



TBS GROUP
INTEGRATED REPORT
2023

Corporate Philosophy

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.

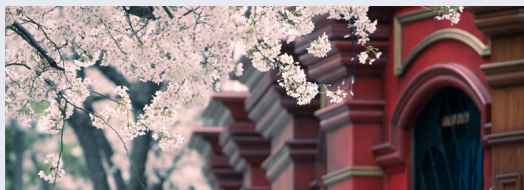
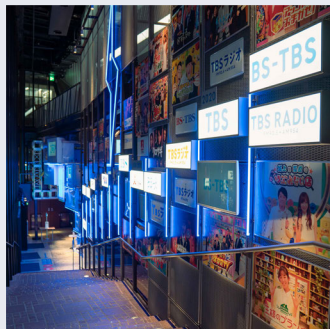
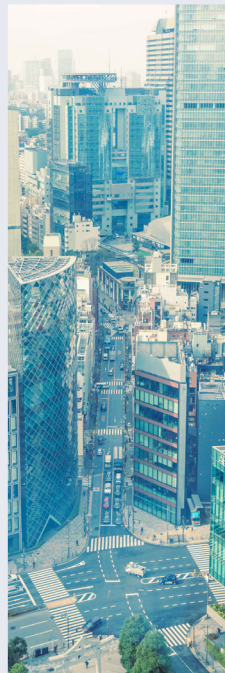
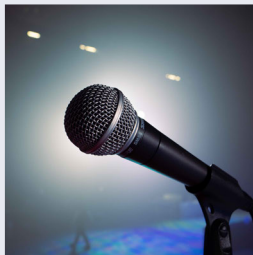
Brand Promise

To create entertaining and inspiring experiences that move hearts and minds.

From each moment, a better tomorrow.

From TBS

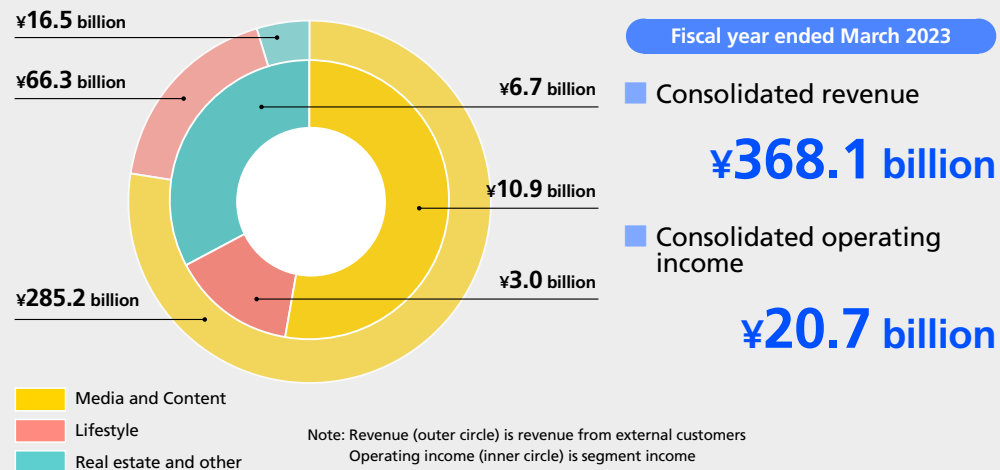




TBS Group at a Glance

Businesses ranging from broadcasting to content creation, culture, lifestyle, and real estate

Revenue and operating income by segment



FY2022 New Family Core viewer ratings (ages 4-49)

Golden/Prime: 2nd

Golden (7 p.m.-10 p.m.) 3.1%
Prime (7 p.m.-11 p.m.) 3.0%

4/4/2022 - 4/2/2023 weekly basis
Data by Video Research Ltd. in the Kanto region

StylingLife Group FY2022 performance

Revenue

¥66.4 billion

Operating income

¥3.7 billion

Operating income was higher than
the standard before COVID-19
and set a new record high

Streaming business FY2022 performance (year on year)

Streaming advertising revenue

+16.4%

Paid streaming revenue

+43.5%

Real estate managed by the TBS Group

TBS Broadcast Center, Akasaka Biz Tower,
Akasaka The Residence, TBS Akasaka ACT theater,
The Hexagon, Midoriyama Studio City, Inc., etc.

Akasaka 2-chome and 6-chome Development Plan

Construction companies determined
(Kajima Corporation, Obayashi Corporation)
Construction is steadily under way for completion in 2028

Media and Content, real estate, other (1 company)

TBS TELEVISION, INC.

Media and Content business (13 companies)

TBS RADIO, Inc.	CS-TBS, INC.	TBS MEDIA RESEARCH INSTITUTE Inc.
BS-TBS, INC.	SEVEN-ARCS Co., Ltd.	NICHION, INC.
TBS SPARKLE, Inc.	TC Entertainment Incorporated	MANGA BOX Co., Ltd.
TBS GLOWDIA, Inc.	TBS International, Inc.	THE SEVEN, Inc.
TBS ACT, INC.		

