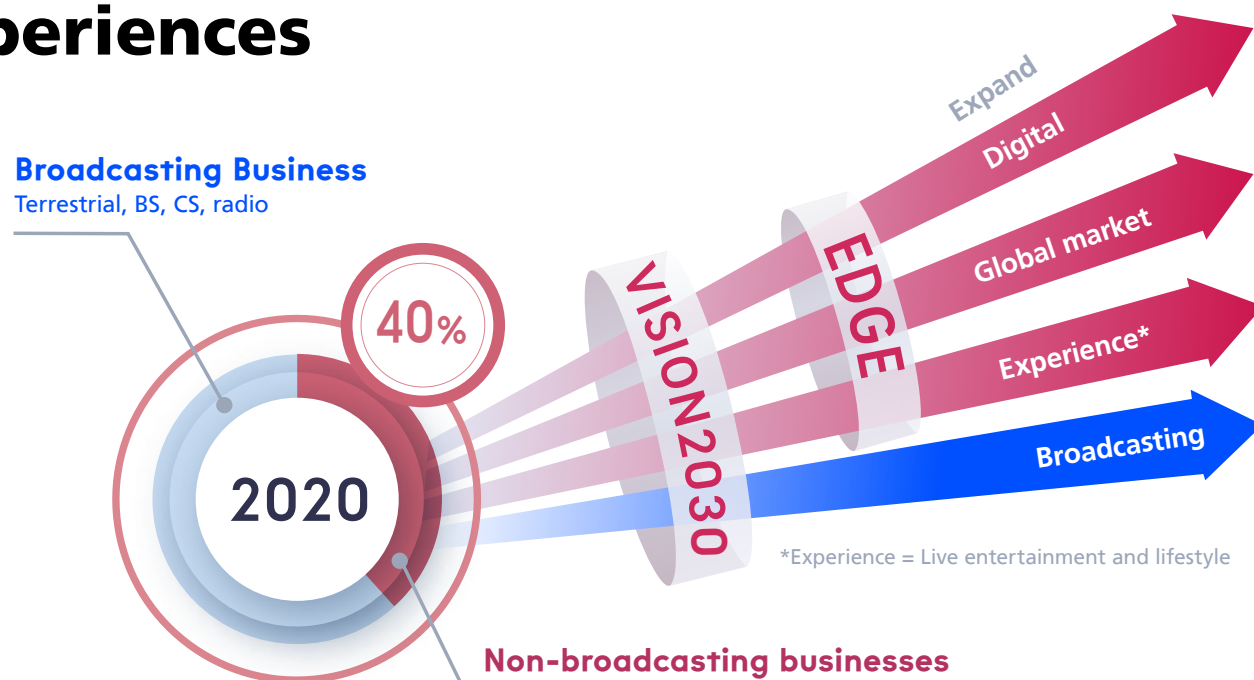


TBS Group VISION 2030

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



The capacity to create content is the greatest asset of the TBS Group. Lifestyles are becoming more diverse and the media environment is changing rapidly, which includes the increasing importance of the internet. Amid these circumstances, in order to honor people's trust in us better than ever before, the TBS Group will create excellent content that enriches minds and lives, and will deliver this content beyond the traditional 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 maximizes the value of all those things.

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

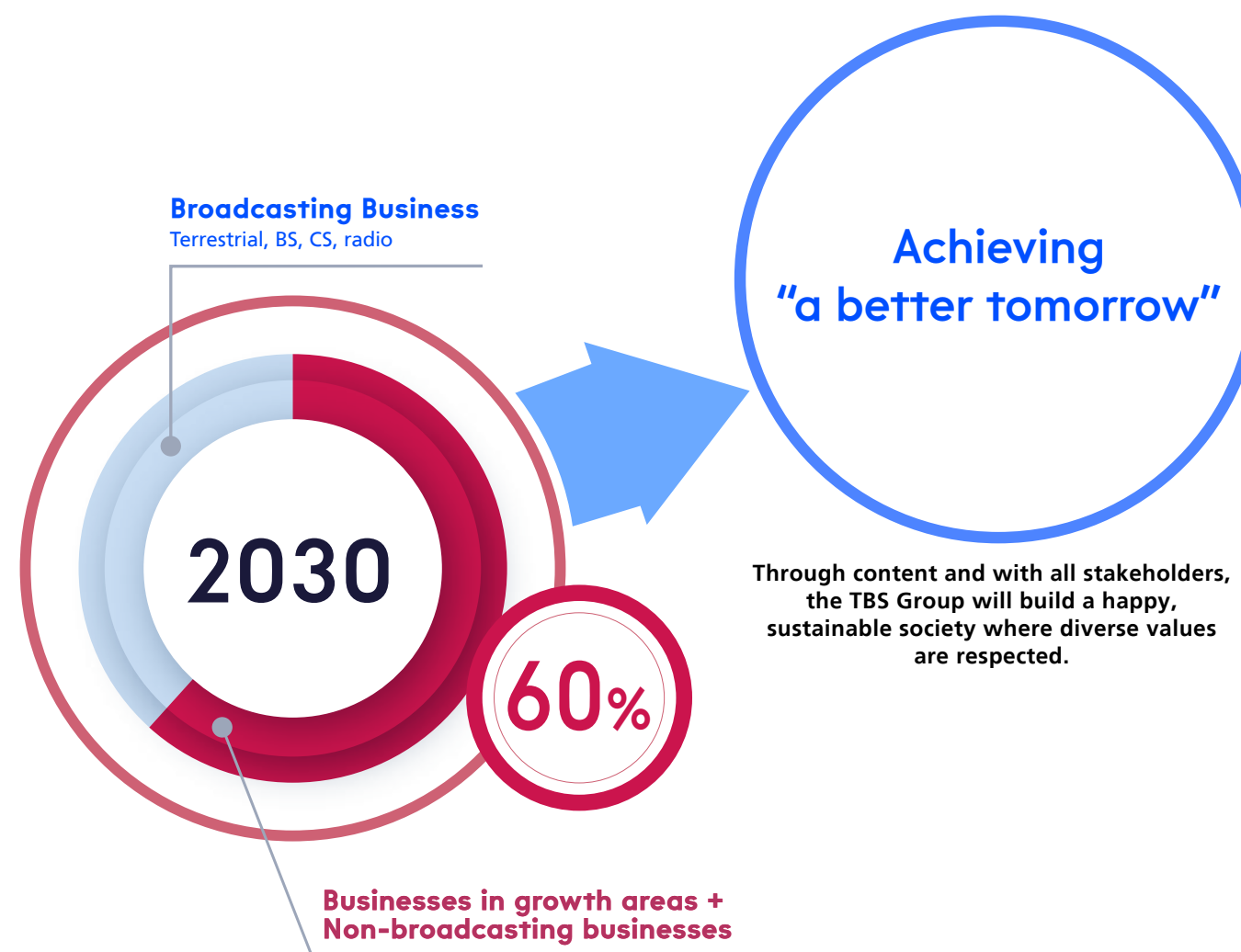
The TBS Group will develop digital content by strengthening streaming (Digital), pursue further breakthroughs in overseas markets (Global), and concentrate its resources on expanding the business of experiencing live entertainment and lifestyles (Experience).

