

TBS's Non-financial Capital and Strengths

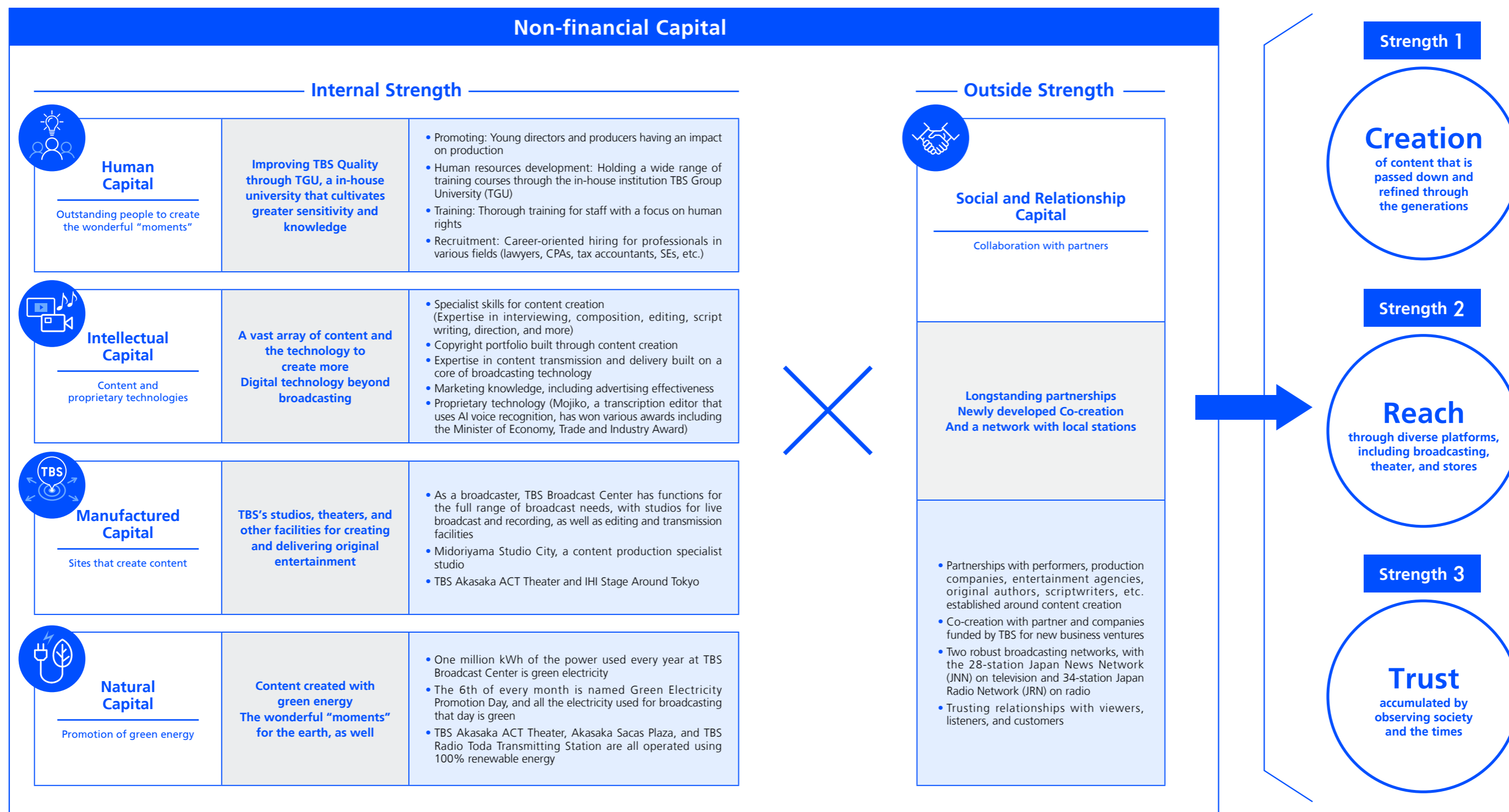
TBS has always focused on strengthening its three main non-financial assets of Creation, through which it makes timeless, high-quality content; Reach, which brings it direct multi-platform contact to viewers, listeners and customers via the airwaves, theater performance, and in retail shops; and Trust, which has been accumulated by observing society and the times.