Lifestyle business (7 companies)

StylingLife Holdings Inc.
CP Cosmetics Inc.
LightUp Shopping Club Inc.

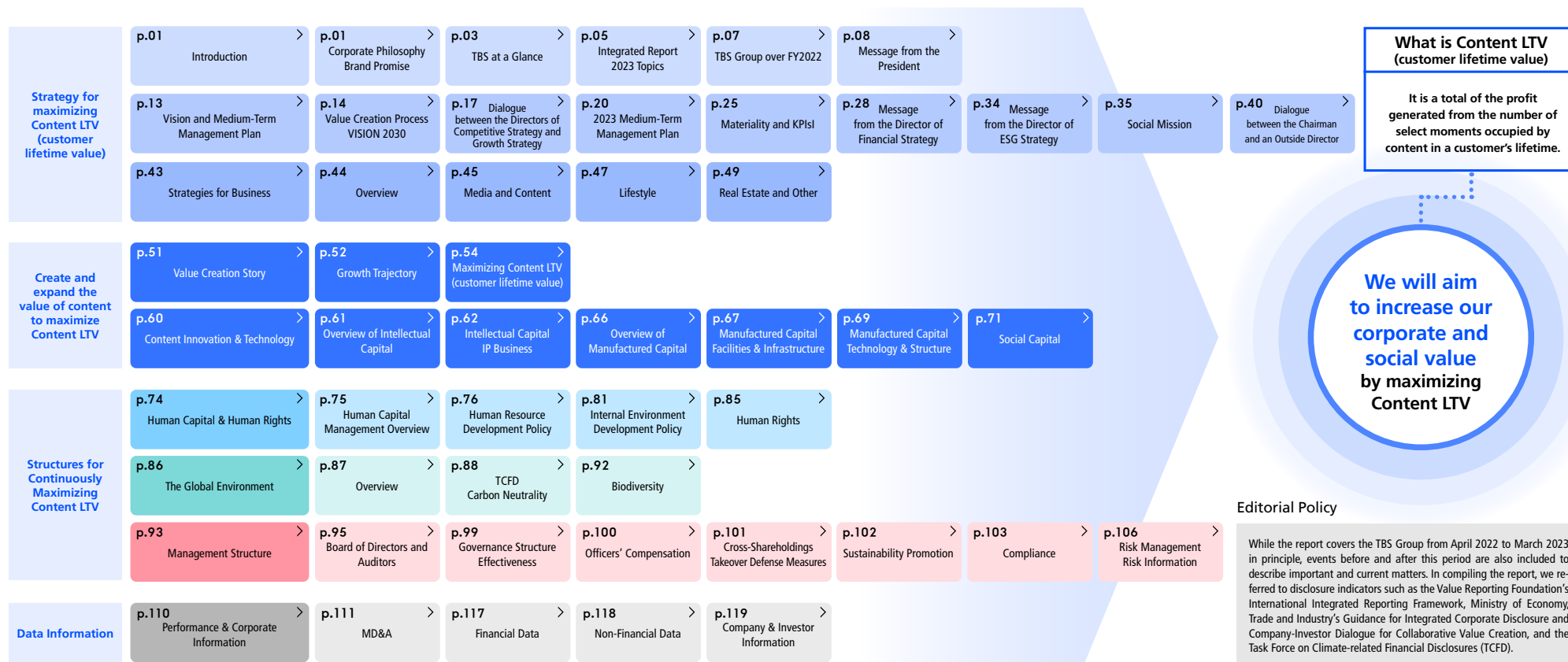
YARUKI Switch Group Holdings Co., Ltd.
3 other Group companies (became consolidated
subsidiaries on June 29, 2023)

Real estate and other businesses (5 companies)

Akasaka Heat Supply Co., Ltd.
TBS Kikaku Co., Ltd.
TBS Sunwork, Inc.
TBS HEXA, Inc.
Midoriyama Studio City, Inc.

Contents (Overall Report Structure)

The TBS Group has positioned maximizing Content LTV (customer lifetime value) as the highest priority topic to be tackled at the moment. Content LTV is a total of the profit generated from the number of wonderful “moments” occupied by content in a customer’s lifetime. This report was structured from the viewpoint of enhancing our corporate value by maximizing this value.



TBS Group Integrated Report 2023 New Topics

Topic 01

Progress of Initiatives for Maximizing Content LTV

The grand theme of the entire Group is “Maximizing Content LTV (customer lifetime value).” We have written in detail about projects such as the introduction of TBS Group IDs and Content IDs as initiatives to pave the way for achieving this goal.