The TBS Group seeks to achieve growth by expanding businesses in growth areas and businesses other than broadcasting to 60% of consolidated net sales based on the EDGE strategy for spreading created content.

At the same time, as the broadcasting business is a foundation for growth, we will continue looking to enhance its value. Going forward, the broadcasting business will win further trust from stakeholders as a value we have built up over the years, while serving as a hub for value co-creation that transcends advertising media functions. Together with our partners, the business will also offer new value and seek to bolster our media power through data marketing.

The TBS Group will pursue a number of measures to offer "wonderful moments" to the Earth (E) on which we live, and Society (S) in which we work, as a responsible company we are using Governance (G) including media organizations with public and social missions, as part of ESG management. Through content and with all stakeholders, the TBS Group will build a happy, sustainable society where diverse values are respected.

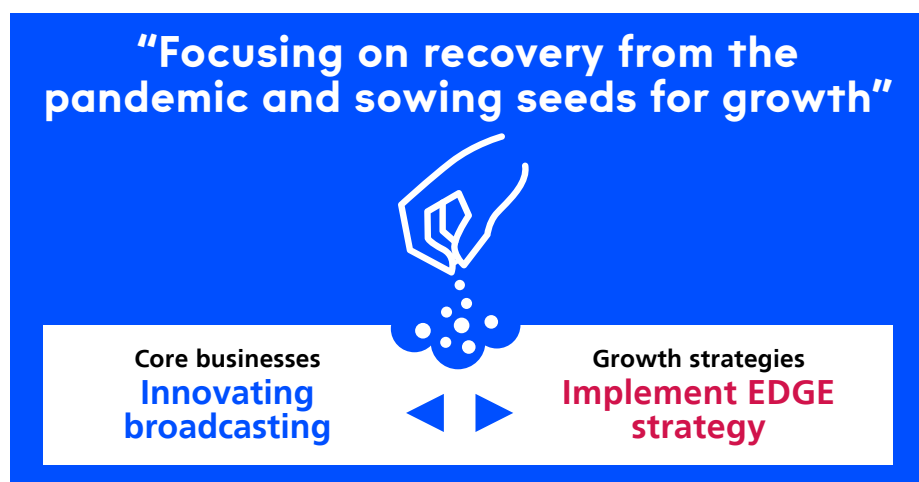
* EDGE: Expand Digital Global Experience



Dramatically increase earnings in non-broadcasting businesses by achieving VISION 2030

<p>Create excellent content that enriches minds and lives</p>	<p>Creating and disseminating content around the world, beyond the framework of broadcasting</p>	<p>Seek to enhance the value of the broadcasting business</p>
<p>Emphasize original IP and strengthen creative capabilities</p> <p>Aim to transition from the previous content production system based on the broadcasting business to one that delivers content for all times of life</p> <ul style="list-style-type: none"> Further develop original IP Strengthen creative capabilities 	<p>EDGE</p> <p>Expansion strategy that seeks to maximize content value</p> <p>Expand Digital Global Experience</p> <ul style="list-style-type: none"> D Strengthen streaming and digital content development G Pursue further breakthroughs in overseas markets E Expand the business of experiencing live entertainment and lifestyles 	<ul style="list-style-type: none"> Deepen the unchanging value that is trust Become a hub for value co-creation that transcends advertising media Bolster our media power through data marketing <p>Social mission of media, and ESG management</p> <ul style="list-style-type: none"> Environment For the earth on which we live Social For society and coworkers Governance As responsible companies <p>Offer "wonderful moments"</p>

TBS Group Medium-Term Management Plan 2023



Theme: Recovery and sowing

TBS Group Medium-Term Management Plan 2023 corresponds to Phase 1 of a target period of TBS Group VISION 2030 (FY 2021-2030), which has the theme "recovery and sowing." This involves recovering from the impact of COVID-19 and sowing seeds for growth toward the goals set in TBS Group VISION 2030, while expanding revenues based on growth strategies.

