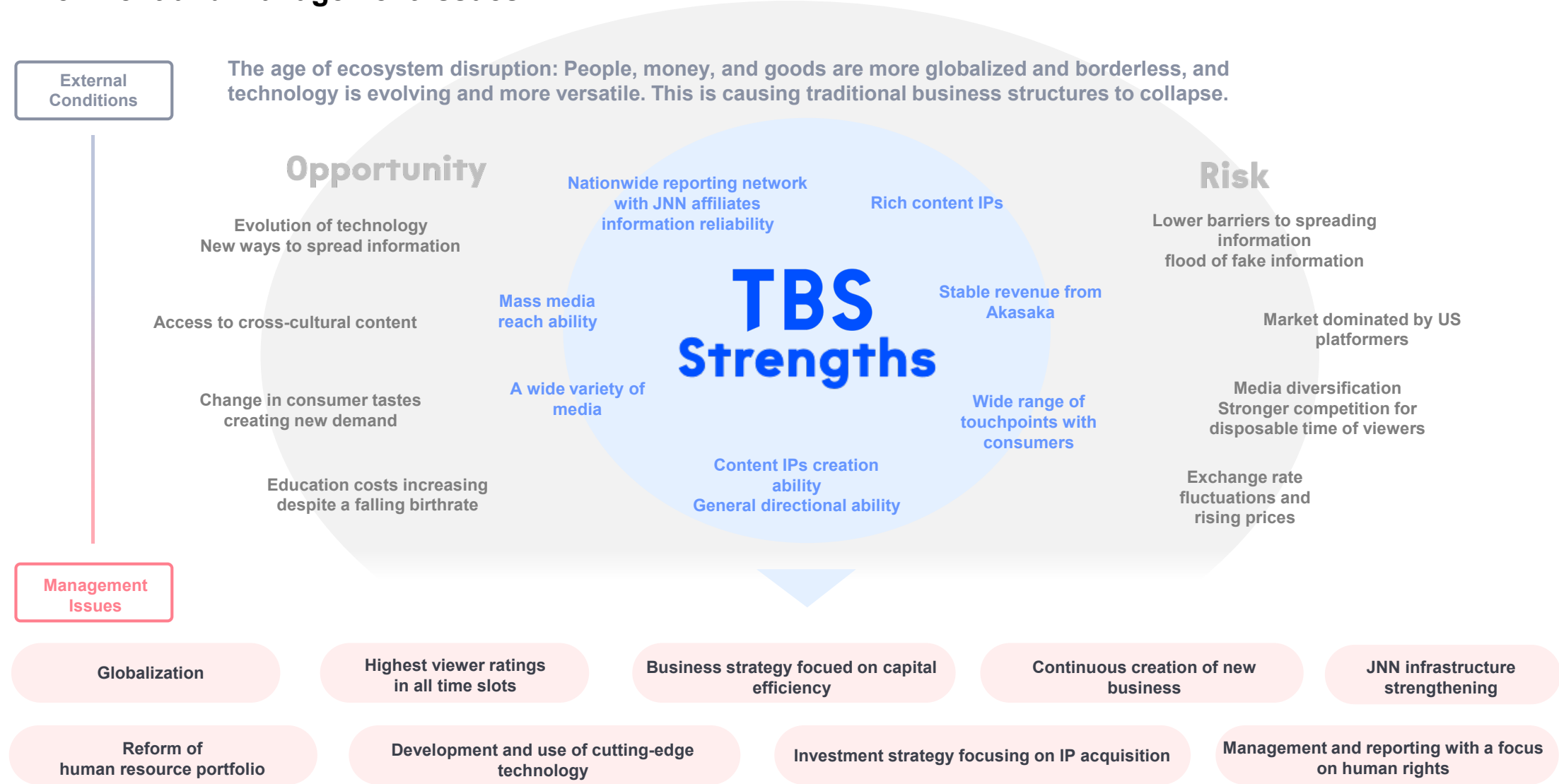


Our Approach **#1**

Business Domain Strategy

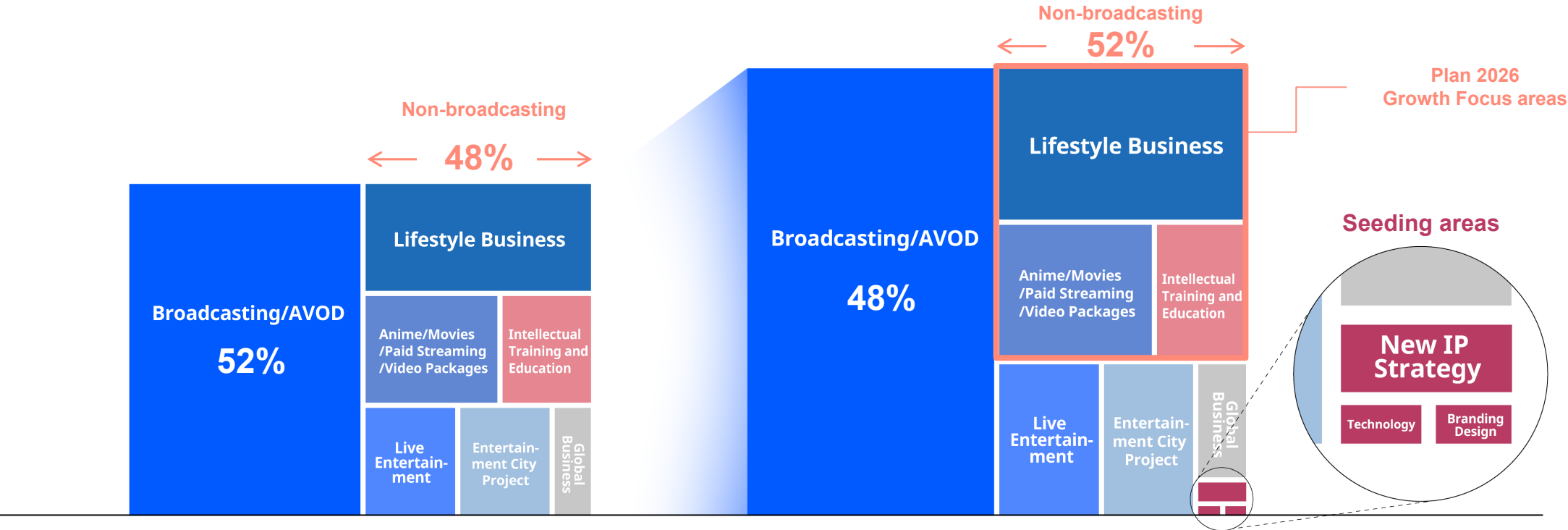
Drive EDGE Forward Leveraging Creative Engine