→P.06 →P.54

Topic 02

Clarified Position of Akasaka Entertainment City in Our Value Creation

Akasaka Entertainment City is simultaneously a place where content is created and a place where visitors can enjoy content. We explain how this urban development is connected to the achievement of VISION 2030. →P.16

Topic 03

TBS Group Clarification of Human Capital Management

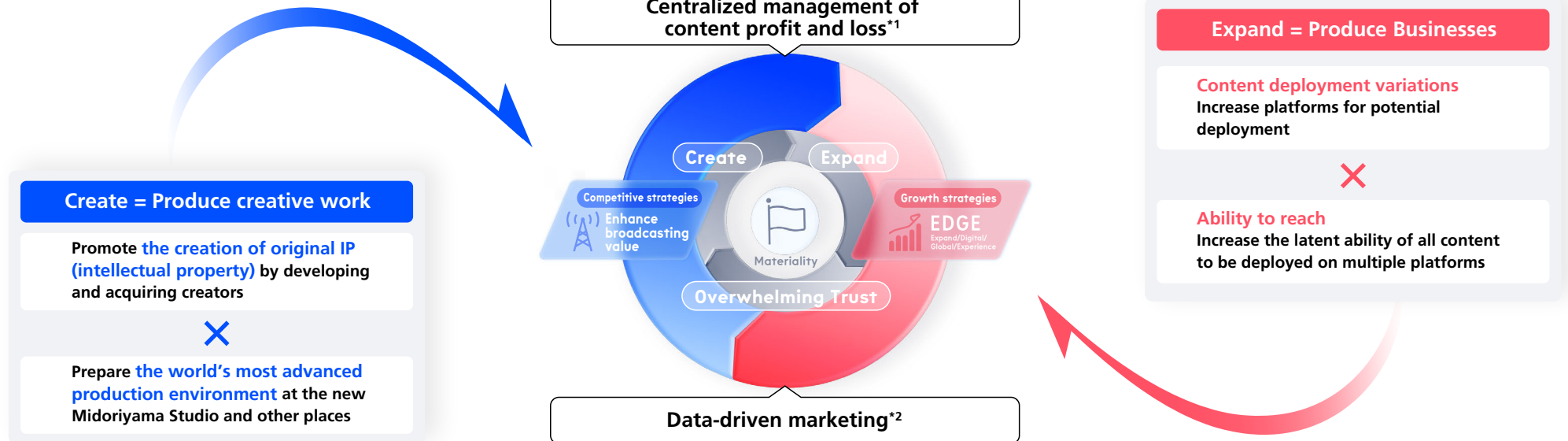
Content creation is the source of increased corporate value for the TBS Group. At its foundation is “people,” and therefore to communicate the competitive superiority of the intangible assets known as “TBS’s people,” we have formulated a Human Capital Management Philosophy and attendant strategy, measures and KPIs. →P.75



What It Means to Maximize Content LTV

Developing Content That More People Love More Deeply for a Longer Time

In the past, almost all the content TBS produced was in the form of programs for terrestrial broadcast. However, that era is already past. That is why we define the total profit generated across the various business areas from the number of select moments occupied by content in a customer's lifetime as "Content LTV (customer lifetime value)" and aim to maximize that value.




*1 Optimize all content in the TBS Group by centrally managing content financial indicators (sales, cost prices, profit, etc.) across businesses and making investment decisions.

*2 Optimize content individually by using non-financial indicators (number of new users acquired, etc.) to verify the effects of measures

The TBS Group over FY2022

Accelerate the sowing of seeds for VISION 2030 in order to deliver wonderful “moments”

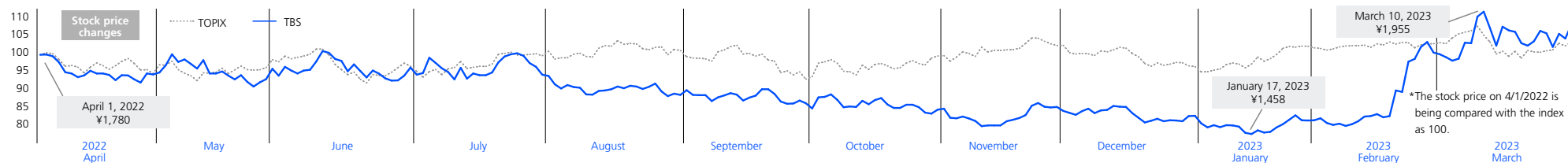
Major Press Releases (dates show the day the release was announced)

April 11 Real time streaming of terrestrial broadcasts begins on TVer.	April 18 Launch of “TBS NEWS DIG powered by JNN,” a comprehensive news site from 28 JNN affiliate stations.	July 8 “Harry Potter and the Cursed Child” stage play opens in Tokyo	July 20 TBS Holdings, Inc. invests in and concludes business partnership agreement with The Chain Museum Inc.	October 7 “TBS Sans TP” branding font wins the FY2022 Good Design Award	January 27 TBS Holdings, Inc. invests further in Amazing Sports Lab Japan, Inc., which is now an associated company
April 13 BS-TBS’s “Style 2030” becomes the first Japanese commercial TV program to receive albert certification.		July 19 TBS Holdings, Inc. concludes capital and business partnership agreement with K-BALLET Inc.	August 10 VOXX, Inc. established to develop video ad solutions business	October 31 World’s first hydrogen broadcasting van: the “Car that Makes the Earth Smile” introduced	February 14 “XR Studio at World Athletics Championships in Oregon” wins the Award of Excellence of the Digital Content of the Year ‘22 / 28th AMD Annual Content Awards