Core businesses: "Innovating broadcasting"

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. The TBS Group will also explain and propose media value by strengthening data coordination.

Moreover, as a means to promote itself as a starting point for influencing society, the TBS Group will carry out large-scale projects oriented toward solving social problems and chasing dreams, undertake initiatives beyond content programming, and rebuild the value it provides based on trust and market reach.

To improve efficiency and boost competitiveness among JNN network affiliates, we will implement measures to strengthen our management infrastructure among all JNN network affiliates.

EDGE strategy for streaming content

As growth strategies, the TBS Group will first strengthen streaming and develop content in the digital area to put into tangible form the EDGE strategy for streaming 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 streaming 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 Experience area, the TBS Group will premiere the first long-run presentation in Asia of *Harry Potter and the Cursed Child* to expand business "to experience" live entertainment. 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 to make a recovery in revenues through StylingLife Group restructuring and intra-Group coordination, while also aiming to get back to growth quickly as the COVID-19 pandemic abates. The TBS Group will also work to develop experience and value businesses in the intellectual training and education area.

Strengthening management infrastructure and carrying out ESG management

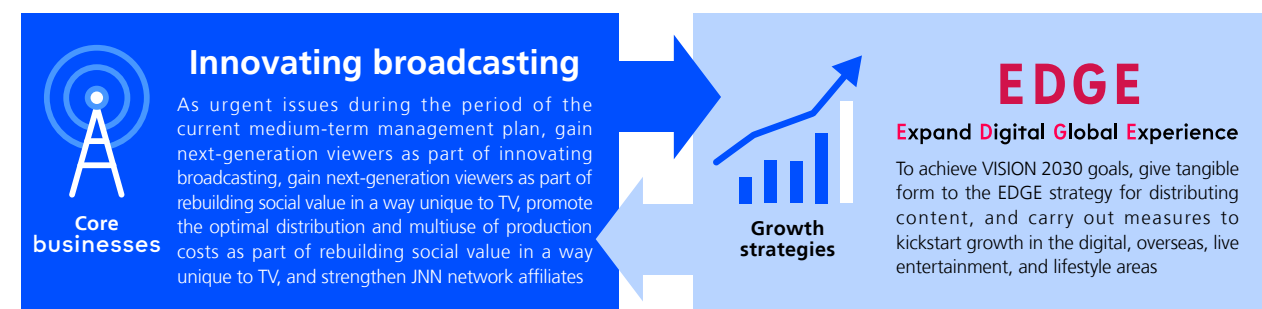
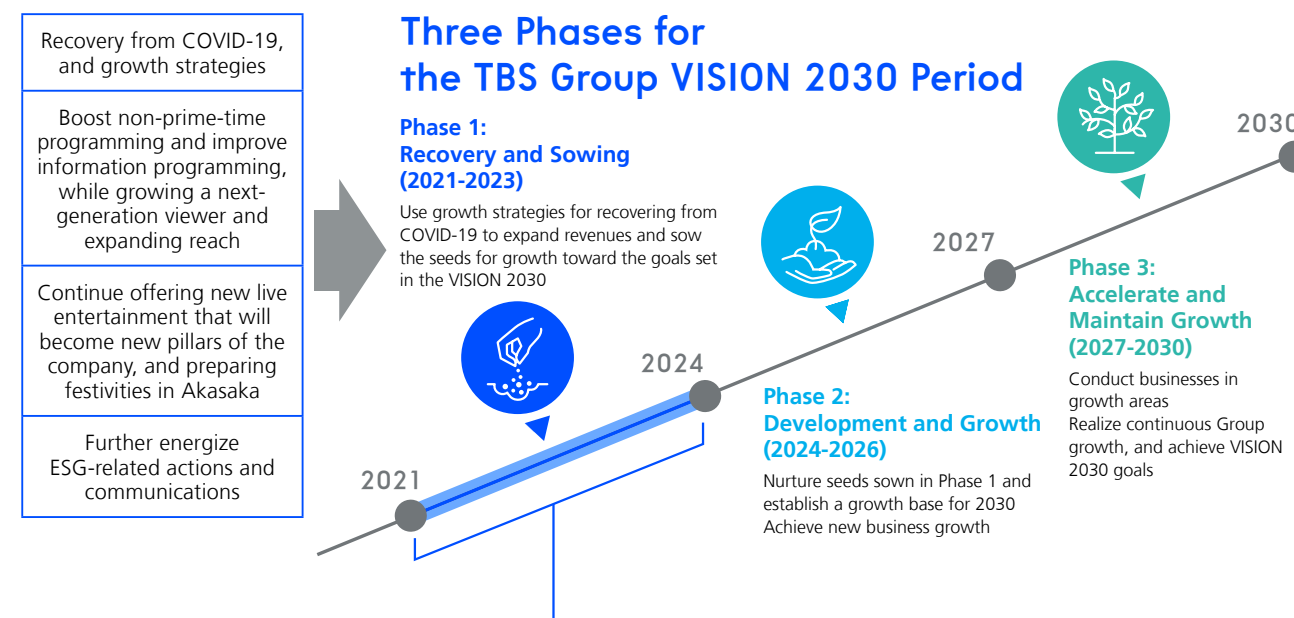
For management infrastructure, in support of corporate strategies, the TBS Group will continue to strengthen its corporate brand and reinforce organizations through Group reorganization.