Environment and Management Issues



Business Portfolio Expansion

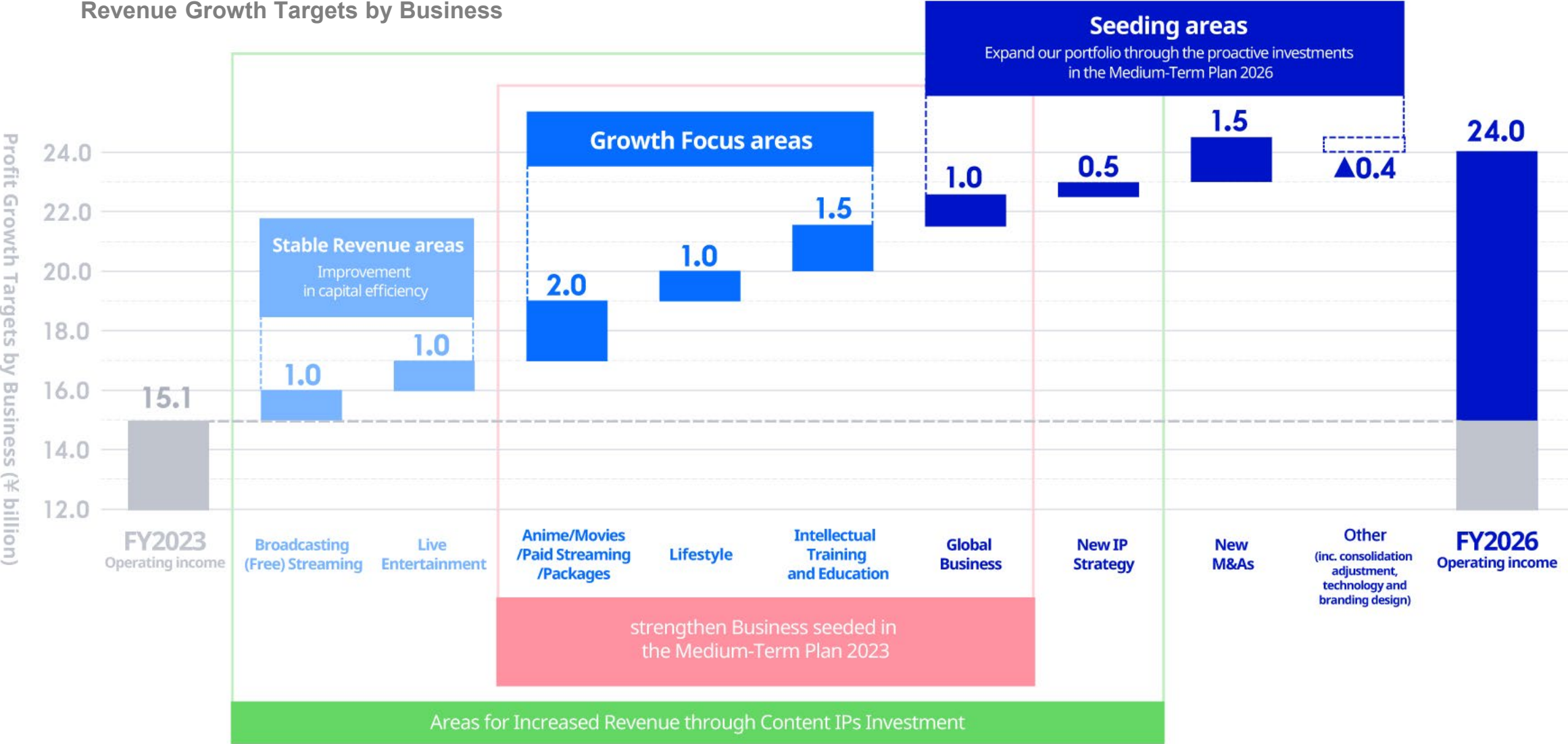
Spread our content IPs into EDGE areas starting with broadcasts as a “showcase”
As well as accelerating our growth on core competencies, we will constantly review our business portfolio to identify:
Stable Revenue areas; Growth Focus areas; and Seeding areas



FY2023 Sales Breakdown (Actual): **¥394.3 billion**

FY2026 Sales Breakdown (Target): **¥450.0 billion**

Clear Profit Targets for Each Business



First Year of TBS Global Business

2024-2026

Build up global sales
channels
Develop joint IPs with
global partners

VISION2030

Expand content distribution network
Deploy content IPs development
function

beyond2030

Become a
global content company

Previously known as a media group in Japan, the TBS Group will be reborn as a content group delivering timeless value in the form of wonderful “moments” to the world.

Aiming to bring excitement and smiles to people around the world, 2024 will be the first year of our global business as we embark on a global rollout of our own content IPs.

Establishment of Business Bases in North America and South Korea

Growth Story

- Acquire content IP sales agency in North America. Establish a strategic base with sales channels in the Americas and Europe
- Open a strategic base in South Korea targeting Asia with a ¥5 billion Investment budget for dramas, movies, and K-POP
- Develop content with partner companies around the world

New strategic base in South Korea

- Drama syndication and remake sales in Asia
- Construction of IP development framework with Korean entertainment companies
- Investment of ¥5 billion in dramas, movies, K-POP, etc.

New strategic base in North America

- Build global sales routes through M&As
- Collaborate with US entertainment companies on IP development

Consider establishment of strategic bases in Europe, the Middle East, and South Asia, etc.