2022

2023

April	May	June	July	August	September	October	November	December	January	February	March
May 13 TBS Group Updated Medium-Term Management Plan 2023 announced	May 17 “3D Illumi Link” wins the Content Technology Award at the Technology Promotion Awards organized by The Institute of Image Information and Television Engineers			August 31 First TCFD report published. Three major facilities to achieve carbon neutrality in FY2023.	August 31 “TOKYO MER: Mobile Emergency Room” wins Best Asian Drama for a Regional/Int’l Market at the ContentAsia Awards 2022	September 16 XR stage constructed using 360° footage from the Beijing Olympics relay wins Award for Excellence in the Technology category at the 2022 Japan Commercial Broadcasters Association Awards	November 8 THE SEVEN, Inc. and Netflix conclude strategic partnership agreement	December 13 TBS Holdings, Inc. and Minato City sign cooperative agreement for development of Akasaka district	December 13 Announcement of expansion of shareholder benefits system	February 17 U-NEXT and Paravi announce merger, becoming the largest paid video streaming platform in Japan.	March 8 TBS Holdings, Inc. certified as Health & Productivity Management Outstanding Organizations for 2023
May 14 Studio Toon established as a new company for producing vertical scrolling digital manga (webtoons)	June 29 “Mojiko” audio transcription editor wins Excellence Award at the Japan DX Awards									March 22 TBS Television, Inc. and Tsuburaya Productions create partnership	



Message from the President

We will create and expand world-class original content to maximize Content LTV

■ Introduction

From Tech Design X (cross)

I am sending this message from Tech Design X (cross), our R&D office and innovation center. As the name suggests, this place is based on the concept of a blend between technology and design, and it's where we experiment with performances that use cutting edge technology such as XR and virtual production. Tech Design X was recently established as a location for creators in a variety of genres to share new entertainment with the world.

It's the ideal place to demonstrate both within and outside the company that the TBS Group is future-oriented, and that we are a corporate and group entity that will continue to transform as we head into the future. →P.68

I would like not only the Group's 8,000 employees but also people from outside the company to visit Tech Design X so they can discover that the TBS Group is technologically advanced and that we are beginning to step into uncharted territory.

Tech Design

Takashi Sasaki

TBS HOLDINGS, INC.
TBS TELEVISION, INC.
President and Representative Director

Message from
the President

■ TBS's reason for being: our social mission

Going beyond Tokyo and broadcasting with our true nature as part of the “mass media”

The World Baseball Classic (WBC) is the FY2022 event that had the most intense impact on me. The exploits of the Japanese team, which was crowned the best in the world, gave us great courage and filled Japanese society with joy. 94 million people watched Japan's seven WBC games in real time. The most watched game was TBS's broadcast of Japan versus South Korea, with 62 million viewers. In other words, approximately half of Japan's entire population was emotionally impacted by watching the same game on television. 62 million people sharing an identical experience is on a completely different level from “going viral” or “creating a buzz” in the internet world. It was a moment that made us realize once again the magnificent power of sports, the power of television as a media for reaching the masses, and the importance and gravity of the mission borne by mass media.

Moreover, the large number of female viewers of the WBC was especially notable, even though it is often said that women aren't very interested in baseball. If the internet is a place where you can explore your interests or tastes more deeply, television media has demonstrated that it has the power to open the hearts of people who were initially not interested or concerned.

The TBS Group is in an era of transformation as we seek to go beyond not only TV but also broadcasting, and beyond Tokyo to challenge ourselves in various genres, but in the process, we

must never forget mass media's reason for being. In order to save many people's lives and assets through our coverage of disasters, we must not lose our mass media functions. Being mass media requires us to have the overwhelming trust of the public, and that is precisely why we must be extremely careful not to use our persuasive powers in the wrong directions. →P.35

■ A review of the past year: Increasing the value of broadcasts

Rapid progress in “New Family Core” viewer ratings delivering attractive TV content to younger generations as well

The ratings for the New Family Core (ages 4-49) demographic that we are highly focused on grew greatly during FY2022, so that TBS became their second most-watched station during the Golden (7 p.m.-10 p.m.) and Prime time slots (7 p.m.-11 p.m.). Our aggressive efforts to target the next generation, which is said to be moving away from television, have borne fruit. At the same time, however, the fact that content derived from TV is being watched on YouTube and the rest of the internet tells me that young people are not moving away from the content itself. One of our aims in transmitting attractive content aimed at the New Family Core demographic is to stop young people from moving away from TV content. The fact that, for the first time since we began measuring ratings by age group, TBS was the second most-watched station for that demographic during prime time is a significant achievement, and I believe it proves that we have been able to enhance the value of broadcasting.

■ EDGE strategy

Accelerating our transformation through the three challenges of creation, improvement and elimination.

The EDGE strategy is progressing even faster than I had expected. Launching a business only after careful consideration is quite important, but in my experience, things progress even faster when you just go ahead and start.