Furthermore, for growth drivers, the TBS Group will leverage its competitive strengths and growth potential through strategic investments and digital technologies, and enhance organizational strength through creative, challenge oriented human resources.

In carrying out ESG management that is uniquely TBS, the Group will communicate facts fairly and accurately and disseminate reliable information as a means to fulfill its social mission and responsibilities as a media group, while working to address social issues and position itself as a starting point for influencing society. The TBS Group will work with various partners to achieve the SDGs by 2030.

Quantitative targets

Based on the initiatives described above, the TBS Group set consolidated net sales of ¥370 billion, consolidated operating profit of ¥18.5 billion and a ratio of operating profit to net sales of 5.0% as quantitative targets for FY2023 in the TBS Group Medium-Term Management Plan 2023.



- Management infrastructure**
 - Strategic investment for growth
 - Enhance creative capabilities, and develop and recruit digitally-capable human resources
 - Leverage competitive strengths through technologies
 - Enhance the corporate brand and foster a sense of unity
 - Establish a foundation for growth through Group reorganization
- ESG management**
 - Fulfill social mission and responsibilities as a media group
 - Address environmental and social issues, and contribute to SDGs achievement
 - Strengthen governance

Quantitative targets

Net sales	¥370 billion
Operating profit	¥18.5 billion
Ratio of operating profit to net sales	5.0%
Simplified EBITDA*	¥32.5 billion

* Simplified EBITDA: Operating profit + depreciation

Growth investment

More than ¥100 billion total over 3 years

To achieve business innovation and medium- to long-term growth, leverage assets from a rising market value of shares held long-term

Growth investment based on the EDGE strategy for distributing content

- M&A to expand business and enhance the organizational capabilities of human resources, etc.
 - IP investment and content that will serve as a wellspring for greater earnings
 - Investment in the Akasaka Entertainment City Plan
- Make large-scale investments that exceed projections in the event that investment opportunities arise that will facilitate a transformation of the TBS Group

Shareholder return

Stable dividends will continue for 3 years

¥30 per share as the minimum annual dividend

Pick Up

Providing Experiences of Live Entertainment

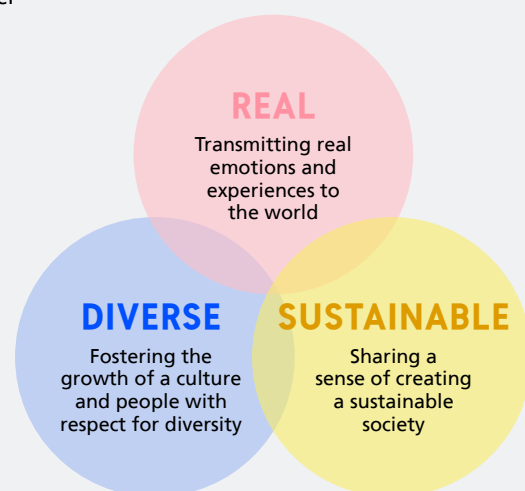
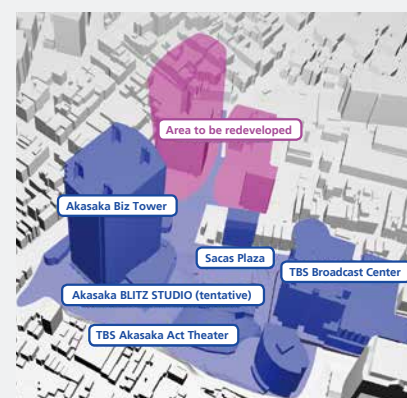


The combined strengths of the TBS Group will make Akasaka a place committed to people's happiness and enjoyment, a place that provides them with wonderful "moments."

Akasaka Entertainment City Plan

The Akasaka Entertainment City Plan combines TBS's brand promise, "From each moment, a better tomorrow," with TBS Group Vision 2030, so that the combined strengths of the TBS Group will make Akasaka an area dedicated to people's happiness and enjoyment, a place that provides them with wonderful "moments." The three hallmarks of this development will be "REAL," "DIVERSE," and "SUSTAINABLE," and they are part of a move toward a sustainable society with a high level of social consciousness, implemented together with production of the high-quality entertainment that TBS is known for. TBS will make use of its store of knowledge about live entertainment to create a theater that continues to transmit world-class content. The theater will be a multipurpose space, a hall that allows live delivery of performances that bring wonderful "moments" to the world.

The summer of 2022 will see the premiere of the long-running stage production *Harry Potter and the Cursed Child* in celebration of the 70th anniversary of TBS. In the fall, Akasaka BLITZ will be transformed from a live performance club into a broadcast studio that can also accommodate an audience. Then, 2028 is the projected date for completing the redevelopment of the Akasaka 2-chome and 6-chome areas.



Message from the Head of Finance Strategy



We are sowing seeds with a sense of urgency to achieve the Group's vision of itself in 10 years' time

Toshiaki Kawai
Representative Director, TBS HOLDINGS, INC.
Executive Vice President & Board Director,
TOKYO BROADCASTING SYSTEM TELEVISION, INC.