Now

Ratio of overseas sales
Slightly more than 2%

Sales of “Ninja Warrior”, “Takeshi’s Castle” and other existing formats through agencies

Launch period (Plan 2026)

Ratio of overseas sales
Target: 5%

- Anime and new format sales
- Development of new IP with local content companies
- Acquisition of content IPs and rights

Our goals (for FY2030)

Ratio of overseas sales
Target: 10%

- Local format IP development
- Add a localized production function for each country
- Expand content IPs through investment
- Expand business in areas other than visual areas

From Japan to the World with Our Creative Engine

Growth Story

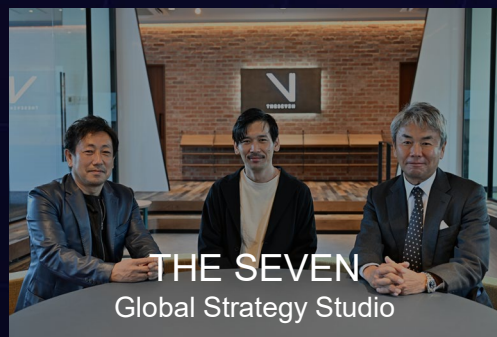
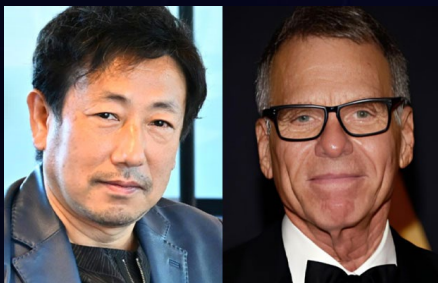
- THE SEVEN to produce more than four productions to be streamed globally. Sales for FY2025 are expected to be around ¥10 billion
- Pursue investments in and business collaborations with companies that have advanced production technologies
- Aim to increase the value of TBS content IPs in the global market through investment and group synergy

We have invested in the VFX studio MEGALIS, which works on Hollywood studios and global OTTs



We will enhance our capability for creating high-end content, and develop internal specialists by working with international artists and engineers.

Collaboration on drama content started with Academy Award and Emmy Award-nominated movie producer David Permut.



Streaming in 190 countries and 31 languages as of June 2023. The first TBS production in the top 10 of global weekly TV rankings (non-English).

*TBS TELEVISION, INC. production



Netflix series "Yu Yu Hakusho" No. 1 in the Netflix weekly global top 10 (non-English series).

It also became the second biggest series in all languages ever for a series from Japan!

*Produced in cooperation with THE SEVEN



Production Cooperation by THE SEVEN for Season 3 of the global hit series "Alice in Borderland."

New Initiatives as a Global Content Company

From Japan to the World



TBS NEWS DIG is in a strategic partnership with Bloomberg (USA). We will globally rollout branded content for companies through a new business platform.



We will commence global sales when preparations are in place.



We have already rolled out our education brand in Taiwan. We plan to roll it out around Asia and acquire brands in overseas.

From the World to Japan



Domestic manufacturing and sales will start when preparations are in place.



Five to six series created by Studio ToonN (established in Seoul by TBS) are published annually on South Korea's biggest platform. Anime and live action versions are being made in Japan.