For example, our TBS NEWS DIG platform (which provides news online although people tend to think of news information as a mainly TV thing) was launched in just six months, whereas in the past we would have spent ages carefully preparing both the structure and the technology. It was the first time we had taken the approach of fixing problems and the lack of preparation as we went along, but thanks to the early launch, TBS, which had fallen behind in having a news website as a commercial television station, grew to have the largest number of access page views (PV), which I consider a major achievement. →P.73

Furthermore, we entered South Korea and launched Studio Toon, a company that publishes vertically scrolling manga for reading on smartphones, with a speed that some might consider hastiness. We expected it to take some time to organize everything, including hiring personnel. However the crowd of webtoon companies over there had just started restructuring at the time, so we secured personnel faster than expected and quickly launched two new titles. →P.72

This trend of growing a business by thinking while on the move stems from the change in our employees' mindsets in the direction of trying out a variety of interesting things. I am always telling them to try these three things: "create things from new approaches," "change and improve the routines you've been following for a long time," and "boldly eliminate what is unnecessary." The most important of these is the second. I want to expand the business by breaking free of the old routine of thinking carefully before acting, and instead switching to a style of thinking on the move. From that perspective, I think it would be good for more and more things to be added to our current VISION 2030 policy and EDGE strategy.

■ Global expansion, education, and streaming Pursuing business synergy by strengthening partnerships based on the EDGE strategy

Out of all our current initiatives, THE SEVEN, Inc. is putting the most effort into becoming "a company specialized in video content that communicates with the world" as a major pillar of the "G", i.e. the Global domain in the EDGE strategy. Additionally, on the streaming service front, the merger of Paravi and U-NEXT has led to the birth of the largest streaming platform in Japan. Instead of merely adding the TV dramas we specialize in to the Korean dramas and movies that U-NEXT is known for, I expect a synergistic effect to be generated as we create new content and genres together. [→P.21](#)

In July, we established a new organization called the Global Business Division within the company. THE SEVEN has already

started transmitting video content abroad, but we believed we needed "headquarters" to communicate widely globally in video and other genres as well. I want the Global Business Division to add new creations by exploring business ideas where video creators other than THE SEVEN can stream to the world, or where creators in genres other than video content can communicate arts and culture to the rest of the world. And I would like to accelerate such trends. [→P.22](#)

Furthermore, as part of training and education, an important field in the EDGE strategy, in June we made YARUKI Switch Group Holdings Co., Ltd. a consolidated subsidiary of TBS Holdings, Inc. By combining the company's content creating skills and extensive archives with YARUKI Switch Group Holdings' educational knowhow and customer base, we will develop new training and education services and instill the children who will forge the future with the power to solve issues themselves. [→P.23](#)

■ Akasaka Entertainment City Breathing life in the city of Akasaka and transforming it into the cultural center of the future

In line with our current plans for Akasaka Entertainment City, the tangible parts, namely the basic framework of the city, have been completed. Now we are focusing on the kinds of content we want to put there. In other words, we've reached the stage of breathing life into the new city of Akasaka. We hope to put structures in place to gather creators from all over the world, and create a place where cutting-edge technology is concentrated.

Akasaka used to be a nightlife district, but it is now a lively place bustling with young people and families. If we can attract even more creators and foreign tourists from now on, the city will grab the world's attention and become even more international. A future is rapidly approaching where Akasaka will evolve into a city that creates new culture by gathering many kinds of people, and the brand power of TBS which is based in Akasaka will soar. [→P.16](#) [→P.50](#)



■ Maximizing Content LTV

Horizontally developing and extensively expanding long-lasting original content

We are currently increasing TBS's original content in terms of both movies and terrestrial broadcast dramas. Instead of letting our dramas end as dramas, we are able to turn original content we own the rights for into long-lived content that spans areas, genres and timelines by filming movie versions, streaming them, selling them abroad, and more. The "TOKYO MER: Mobile Emergency Room" movie became a smash hit as a result of that approach. It is a positive example of how TBS was able to display initiative in all things precisely because it was a completely original work.

In the same vein, since "The Last Man: The Blind Profiler" was a TBS original Sunday drama, we were able to collaborate with "Dialogue in The Dark" to hold "Last Man in The Dark," an event that allowed people to experience the everyday life of the protagonist, who is visually impaired.

Speaking of "The Last Man," not too long ago, supplementary audio for persons with disabilities was simple and limited to the minimum amount of sound necessary or just adding subtitles. Right now, however, even the narration added is painstakingly produced so that persons with visual disabilities can easily understand it. This is a sign that trends are moving away from content that prioritizes ratings to creating deep content that considers diverse viewpoints.