Overview of TBS Group Medium-Term Management Plan 2020

Investing for future growth amid accelerating change in the environment

Under the Group Medium-Term Management Plan 2020 initiated in FY2018, we increased our terrestrial television viewer ratings in the Family Core demographic, achieved the top results among commercial broadcasters for number of views and sales of TVer, our video streaming service, and maintained our top position in the radio ratings. We also enjoyed a strong performance in the BS-TBS viewer ratings survey, winning the triple crown in both the individual and household ratings for the daytime, early evening, and prime time slots. Furthermore, the strength of our brand as "TBS for drama" was also enhanced considerably over the three years, which we believe has translated into the branding of TBS as a whole.

Nevertheless, both consolidated net sales and operating profit fell short of targets, impacted greatly by the gradual downward trend in television advertising expenditure. Although the impact of COVID-19 was also a factor, the biggest issue was that our management reforms did not keep pace with the constantly changing environment.

As planned, we implemented investments of around ¥50 billion. These investments, which included the Akasaka Entertainment City Plan, digital technology, and IP strategy, were aimed at medium- to long-term growth. Therefore, the benefits from the investments were not apparent in report-

ed profits during the period. However, the effects, which include group reorganization and dramatic improvements in standardization and efficiency in terms of providing an environment in which it is easy to work, are greater than the investments. In addition, we promoted the introduction of renewable energy at our facilities, including the TBS Radio transmission station, TBS Akasaka ACT Theater, and Akasaka BLITZ. Midoriyama Studio, the home of our dramas, will shift to effectively 100% renewable energy use during FY2021.

Expanding business in growth areas other than broadcasting to 60% of net sales over the next 10 years

The most important message of TBS Group VISION 2030 in quantitative terms is expanding business in growth areas other than broadcasting from 40% of overall net sales to 60%. In terms of the actual amounts, we envisage growth in net sales from ¥130 billion now to around ¥330 billion, and through our EDGE strategy, which is a multi-layered expansion in the areas of digital (D), global (=overseas, G), and experience (=live entertainment and lifestyles, E), we aim to triple net sales in the three areas of D, G, and E. This means that broadcasting business net sales will decline to 40% in relative terms, but we plan to increase net sales in this business by 10% from ¥200 billion now to ¥220 billion.

We have positioned the TBS Group Medium-Term Man-

agement Plan 2023 as the phase of recovery from the impact of COVID-19 and sowing seeds for growth toward realizing TBS Group VISION 2030. In the plan, the Group set consolidated net sales of ¥370 billion, operating profit of ¥18.5 billion, ratio of operating profit to net sales of 5.0%, and simplified EBITDA of ¥32.5 billion as quantitative targets. In the Media Content Business, we will expand the streaming business while achieving a recovery in broadcasting income and the live entertainment business. In the Lifestyle Business segment, we will work to achieve a recovery in results of the StylingLife Group.

We will invest in growth utilizing funds from the sale of assets with the aim of expanding profit over the medium- to long-term and enhancing capital efficiency

As for the balance sheet plan during the period, we have presented a three-year cash allocation plan to give an idea of cash flow.

“Sales of assets, etc. ¥60.0 billion or more” included as part of this is primarily intended to be sales of cross-held shares. In the past three years, we have sold ¥71.8 billion of our holdings. We are considering further sales of shares for investment if we develop any good projects that will translate into growth strategies.

Meanwhile, we are considering investments of ¥100 billion or more in the three growth areas of digital, global, and experience to achieve medium- to long-term revenue growth. In order to expand the digital area and overseas business with a sense of urgency, we will invest in M&As, capital expenditures, and acquisition of human resources. We will enhance the value added of Akasaka and make it an attractive place through the implementation of the Akasaka

Entertainment City Plan, thereby increasing real estate values as well as the brand value of TBS.

In addition, the Group borrowed working capital out of safety considerations due to the COVID-19 pandemic but is planning to repay this borrowing as scheduled during the period of Medium-Term Management Plan. We have also incorporated the lower limit for shareholder returns into our cash allocation.

Toward a stable and sustainable dividend policy

Regarding shareholder returns, since we did not record a profit after the global financial crisis, we changed to a dividend policy linked to business performance, which was the prevailing policy at the time, and set the payout ratio at 30% of consolidated net income. As business results recovered soon after, we continued to increase the dividend until FY2018. In FY2019, we reduced the dividend in line with our policy because there was no longer an upward trend in revenue, excluding the effect from sales of cross-held shares. However, this had a significant impact on shareholders, particularly individual shareholders from whom we received complaints. The use of profit on the sale of shareholdings, which we have been implementing since FY2018, as funds for investments in growth strategies is certainly one of the factors that has made it difficult to understand the relationship between net income and dividends.

Although we are now in the process of achieving recovery in business results from COVID-19, we have changed to a policy of stable and sustainable dividends with a minimum dividend of ¥30 per share in order to make dividends stable and ongoing. During the Medium-Term Management Plan period, we will maintain a dividend of ¥30 per share and respond to any significant increase in profit by paying a special dividend or ac-

quiring treasury stock. Going forward, we hope to increase the number of shareholders who back TBS, and we will continue striving to be able to increase the lower limit for the dividend during the next Medium-Term Management Plan.

We will grow in partnership with all stakeholders to enhance corporate value

Here I would like to explain our thinking on takeover defense measures, which is one of the points at issue in our dialogue with investors.