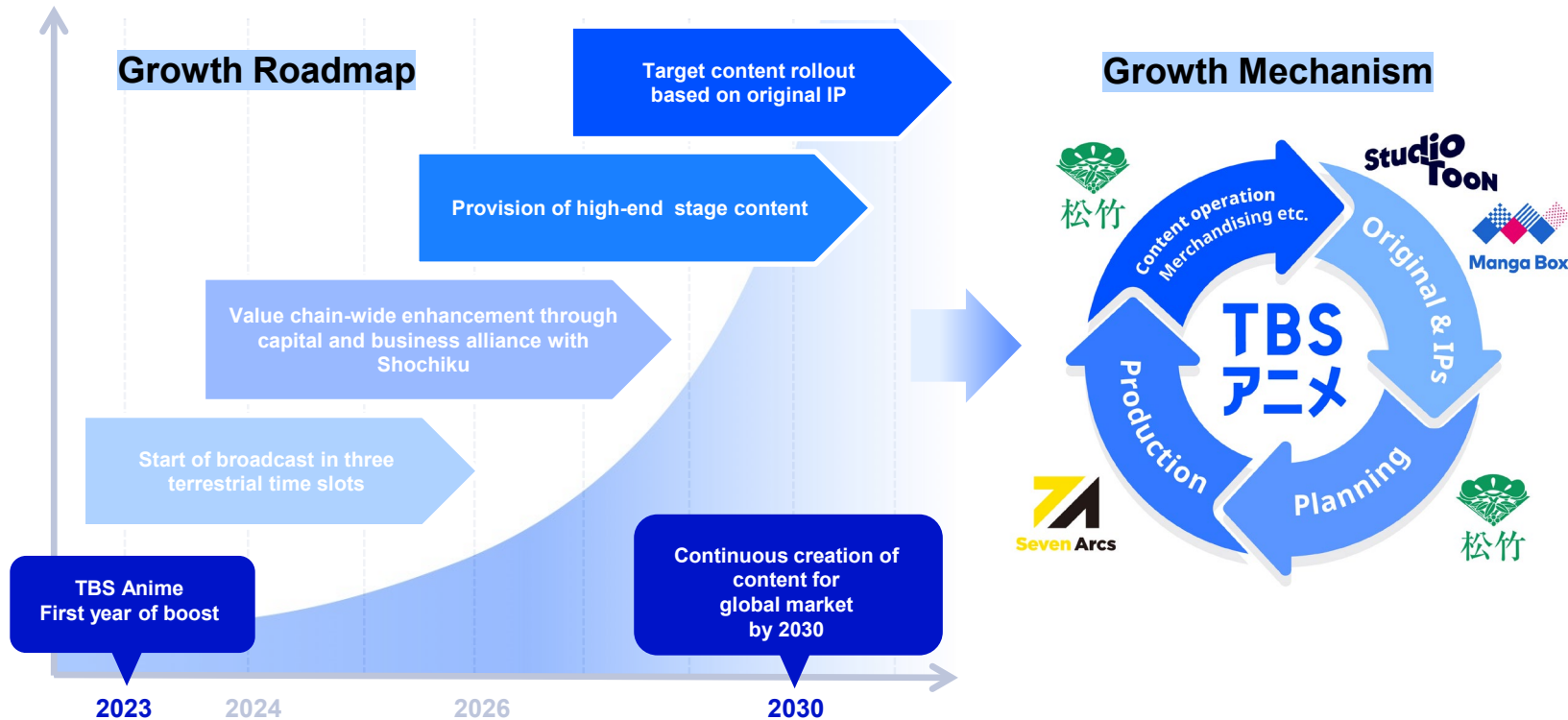


We work with the John Gore Organization, a major live entertainment company in the US. We have directly funded plays in Broadway(US) and West End(UK).

Buidling a One-stop Business Model over the Entire Anime Business Value Chain

Growth Story

- Build the anime business value chain starting with three terrestrial anime time slots
- Deliver content through various channels, not just terrestrial broadcasting, such as streaming platforms
- Roll out high-end feature film productions
- Establish a framework to create mega-hits for global distribution by 2030



TBS Anime Productions in the Spotlight from 2024

“The Quintessential Quintuplets”

Multi-aspect rollout five years after production of anime version



“Toilet-Bound Hanako-kun”

2nd season of this highly popular hit title (including North America) to be produced



“Blue Box”

Anime version of a highly popular adolescent love story manga set in school sports clubs



Broadcast start: October 2024

“Failure Frame: I Became the Strongest and Annihilated Everything with Low-Level Spells”

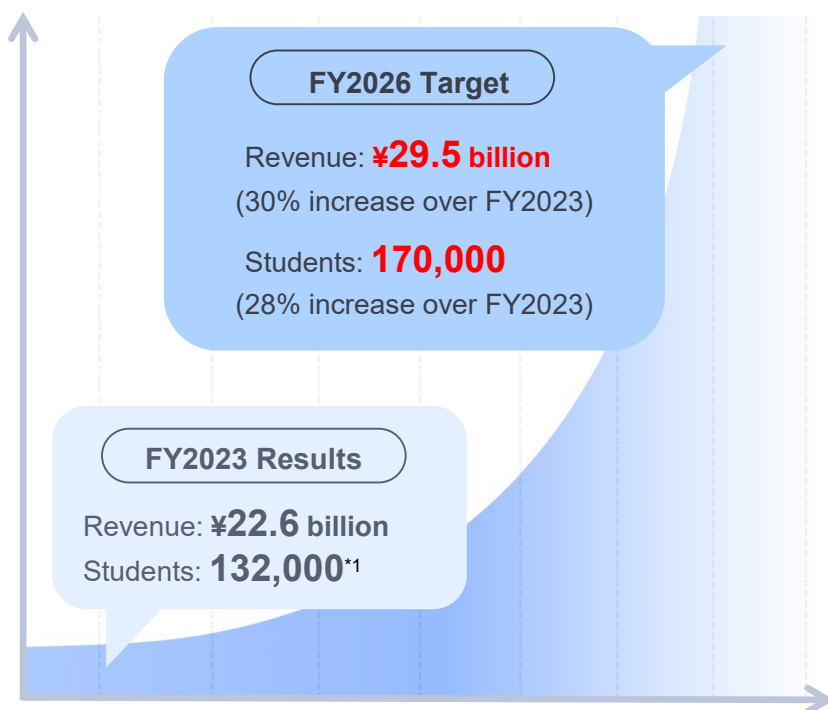


Created by Seven Arcs
Broadcast start: July 2024

TBS Group Synergy in School Business

Growth Story

- Strengthen quality and boost expansion of our school business
- Create packages of online content to take the platform business forward
- Better management and new branches for both directly operated and franchise businesses, from private tutoring to schools for infants, childcare, and school-age children
- Undertake business development and global rollouts through alliances with stakeholders and M&As



*1 No. of students at the end of February 2024 (inc. Taiwan)

TBS Synergy Creation

- Look for new franchise owners (through the alliance with the JNN affiliates, etc.) to accelerate growth in schools around Japan
- Incorporate TBS video content into education platforms and expand current businesses



Proactive Utilization of Online Content and Education Platforms

- Package online content to boost deployment at franchises and other schools



IP Development in New Areas

Growth Story

- Develop and acquire new content IPs in areas not reached by the TBS Group
- Produce games utilizing both our program IPs and original IPs
- Develop a new format to follow “SASUKE” (now an Olympic event), and roll them out overseas
- Develop consumer products such as apparel and cosmetics, and roll them out overseas

TBS GAMES



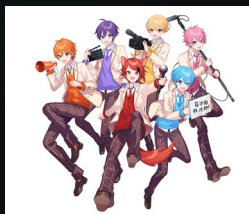
Game development using program content IPs

Joint development of new games
with major game companies

New IP Development



Develop new physical game formats following “SASUKE” for global sales. Promote them by making full use of social media.



Creation of “Human IP” Japanese/Korean boyband star in drama and expand fandom.

Produce new Vtuber co-working with popular entertainment unit Strawberry Prince.

PLAZA



The eco-friendly knitted bags brand “KNT365” is now in part of TBS group. “KNT365” manufactures bags using recycled polyester.

LAZY STYLES

Genderless apparel brand “Lazy Styles” for Generation Z will debut from PLAZA in fall 2024.

Entertainment City AKASAKA

AKASAKA is going to be an entertainment centric place where creators, supporters and guests come from all around the world. Attractive entertainment events, shows and content markets will be held in AKASAKA.