As another example of the movement towards maximizing content LTV (customer lifetime value), creators including

announcers and designers have started thinking about how to develop their content horizontally and prolong the lifespan of their content as much as possible. In the case of anime, for example, there is SEVEN-ARCS Co., Ltd., a group of artisans who actually produce the shows, there is MANGA BOX Co., Ltd. which streams anime online, and the Animation Production Department (reorganized from the Movie and Anime Production Department on July 1) which mainly develops for TV and movies. They are all involved in anime from different standpoints, but if they were to develop a single title together and go about it separately, they would probably act based on their own logic alone, and the finished work would be a short-lived one with a lower LTV. That is why, as the first such attempt, we have appointed an executive officer to unite all of TBS by taking overall command of all TBS Group anime business. The officer's job will be to laterally unify these companies and departments so they can think about and practice ways to deliver works that are the most effective and efficient for the TBS Group while also being loved for a long time. →P.54

In other news, we recently appointed our first female executive officer. She will have oversight of the TBS Group's design. Her position will take charge of everything in the arts and design domain (including dedicated departments in TBS in addition to TBS Act, Inc. in the arts and technology domain, TBS Sparkle, Inc. with its concentration of production functions, and TBS Glowdia, Inc. which handles events), and manage each design organization cross-organizationally. I believe that strengthening the management of the whole Group from a bird's eye view in this way will trigger changes that exceed our imagination.

■ Human resources that create TBS quality

Nurturing people in order to make TBS quality world-class

In order to raise the quality of original content to the level of "TBS quality," which aims to be world-class, I have often said that it is essential to acquire and nurture the creators who will produce that content. Creators at TBS cover a wide range of human resources, including but not limited to producers, directors, technical staff, designers, and announcers. Based on the fact that the content these human resources produce contains intellectual property (IP), it is not an exaggeration to say that the success or failure of VISION 2030 depends on our ability to both recruit these creators from outside and cultivate them carefully within. Furthermore, to grow continuously with a "content first" approach, it is vital that we have not only creators but also a diverse body of human resources to support them. Therefore diversity is another crucial factor. The 8,000 people of the TBS Group are involved in a multitude of industries. It is highly important for all members of the TBS Group to resonate with TBS's reason for being on a personal level and never forget it, and to respect each other's work and accept and value diversity based on that. At present the company is focusing so heavily on mid-career recruiting that the number of such recruits is approaching the number of new graduate hires. If that immediate manpower combines with the energy of the youth to form a dense layer and tackle their work, we will remain a resilient organization no matter how drastically the times change. I am convinced that diversity holds great power for future survival.

Having established this, the question now is how to unite such diverse human resources within our organization. In my opinion, it's enough to have the minimum level of cooperativeness and a sense of common purpose. What really matters is personality. It's enough if the organization is able to adapt to those prominent personalities. I want the creators and other human resources we gather to be people with prominent personalities. Even if such talents have a negative impact on their organizations, we should view that as a necessary effect for the sake of transformation, so there is no need to crush their personalities and force them to fit the organization's mold. The important thing is the forward-moving vector, so in my opinion, the winning strategy will be changing while finding ways to take advantage of the friction that arises.

If TBS gains strength and rises to the top of the industry, our workplace environments, ease of work, and remuneration will all naturally become top-class in all the genres we are involved in. We want to proceed with a "growth and returns" mindset where we treat people well in order to generate future profits which are returned to the shareholders and other stakeholders.

■ Message to stakeholders

We will aim to maximize corporate value by endeavoring to win and to become a good, strong company

My message to all our stakeholders is that the TBS Group will never give up striving to win. We are constantly refining the business structures we have put in place to achieve victory every day.

That said, however, there is one thing that every TBS member must never forget: "we must not win unfairly." That can never be allowed, and I take every opportunity I get to remind every single person in the Group that being seen as an unfair company is even more fearful than losing. →P.35

I tell them that we must be a good, strong company.

We will increase our corporate value while rewarding our many talents. The profits generated that way will be returned to all stakeholders. If we become a "bad company" that goes against the principles of the SDGs, this will eventually affect our profits and result in us betraying the support and expectations of our shareholders and being unable to provide suitable returns.

It is my firm conviction that being a strong, victory-minded company, while at the same time being a good, socially responsible company is the path to maximizing corporate value. You can expect even greater things from TBS from now on.



A female competitor in a green leotard is suspended in mid-air, holding onto red horizontal bars of an obstacle on the American Ninja Warrior course. The background shows the event's metal structure and blue lighting.

Vision and Strategy

TBS Group VISION 2030
Medium-Term Management Plan 2023

"American Ninja Warrior"

©NBCUniversal Media, LLC

From a Media Group to a Content Group: Maximizing LTV

INPUT



Employees (consolidated): 7,984^{*1}
Total course participants at TGU in-house university: 18,000^{*2}
^{*1} As of the end of June 2023 ^{*2} FY2022



Works for overseas OTT (produced by THE SEVEN, Inc.) to greenlight multiple productions
Dramas (Golden time) 11 out of 12 were original^{*FY2022}



Midoriyama Studio (approx. 26,444 m², one of the largest in Japan)
Capital investment of over ¥90 billion^{*during Medium-Term Management Plan 2023}



Achieved carbon neutrality in FY2023
(TBS Broadcast Center, buildings in the Akasaka Sacas complex, Midoriyama Studio)



Invested in a total of 33 projects^{*} through our investment association (TBS-IP)
JNN (Japan News Network) made up of 28 stations in Japan
^{*as at end of FY2022}



Growth investments: over ¥140 billion^{*}
Corporate bond issuer rating: A (R&I)
^{*during Medium-term Management Plan 2023}