As a listed company, TBS has a responsibility to contribute to the development of the market economy, and, at the same time, we believe we need to maintain our public nature as a broadcasting station entrusted with radio waves, which are finite, as well as our autonomy, diversity, and independence in order to uphold our impartiality as a news organization. In terms of our public nature, we have a social mission to allocate human resources and equipment and continue broadcasting as an “information lifeline” even without income in the event of the spread of infectious diseases such as the recent COVID-19 or major disasters such as the Great East Japan Earthquake. In terms of our independence as media, although diminished by the growth of the internet, television and radio still have significant influence, and we must ensure that we do not attempt to use broadcasting for the benefit of a particular idea or individual company only.

In accomplishing the aforementioned missions, we believe that people are important resources and that long-term relationships of trust with performers, clients, and others are also important, which is what leads to the enhancement of corporate value over the long term.

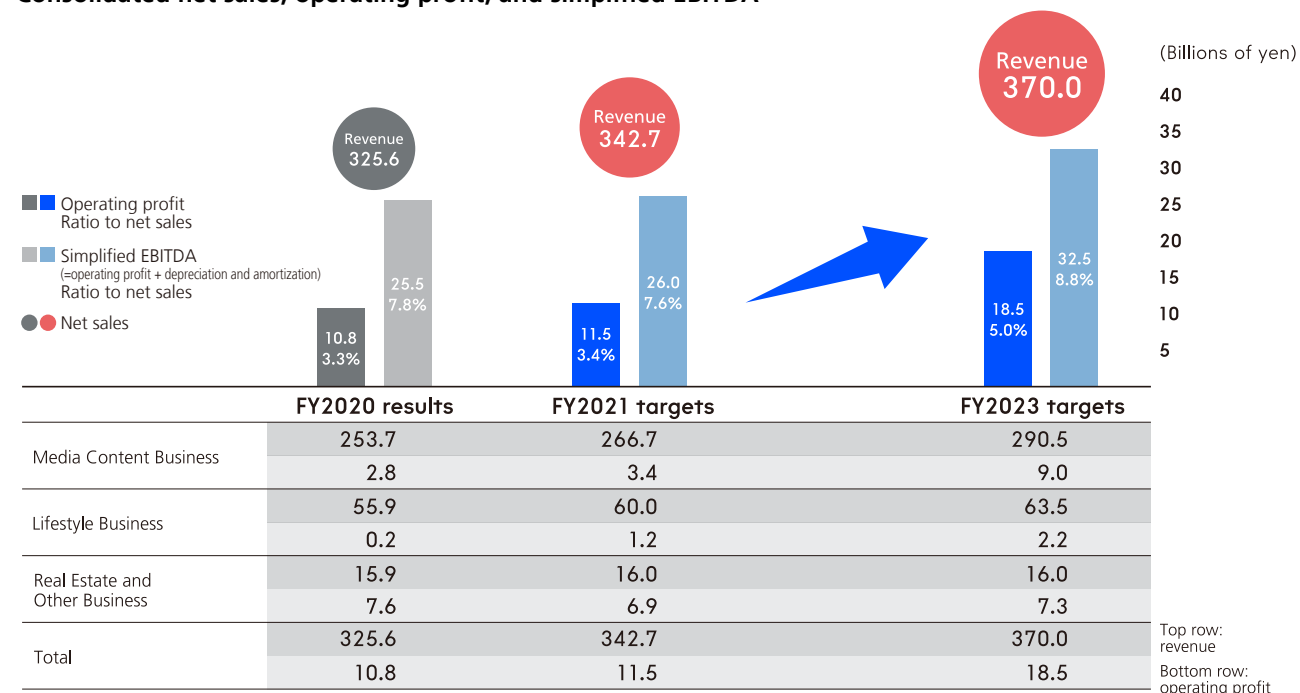
We are considering active incorporation of the opinions of investors and other external parties with regard to the

management of the TBS Group, including takeover defense measures (details on page 58), and we are also increasing the opportunities for dialogue with investors. In fact, we have utilized opinions received in the course of engagement with investors in areas that range from our medium- and long-term strategies, sales of cross-held shares, and shareholder returns to the publication of this Integrated Report, and we will continue this approach in the future. We are also taking proactive steps to create an even better framework for our management systems. In 2020, three of our nine directors were independent outside directors, and we commenced evaluation of the effectiveness of the Board of Directors.