あらゆる世界を揺さぶる。
エンタテインメントの街へ。
**Shake
the world.
AKASAKA**

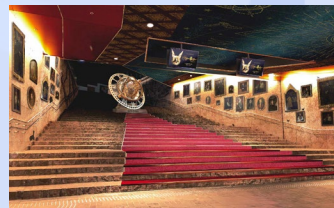
From 2024

Tokyo Creative Salon Akasaka

We participated as a base member, and are working on branding to make Akasaka a center entertainment information dissemination. Many creators and customers participated in the variety of events at the festival in March 2024.

Long-running stage play: Harry Potter and the Cursed Child

The total audience of “Harry Potter and the Cursed Child” running at TBS Akasaka ACT Theater since July 2022 is expected to exceed one million this summer. It is contributing significantly to the excitement around Entertainment City Akasaka.

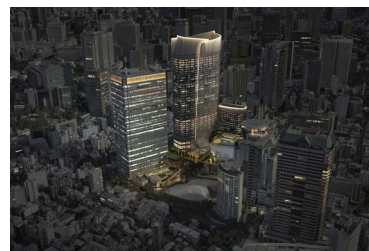


2028

Completion of Akasaka Entertainment City (scheduled)

Making Akasaka a center for entertainment information dissemination!

Facilities including new theaters, new halls, hotels, streaming studios, incubation centers are planned.



From 2030

A new Akasaka

With an eye on future redevelopment of the Broadcasting Center area, we will undertake development to make the world want to visit Akasaka.



Our Approach #2

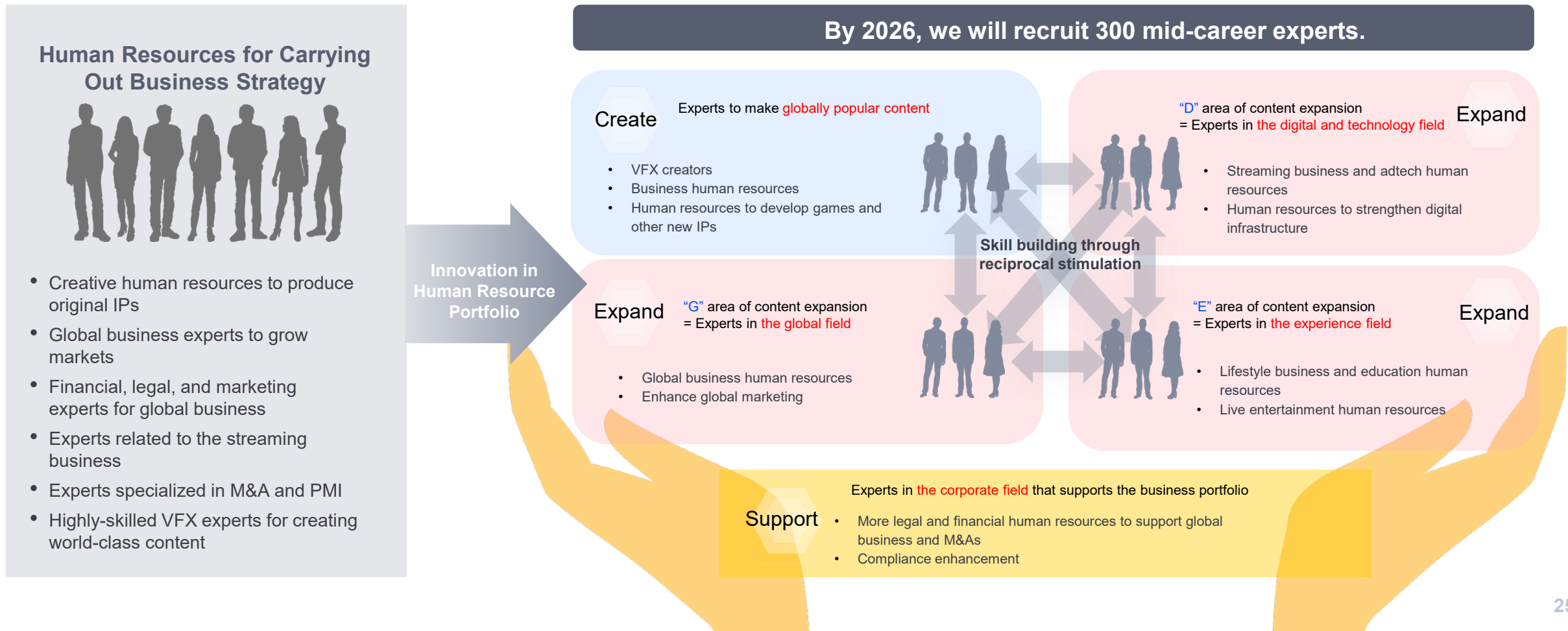
Human Capital Development

- Human Capital, Technology, and Design -

Drive EDGE Forward Leveraging Creative Engine

Recruitment of 300 Experts

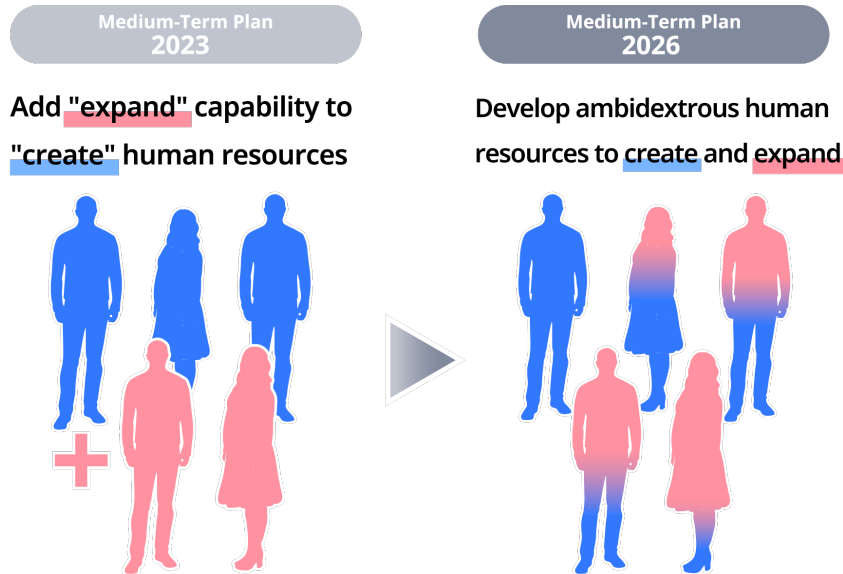
Our core competence is creative engine (i.e. creative ability). To become a world-class content group, we need to bring together a variety of experts and to strengthen our human capital portfolio. We will recruit talented experts to expand and strengthen our human capital portfolio.