When we renewed the TBS brand in 2020, we investigated and adopted the concept of redefining our company's ideal as "Personality," much like any individual. With input from outside opinions, we came up with the following words to express what we have worked on, and what we have achieved: Intelligent, Honest, Energetic, and Filled with a Spirit of Challenge. This character and way of thinking are the driving force behind all of TBS's non-financial capital.

The core is People Power. Placing as its main pillar acquiring and training professional human resources (human capital), the company has built a wide range of partnerships cultivated through content production (social and relationship capital), has collected a stock of IP through active research

and development, including proprietary technology and accumulated video archives (intellectual capital), and studios, editing facilities, and theaters for production (manufactured capital). TBS is also constantly examining and improving on earth-friendly business practices (natural capital).

Through these non-financial capital, we "create" content, "reach" people's lives using diverse platforms, including the publicly funded airwaves allotted to us, our own theaters, and shops; and hope to continue building Trust by engaging with society and listening with sincerity to diverse voices. We look to deliver the wonderful "moments" to everyone through the three strengths of Creation - Reach - Trust.



TBS's Human Resources (Human Capital)



Outstanding people to create the wonderful "moments"

One of the foundational elements we offered for the TBS Group Medium-Term Management Plan 2023 is "enhance organizational strength through creative, challenge oriented human resources," and so we will strive to build up the human resources, develop job satisfaction and skills, and build an organization that produces real results. We are also promoting initiatives to revitalize the organization, pass on skills, provide active training through TGU and other means, and increase the percentage of female managers.



The Characteristics and Strengths of TBS's Human Resources

Human resources full of sensibility and knowledge

Actively promoting young directors and producers

TBS values the ideals of inheritance and creation in the production studio. Rather than relying solely on the personal abilities of individual outstanding creators, we encourage inheritance—the sharing of expertise from senior employees—while newer hires create content by refining that inheritance through modern sensibilities.

In the variety show area, which requires younger sensibilities, eight of our regular programs have producers who have joined the company since 2010, and at least 10 one-off programs in the past year have had similarly new producers or directors.

In the drama area, programs with producers and directors who joined the company from 2009 on (10, of which 8 were women) reached 14, including the much-talked-about *Sannin no Papa* which was produced by woman in her third year with the company.

Women in the Newsroom

The number of women serving as senior editors in the TBS News Division, with the authority to determine program direction and news items, has increased significantly in recent years.

Five of the eight editors-in-chief of the weekday evening program *N-ST* and the evening program *News23* are women. Most of them have been with the company for around 25 years, but the youngest woman editor-in-chief has been here for 16 years.

All offer full support of daily news program production

with their extensive experience in interviewing and production.

The editor-in-chief of the *News Special* broadcast on Saturday is also a woman. Another woman, who joined the company in 1999, is in charge of news digital development, an increasingly important field in recent times.

The world of news reporting has had an identified bias toward patriarchal social values, but TBS has been engaged in rapid reform to counter that.

Hiring employees with diverse backgrounds

Beyond hiring highly qualified people like certified public accountants and lawyers, TBS actively recruits those with diverse backgrounds from various industries for career positions.

Career hires from prominent IT companies, electronics manufacturers, and trading companies are involved in business strategy planning; a former electric power company employee is involved in the live entertainment division; and a former professional baseball player (a first-round draft pick) is in the sales division. In the news bureau, we have gathered reporters from leading weekly magazines, newspapers, and other media with different reporting methods to add coverage depth, and one reporter who previously worked as a Shinkansen driver provides accurate commentary on railroad accidents.

New college-graduates hires include a licensed doctor who helps with a medical drama, and a licensed pharmacist working in the TBS Programming Division, each of them bringing new perspectives to various areas of the TBS business.