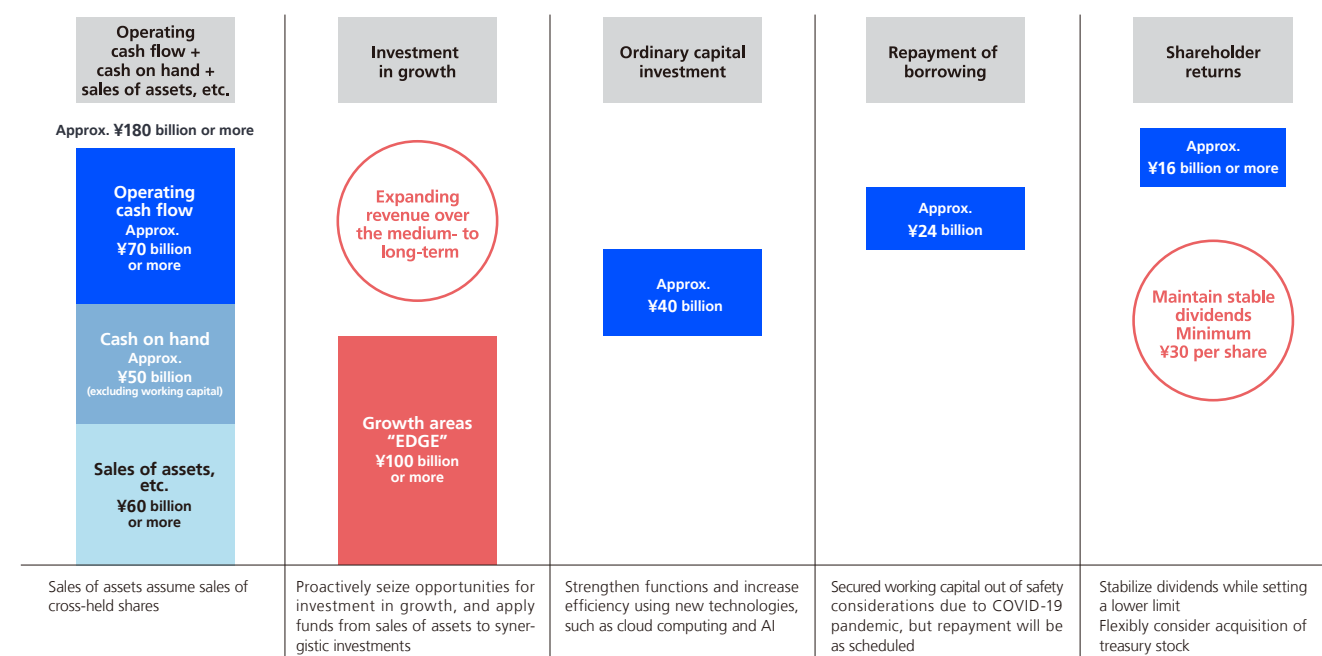
We aspire to grow into a sustainable company while giving back to society through provision of unique value as a media and entertainment company, in partnership with all of our stakeholders, including viewers, clients, employees, staff and performers who create content, news sources, partner companies, local communities, and the global environment. I would like to request your ongoing understanding and encouragement for TBS HOLDINGS, INC.