Diversifying content provision formats
Accelerating technological innovation

Cost suppression mindset has taken root due to the COVID-19 crisis

Acceleration of SDG initiatives

Reduction in Persons Using Televisions (PUT)

Unstable world affairs (including financial market trends)

New legal regulations (including soft laws)



Stakeholders

Viewers/listeners/customers

Shareholders/investors

Advertisers

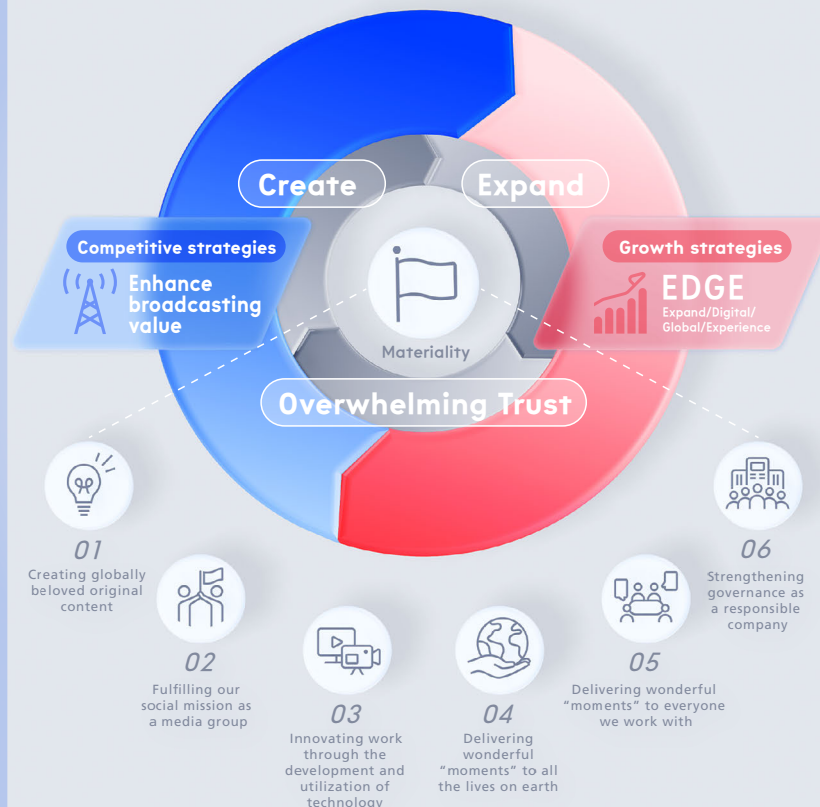
Employees

Business partners

BUSINESS MODEL

Maximizing Content LTV (customer lifetime value)

=Everything that moves people's hearts



OUTPUT

Create (content)

Expand (platform)

TV and radio content
(Drama, entertainment, sports, news, etc.)

TV and radio
(terrestrial, BS, CS, radio)

Screened/performed content
(Movies, plays, musicals, live music, etc.)

Internet streaming
(Japan, overseas OTT)

Program formats

Theaters, events
(Akasaka ACT theater, etc.)

Manga

Games

Physical stores, online shopping
(PLAZA, etc.)

Intellectual training and education

Patents, licenses, merchandise, etc.

City development, real estate
(Akasaka Entertainment City)

OUTCOME

Brand promise

From each moment, a better tomorrow.

Our Goals for FY2030

Revenue ¥550 billion
Operating income ¥38.5 billion
Ratio of operating income to revenue 7.0%