TBS's Human Resource Strategy

Honing greater sensibility and knowledge

TBS Group Medium-Term Management Plan 2023 Management Infrastructure

Enhance organizational strength through creative, challenge oriented human resources

Build up the human resources, develop job satisfaction and skills, and build an organization that produces real results

- Expand career employees with specialist knowledge & capabilities
- Train and acquire group creative employees for the EDGE strategy
- Secure digital talent for a more flexible, capable organization

Raise growth potential for the TBS Group as a whole Enhance the sense of unity within the TBS Group Foster a culture of innovation

As a comprehensive media group, TBS is engaged in the broadcasting, video, culture, video streaming, real estate, and shopping businesses. As we further spread our wings toward a new age, we have positioned as some of our most important tasks the hiring and training of human resources for active roles in every field.

We are focusing on hiring employees who can embody our new management philosophy and brand promise. Not only is our orientation toward the television business strong, but our selection criteria aims for people willing to take on new challenges beyond the framework of television.

In development, we provide group training for different employee classes when they join the company, then in their second, third, fifth, and eighth years, and at the age of 35. Together with regular individual interviews, we support the growth and ambition of each employee toward their own

career. As part of the various training programs for managers, we conduct Next Generation Leader Training and Department Manager Selection Training sessions, which focus on the development of management-level employees, and the results of which are presented directly to top management.

In 2018, we opened the TBS Group University (TGU), the centerpiece of our human resources development program. TGU provides selective learning opportunities for 6,000 people working as a part of TBS. It aims to raise growth potential for the TBS Group as a whole, enhance the sense of unity within the TBS Group, and foster a culture of innovation. The underlying principle for this training is to nurture everyone working as a part of TBS who can adapt to a rapidly changing environment in order to continue to contribute to society and achieve sustainable growth for the TBS Group.

TGU offers a wide variety of programs, including various courses essential for advanced business; broadcasting, media, and human rights courses closely related to daily operations; lectures from invited guests; courses offered jointly with other companies; and overseas study tours. 4,339 students enrolled in 121 courses in FY2018, and 4,150 students enrolled in 137 courses in FY2019. In FY2020, despite the COVID-19 pandemic, 3,800 people enrolled in 95 courses, which were mainly remote.

In order to develop in terms of management while still recognizing the highly public nature of our position, it is essential to have employees with a sense of ethics who are willing to engage in self-led education and development. TBS will continue to build human resources development initiatives to nurture employees who can contribute to the creation of a more hopeful society, and one that is more sustainable and prosperous.

TBS's Intellectual Property (Intellectual Capital)

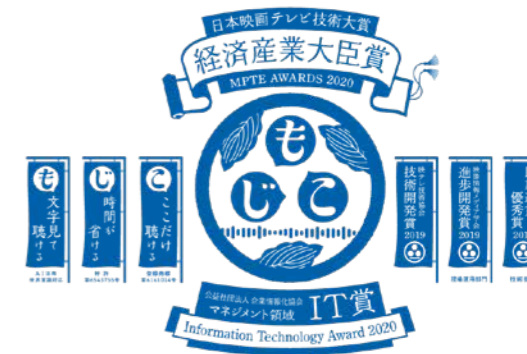


Content and original technology

TBS's intellectual capital is built upon the vast array of content that it has created since its founding as a television broadcaster, and now ranges far beyond the television framework. This also includes the expertise, skills, and unique technology needed to create that content. Based on our core value of delivering "the wonderful moments to touch the heart," we have promised in the TBS Group VISION 2030 to accelerate content production through digital skills.



From the information website for ultra-high speed file transfer software STORM®



Mojiko, the AI-based app that helps reduce transcription effort

The Characteristics and Strengths of TBS's Intellectual Capital

A vast array of content and the power to continue creating

Outline of TBS's Intellectual Capital

Our vast array of content, and the proprietary technology we developed to create it, are the two capitals most representative of TBS.

From broadcast programs to movies and stage performances, TBS's reach has expanded beyond Japan to nations overseas, and all the specialized skills (expertise in interviewing, composition, editing, script writing, direction, and more) cultivated in the production process have been passed from generation to generation, and are being refined on a daily basis.