Develop **Independent Human Resources** for Global Success

Our creators must have both creative and business skills to become a world-class content group. “TBS Group University” and other education programs provide employees with opportunities for learning and growth. Through these programs, employees can enhance their ability for self-directed learning and goal achievement.

(1) Development of World-Standard “**Ambidextrous Creators**”



Human Capital Development Policy

- Develop **World-Class Independent Human Resources**

- Provide a venue for learning TBS Group University
> Target: Total of 20,000 students per year
- Develop “ambidextrous skills” through the in-house training program
> Target: 10% of young and mid-career employees
- Overseas deployment to learn about global standards
> Target: 10% of young and mid-career employees



Staff exchange and training with CJ ENM
(March 2024)

Internal Environment Improvement KPIs

- Ratio of female managers: 20%
- Ratio of male employees taking childcare leave: 100%
- Business efficiency improvement using cutting-edge technologies
- Further implementation of health management
- Ratio of One-on-One Meetings to encourage challenges: 100%



(2) Reform HR System for Success

Bet on Passion, Pay for Performance

Investment of ¥1 billion per year in human resource development and environment improvement

→ **Aim for 13% higher revenue per employee**

Open Innovation at Tech Design X

- Promote open innovation to strengthen our human capital especially in the areas of technology and design
- Collaborate with Tokyo University of the Arts on research into expressive technologies for images and spaces
- Promote developed technologies at world conferences to strengthen our competitiveness

2024-2026 — Growth



Obtain world-standard VFX creation abilities

Install permanent cutting-edge VFX facilities
Build a system to develop VFX specialists
through industry-academia collaboration



Remote production revolution

Use TBS remote production technology for a new
production location paradigm at the 2025 World
Athletics Championships



R&D into high-speed high-capacity communication

The only broadcasting media in the IOWN Global
Forum



Partnership with Tokyo University of the Arts

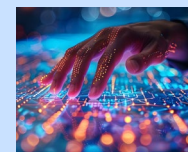
New experiences that go beyond broadcasting
Design thought in business

Business Development



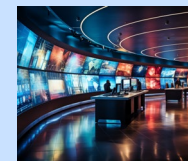
Commercialization of VFX studio

TBS original VFX technology to raise Japanese video content
to world standards



Remote production for the world

Construct a remote production platform able to handle large
events. Users worldwide will operate the platform in real time



Re:Connect JNN

Centralize and streamline broadcasting facilities at JNN offices
with a next-generation network



Experiential event studio in Akasaka

New experience created by technology and design will
make Akasaka an entertainment Mecca

2022-2023



Tech Design
open incubation space

TBS×産学共創

Our Approach #3

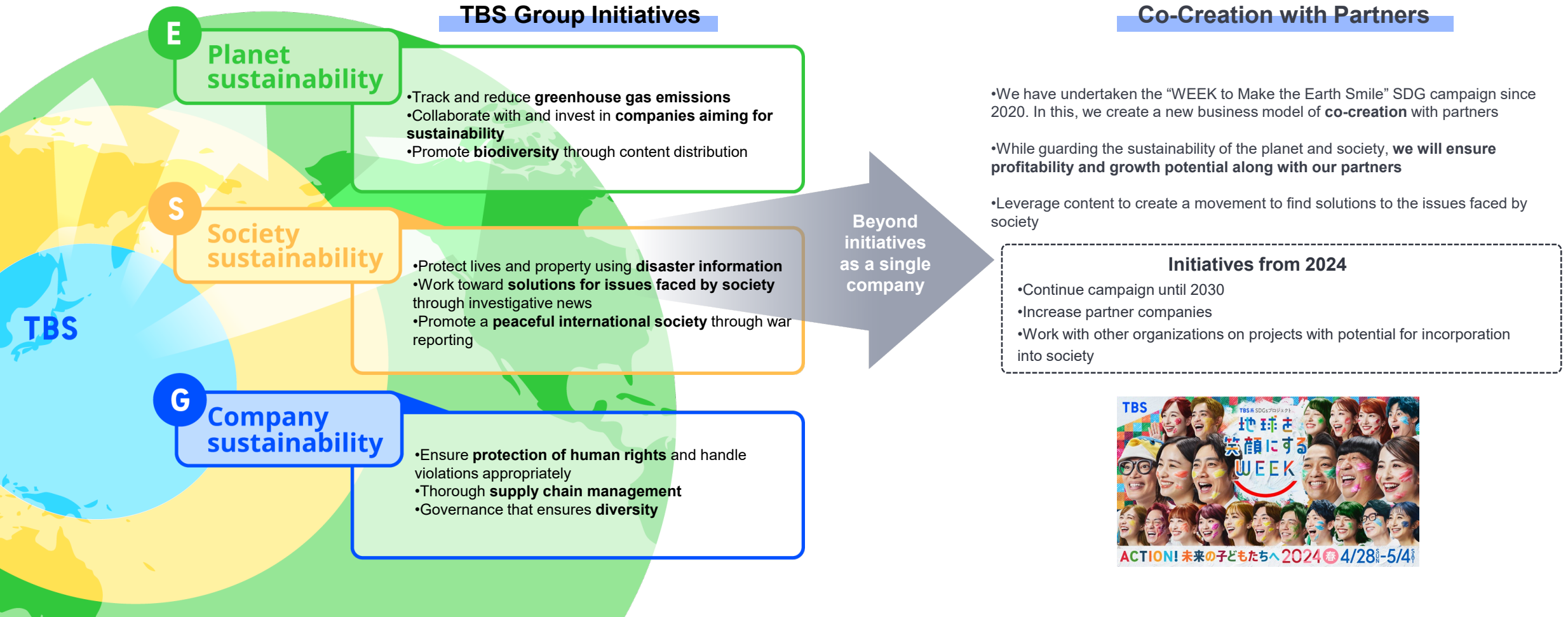
Sustainability Commitment

Drive EDGE Forward Leveraging Creative Engine

- Be A Hub for Co-Creation with Partners -

As a leading Japanese news institution, the TBS Group has broad responsibility for sustainability.