Consolidated net sales, operating profit, and simplified EBITDA



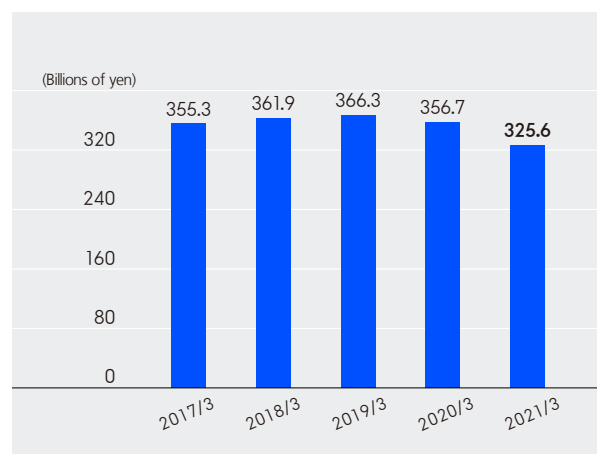
Three-Year Cash Allocation Plan



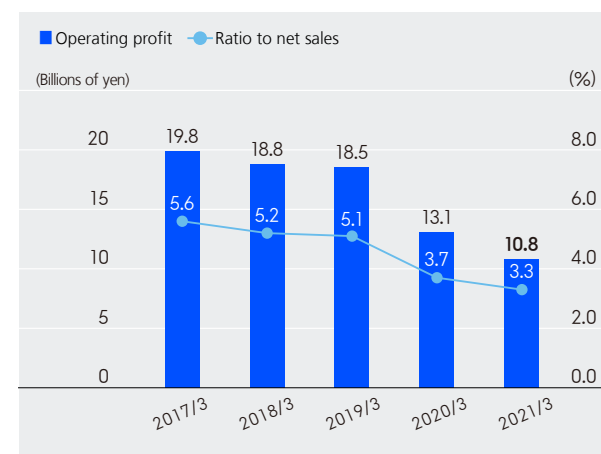
Financial and Non-Financial Highlights

Financial Highlights

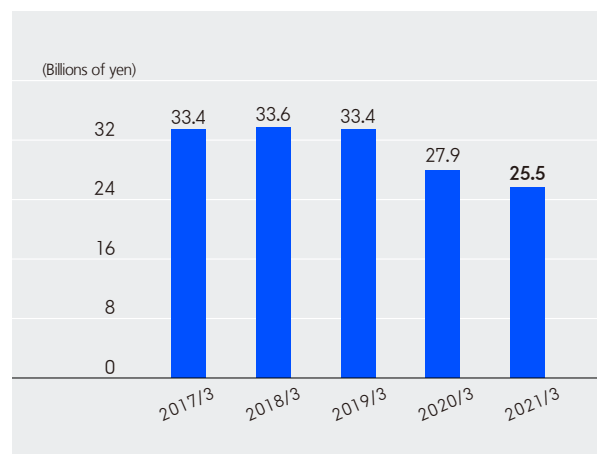
Net sales



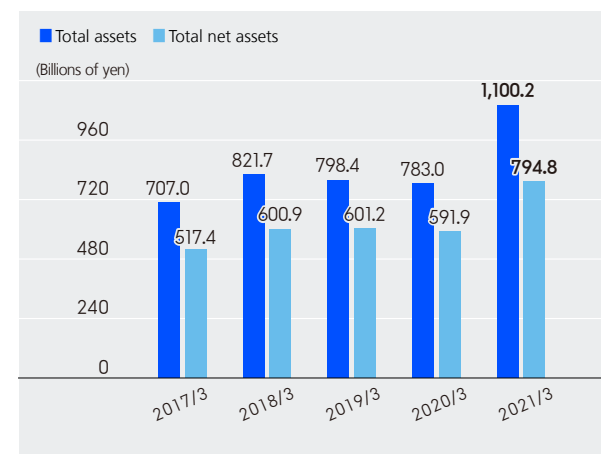
Operating profit/Ratio to net sales



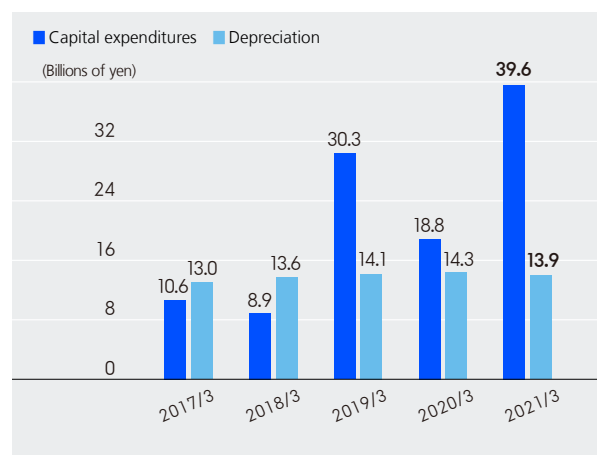
Simplified EBITDA (operating profit + depreciation)



Total assets/Net assets

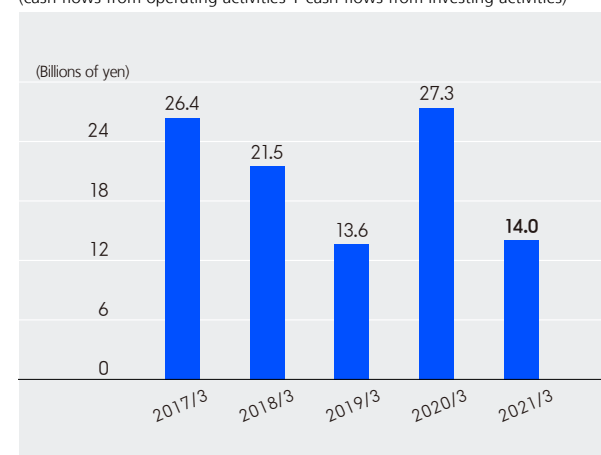


Capital expenditures/Depreciation



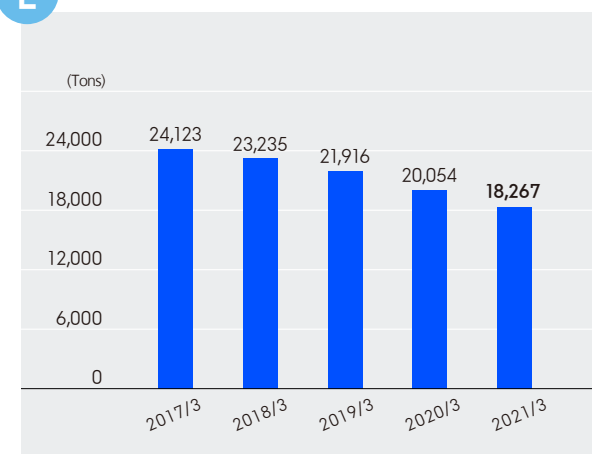
Free cash flows

(cash flows from operating activities + cash flows from investing activities)



Non-Financial Highlights

E CO₂ emissions (Broadcast Center and Cultural Facilities Building)



E Recycling rate (Broadcast Center and Cultural Facilities Building)

72.3%
(FY2020)

Bins for sorting and separating garbage are installed on each floor of Broadcast Center, and cleaning staff ensure further sorting and separation of garbage after collection

S Percentage of male and female employees taking childcare leave

Female **100%**
Male **18.2%**

(Births from April 1, 2019 to March 31, 2020, employees who used childcare leave up to April 1, 2021)

The amount of childcare leave used by male employees ranges from around one week coinciding with the wife's childbirth, with a growing trend toward applications to take long-term leave of one to six months

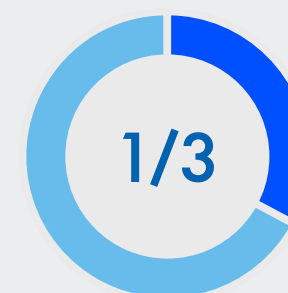
S Percentage of female managers (TOKYO BROADCASTING SYSTEM TELEVISION, INC., as of February 1, 2021)

13.5%

We are aiming to achieve at least 20% female managers by FY2024, and are implementing training and corporate culture initiatives

G Ratio of outside directors

Outside directors Inside directors



From 2020, three of the nine members of the Board of Directors were outside directors

G Reports of serious incidents related to personal information

0
(FY2020)

We ensure protection of personal information, including proprietary development of personal information protection systems "hogwan" and "Secure Mail Service" which we operate rigorously