TBS has a high ratio of internal production, which gives it the advantage of a large internal skill reserve.

Content does not end with a program broadcast. It lives on in the ongoing copyright and reaches viewers through online streaming, DVD sales, etc., which generates multiple layers of revenue through overseas program sales and "format sales" (multi-use of content). Our knowledge of marketing, including the impact of advertising on content distribution, is also growing stronger every day.

TBS continues to develop its own proprietary technology for content production and delivery, and technologies initially envisioned for its own broadcasting are increasingly being used by other companies in the industry, as well as for academic research.

TBS's Patents and Trademarks

			Notes
Patents	Registered and Existing	18	Including joint
	Pending	10	
Trademarks	Japan - Registered and Existing	120	All independently owned - HD/TV/R only
	Japan - Pending	25	All independently owned - HD/TV/R only
	Overseas - Japan - Registered and Existing	75	All independently owned - HD/TV/R only
	Overseas - Pending	10	All independently owned - HD/TV/R only

Content

Media Content	Television and radio content (Dramas, variety shows, news, sports, anime, etc.)
	Performance content (Movies, theater, musicals, live music, etc.)
	Program formats
	Manga
	Patents, intellectual property, and music
	Intellectual training and education (SCHOP Inc., etc.)

Content production Abilities	<ul style="list-style-type: none"> Specialist skills for content creation (Expertise in interviewing, composition, editing, script writing, direction, and more) Copyright portfolio built through content creation Expertise in content transmission and delivery built on a core of broadcasting technology Marketing knowledge, including advertising effectiveness Proprietary technology (Mojiko, a transcription editor that uses AI voice recognition, has won various awards including the Minister of Economy, Trade and Industry Award)
------------------------------	--

TBS's Intellectual Strategy

Reinforcing and accelerating continued content production strength

TBS Group Medium-Term Management Plan 2023 Growth Strategies

Digital: Strengthen streaming and digital content development

- Growth in video streaming business and earnings expansion
- Expand the scope of news reach and monetization
- Develop new digital content business

Ultra-high speed file transfer software STORM® and AI-based transcription editor Mojiko

TBS has developed and patented STOR® software. The initial purpose was to transfer large amounts of data like video or audio interview footage quickly and safely over ordinary internet lines, but its incredible ability to transmit a file the size of a full DVD in less than a minute has led to its widespread use by not only broadcasters but also major manufacturers, mail-order companies, medical companies, and national research institutes.

Mojiko, a patented transcription editor using an AI voice recognition engine, was developed to free program production employees from the burden of transcribing interview content. Mojiko has been introduced as a tool to improve the working environment in any workplace that requires transcription, and has received various awards including the Minister of Economy, Trade and Industry Award 2020 and

the IT Award from the Japan Institute of Information Technology. So, along with its content and services, TBS develops proprietary technology that offers values beyond broadcasting to various aspects of society.

Monetizing proposals adopted from the business proposal system

We have adopted two proposals each from the three past sessions of the TBS Group Business Challenge (JNN Business Challenge from 2021), and commercialization is underway. One of the proposals from FY2019 was for an animal content-based educational entertainment business (Amazing Animals! YouTube Channel). As a result, TBS is now developing an educational entertainment business by optimizing for online-viewing its animal video archive, which has been gathered for popular animal programs like *Amazing Animals!* and *Waku Waku Animal Land*. It is not now possible to film much of what TBS has stockpiled, making the archive of ecological footage a highly valuable intellectual asset. This archive is being offered to society in a new form, as a business model that offers deeper understanding of biodiversity, and from September 2020 we started the YouTube channel *Amazing Animals/WAKUWAKU*. In less than a year, this content has amassed 188 thousand subscribers (as of August 2021), including a strong fan base overseas, and has monetized with some content having 3.96 million views.



Co-creation with Partners (Social and Relationship Capital)



Co-creation has been in our DNA since our founding

Since its beginning as a broadcaster, TBS has grown through co-creation with partners. TBS has co-creation embedded in its business DNA, such that continuing its current business would be impossible without partners, who are performers, interviewees, local stations, and outside production companies, all of which help form a network that delivers our broadcasts nationwide.