With our partners, we will use the power of media and content to create a movement to find solutions for the issues faced by society.



Pursuing the Right Society as a News Organization

E

Commitment to Measures against Climate Change

- In 2023, we became the first Japanese broadcaster to get a B score in the CDP system for disclosure of climate change-related information (membership of more than 20,000 companies worldwide)
- Achieve carbon neutrality at three main facilities: Broadcast Center, Akasaka Sacas Cultural Facility, and Midoriyama Studio
- Calculate Scope 3 emission volume for TBS Holdings and TBS TV, and Scope 1 and 2 emissions for the whole group
- World's first hydrogen-powered broadcasting van, used for live coverage of sports, etc.

Initiatives from 2024

- Achieve a group-wide renewable energy ratio of 100% by 2026 (CO2 emissions 50% lower than 2022)
- Research and implement ways to reduce the environmental burden of program production
- Calculation of Scope 3 emission for six core companies + SLH*
Creation of a roadmap for carbon neutrality by 2050
- Investment in decarbonization by bringing recycled material bag brand KNT365 into the SLH Group, etc.

S

Solutions for Issues through News

- Use all platforms to disseminate information for the protection of life
- TBS NEWS DIG digital news app provides the fastest earthquake information in Japan and a Strong-Motion Monitor Layer feature
- Provide neutral reporting from conflict sites around the world
- Ensure editorial independence in news reporting. Establish rules to ban internal/external interference to fulfill the above functions

Initiatives from 2024

- Establish an Investigative News Department for self-led coverage of hidden issues. Do not yield to power in reporting
- Collaborate with members of the JNN Network to sustain and strengthen our nationwide news network



G

Acceleration of Business and Human Rights Initiatives

- Created TBS Group Human Rights Policy and Sustainable Procurement Guidelines (March 2023)
- Set up a special investigatory committee for the issue of Johnny & Associates. Published an investigation report (November 2023)
- Established a Human Rights Subcommittee under the TBS Holdings Sustainability Committee. Started human rights due diligence in November 2023

Initiatives from 2024

- Implement recommendations of external members of the special investigation committee
- Perform human rights due diligence to prevent and reduce negative impacts on human rights in the supply chain
- Effective redress in the event of violations of human rights
- Increase employees' awareness of themselves as human rights as content disseminators

Key Issues for the TBS Group to Tackle



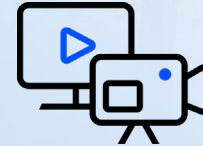
Creating globally beloved original content

- Enhance planning and development, marketing, and other abilities with the Creative Engine FUNNEL Model for content IPs enhancement
- Invest in EDGE strategy to elevate content IPs to timeless value
- Recruit human resources and build a distribution network for a strong first year of global business



Delivering wonderful “moments” to everyone we work with

- Recruit 300 mid-career employees in “expand” areas by FY2026
- Expand human resources development program and improve internal environment for developing world-class “ambidextrous creators”
- Reform HR system for success
“Bet on passion, pay for performance”



Innovating work through the development and utilization of technology

- Work on open innovation to achieve multi-layering of human resources through partnerships in technology and design.
- Provide venues to experience new value offered by developed technologies and designs. Bring technologies and services to society to increase competitiveness



Delivering wonderful “moments” to all the lives on earth

- Achieve a group-wide renewable energy ratio of 100% by 2026 (CO2 emissions 50% lower than 2022)
- Calculate Scope 3 emission for six core companies + SLH. Create a roadmap for carbon neutrality by 2050



Fulfilling our social mission as a media group

- Use all platforms to disseminate information for the protection of life
- Establish an Investigative News Department for self-led coverage of hidden issues.
- Collaborate with members of the JNN Network to sustain and strengthen our nationwide news network



Strengthening governance as a responsible company

- Perform human rights due diligence to prevent and reduce negative impacts on human rights in the supply chain
- Effective redress in the event of violations of human rights
- Increase employees' awareness of themselves as human rights as content disseminators

Review of the Previous Medium-Term Plan

Drive EDGE Forward Leveraging Creative Engine

Main Initiatives in the Previous Plan



Broadcasting

History first! No. 2 in Golden and Prime time slots in New Family Core (FY2022 - 2023)



Individual viewer ratings of 9.1% (final episode 12.9%)
No. 1 in July 2023



Strengthening of regular programming, including "THE TIME,"



New terrestrial broadcast time slot for anime



Digital



Enhanced rollout of Streaming content (including collaboration with U-NEXT)
Further expansion of ad-supported AVOD market



Page views have increased since launch in May 2022 (max. 250 million per month)



Development of vertical scrolling manga with Naver (South Korea)



Global

THE SEVEN

Start of operations with its world-class production



Debut of Hi-Fi Un!corn in a project with a South Korean company



Experience



YARUKI Switch Group brought into the TBS consolidated group



Start of long-running performance of "Harry Potter and the Cursed Child" (July 2022)



Start of Akasaka Entertainment City project. Completion in 2028



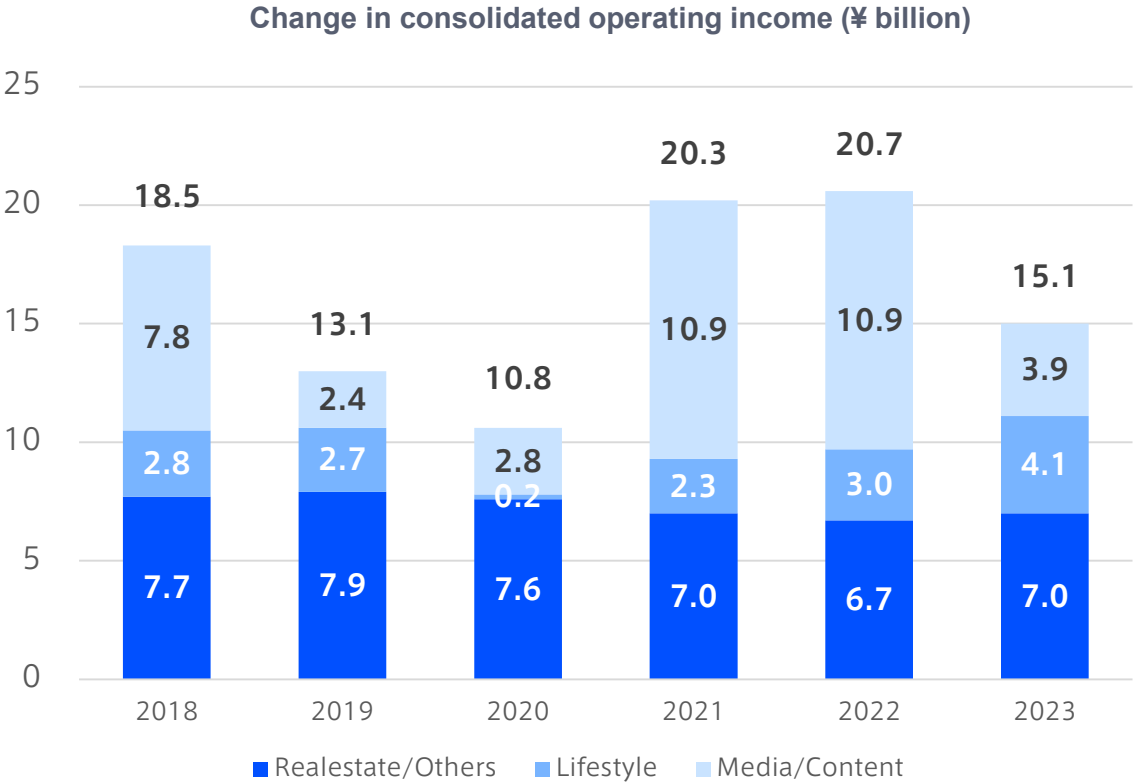
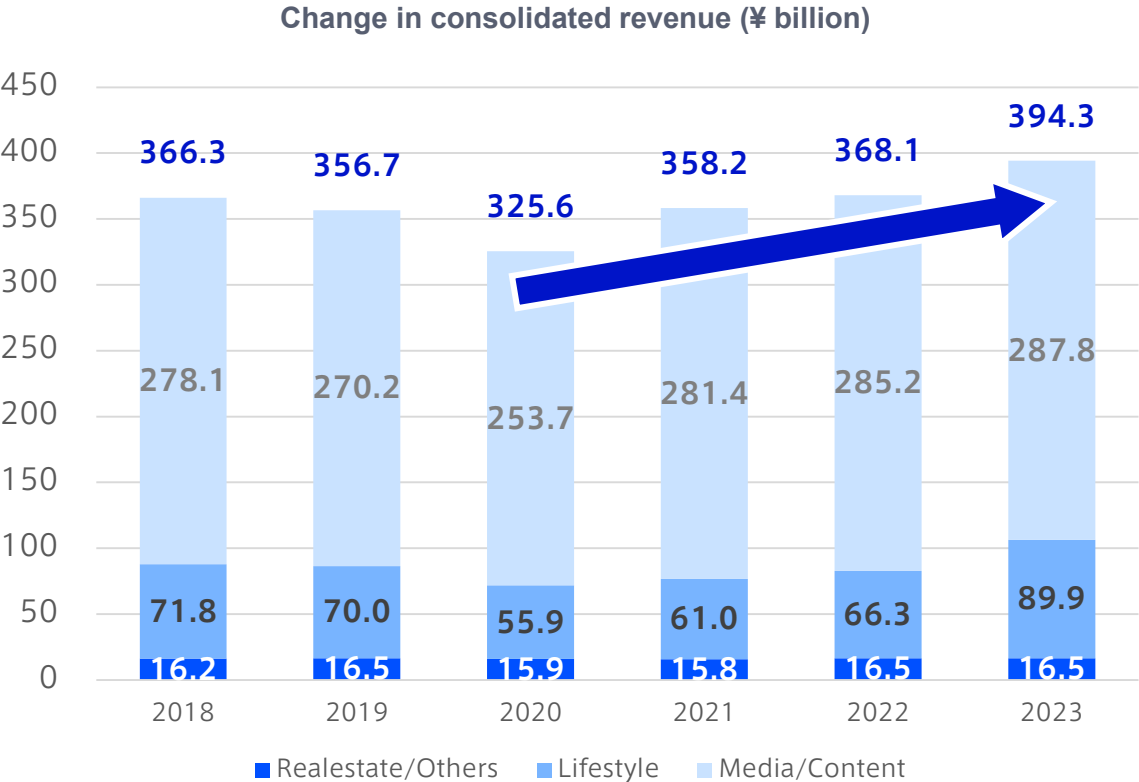
ESG

- Establishment of Sustainability Policy
- Establishment of Anti-Bribery and Corruption Policy, Human Rights Policy, Sustainable Procurement Guidelines, and Water Resource Protection Policy

- Announcement of health declaration and health management strategy. Certified as Health & Productivity Management Outstanding Organizations for 2023
- Conversion of Midoriyama Studio to net 100% renewable energy
- Publishing of first TCFD report

Achievement Status of Target Figures

- From FY 2021 onwards, we've experienced **annual revenue increases** and achieved ¥394.3 billion in FY2023, surpassing the target of ¥390.0 billion. But operating income in FY2023 was ¥15.1 billion, below the planned ¥26.0 billion, due to proactive investments.
- However, the profit structure is steadily improving. **The lifestyle business segment, which is growing reliably, exceeded profit targets in FY2023.** In the media and content segment, businesses that do not rely on the advertising market also grew stably.



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 state 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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