The Characteristics of TBS's Social and Relationship Capital

Co-creating value with a wide range of partners

Joint project with the United States government: A Discussion with President Clinton in Tokyo, Japan (1998)

TBS has long worked hand in hand with outside partners to serve as a hub for value creation to offer the wonderful "moments," with projects like The First Japanese Cosmonaut (1990), produced in cooperation with the Soviet Union's general space command Glavkosmos, and A Discussion with President Clinton in Tokyo, Japan (1998), a joint project with the United States government. Today, and always, TBS offers value to society and the world through co-creation with its partners. Partnerships starting in 2022 include bringing the hugely popular British stage show *Harry Potter and the Cursed Child* to Japan. This will make the Asian debut for the show, which has been a long running hit in London and New York.

TBS Group Business Partners

TBS Group business partners include joint partners and companies funded by TBS, production companies, entertainment agencies, performs, and indicate any enterprise, group, or individual that works with the Group.

With TBS as the key station, we have built a robust nationwide broadcasting network with the 28-station Japan News Network (JNN) on television and 34-station Japan Radio Network (JRN) on radio.

Both the JNN and JRN include long-established local stations, many of which do not receive any TBS investment, and the contractual relationship is between independent companies. However, these partnerships have been strengthened to cope with recent changes in the broadcasting station environment by promoting DX through inter-affiliate cooperation, implementing joint projects and events, and improving efficiency by transforming Tokyo branch office for 13 stations into a shared office, which also helps with rent.



March 2008
Town Hall Meeting with former UK Prime Minister Tony Blair



November 1998
Town Hall Meeting with US President Bill Clinton



June 2003
Town Hall Meeting with South Korean President Roh Moo-hyun



Stage show *Harry Potter and the Cursed Child*

Co-Creation with the World: Steps Toward Achieving SDGs

One of the key examples of TBS's recent co-creation projects with partners is its promotion of SDGs achievement. In August 2019, TBS joined the UN's SDGs Media Compact, signifying its commitment to join media organizations around the world in actively promoting the SDGs in and outside of Japan. TBS Television has offered informational series like *Save the Oceans: Plastic Pollution and SDGs Toward the World of 2030*, while on TBS Radio we have offered "Challenge Zero CO₂ Reduction Campaign". TBS further strengthened and scaled up these efforts with the SDGs campaign "Week to Make the Earth Smile" (details on page 11), which was held in November 2020 and again from April to May 2021. We continue to pursue co-creation with partner companies.



The first "Week to Make the Earth Smile" featured an exclusive interview with António Guterres, Secretary-General of the United Nations.



TBS's Own Facilities (Manufactured Capital)



Bases for content creation

This section introduces TBS's manufactured capital, the equipment and facilities that make possible TBS's value creation cycle of Creation and Delivery.

The Broadcast Center in Akasaka, Tokyo, has studios, sub-control rooms, and editing facilities for content Creation, with a network control center and master control room for delivering content over the airwaves.

Apart from TBS Broadcast Center, we have OB van helping to deliver video and audio, information cameras perma-

nently installed in various locations around the country to help bring disaster updates and other vital information on location, and also a transmission facility in Tokyo Sky Tree. TBS also has theaters like Akasaka ACT Theater that both create and deliver content, such as plays and concerts, as well as Midoriyama Studio City, a spacious studio dedicated to television drama creation. TBS has a wide range of production capital.

As a broadcaster, TBS Broadcast Center has functions for the full range of broadcast needs, with studios for live broadcast and recording, as well as editing and transmission facilities



SNG OB van



N-Sub (News studio sub-control room)



Outside of Midoriyama Studio City



Inside of Midoriyama Studio



Network Control Center



Transmission Station in Tokyo Sky Tree

TBS Akasaka ACT Theater and IHI Stage Around Tokyo



TBS Akasaka ACT Theater



IHI Stage Around Tokyo