Revenue from non-broadcast business to be 60% of the whole

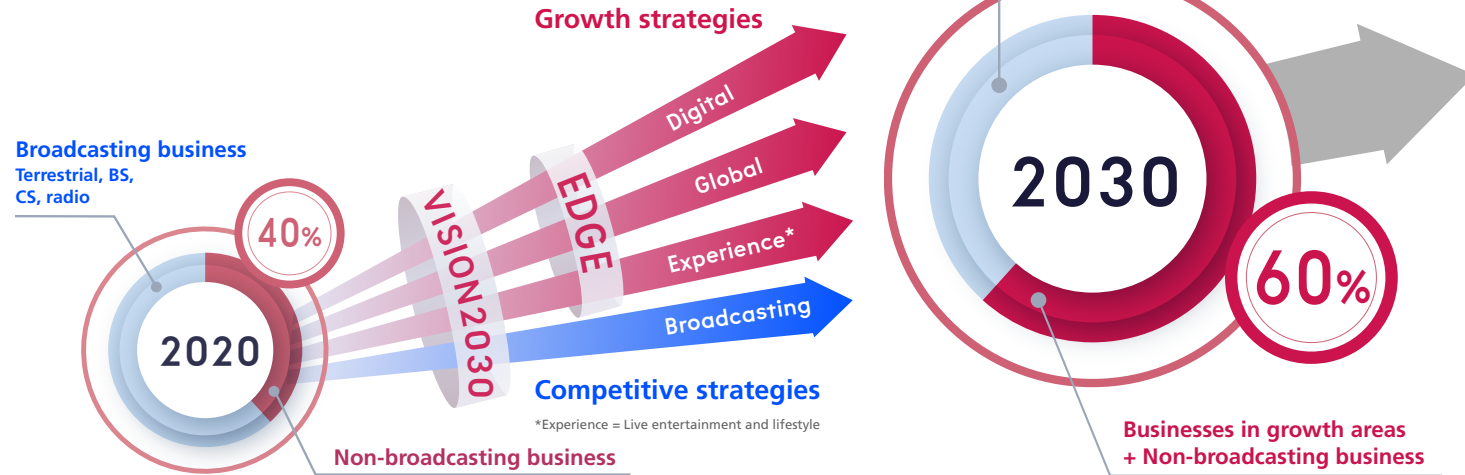
Non-financial KPIs



→P.27

Progress of TBS Group VISION 2030

Expanding Content without Limit beyond the Framework of Broadcasting, Creating Wonderful "Moments"



Through content, and together with all of its stakeholders, the TBS Group will build a happy and sustainable society where diverse values are respected.

Revenue from non-broadcasting businesses will grow dramatically once we achieve VISION 2030

1. Growth through content

(1) Reform content creation

Develop original IP, train and strengthen creators

(2) EDGE strategy: Digital/Global/Experience

Focused investment of resources in expanding areas

2. Increase value of broadcasting business

Deepen trust

Go beyond advertising media to become a value co-creation hub

Promoting data-driven marketing

Our Goals for 2030

■ **Revenue** **¥550 billion**

■ **Operating income** **¥38.5 billion**

■ **Ratio of operating income to revenue** **7.0%**

Akasaka Entertainment City VISION 2030

Akasaka Entertainment City is more than a mere real estate business. We have positioned it as a base from which the TBS Group will deliver wonderful content to the world, as a symbol promoting our presence, and as the key location for the achievement of VISION 2030.

Global

Experience
Digital

Creator

Midoriyama Studio

Real Estate

Production

Internet & streaming

Customer

Discover creators

Co-creation with talents gathered in Akasaka
Hold video contests, etc.



Incubation facilities

Establish training and exchange functions for startups and creators



Search for new visual expressions

Tech Design X
Akasaka VFX Room



Optimal deployment of data-driven content

Centralized management of content using IDs
The best place at the best timing



Hotel

To be invited in 2028
A location for sightseeing and staying



Shops & restaurants

A full lineup
Packed with one-of-a-kind moments



Plays & musicals

Long-running stage performance of "Harry Potter and the Cursed Child"



Theater & hall

To be developed in 2028
Transmit all kinds of entertainment



Inbound demand

A city where people gather from all over the world



Shake the World. AKASAKA



Dialogue between the Directors of Competitive Strategy and Growth Strategy

Turning the Spiral of Growth and Competition into TBS's Greatest Strength



Shoichi Watanabe

Board Director and Director of Competitive Strategy,
TBS HOLDINGS, INC.
Managing Director, TBS TELEVISION, INC.

Tatsuo Sugai

Board Director and Director of Growth Strategy,
TBS HOLDINGS, INC.
Senior Managing Director, TBS TELEVISION, INC.

■ The current state of our growth strategy

The seeds have been sown and we are in the seedling nurturing phase

Sugai: The phase of “sowing seeds” of our growth strategy is already complete, and we are finally moving into the phase where we care for them until they sprout, and then harvest the fruits. Last year, after setting up THE SEVEN, Inc. as a company for our overseas strategy, we also decided to establish a new global company to cover everything outside content distribution. It will

serve as a control tower for expanding our businesses internationally. Meanwhile THE SEVEN has begun full-scale operations. During the current fiscal year, many of their projects were greenlit, in other words they received permission for production from major overseas OTTs. Since we will be compensated for being seen all over the world, the production fees and sense of scale are all going to change completely. In the Global (G) domain of EDGE, strong seedlings have sprouted that we expect to start blooming in FY2024, and we are receiving a highly posi-

tive response on that front. Apart from the global aspect, we expanded our intellectual training and education business under Experience (E) by making YARUKI Switch Group Holdings Co., Ltd. a consolidated subsidiary. For the Digital (D) domain, we strengthened our commitment to the U-NEXT platform through the merger between U-NEXT and Paravi, a streaming business, and we intend to develop it into the largest streaming platform business in Japan. →P.21 →P.23

■ The current state of our competitive strategy Polishing our strengths and balancing “two wheels.”

Watanabe: The growth domains Mr. Sugai is in charge of, such as the creation of content to be streamed internationally without being broadcast in Japan, and the transformation of Akasaka into an entertainment city, are businesses that appear to be far removed from a continuation of the history TBS has built to date. However the goal of the competitive strategies I am heading is to increase the value of broadcasting, which has continuously been TBS's core business since its founding, and to build the foundation for a sustained rise in revenue.

When I put it that way, it may sound like the two domains of growth and competition are completely different things, but that is not the case. To do “something new,” you need the rich accumulation of knowhow from “what you’ve always done,” and to increase the value of “what you’ve always done,” you need to look at the new areas of that “something new.” To come out on top in both aspects, you must speedily build strengths different from other companies’.

Sugai: VISION 2030 does not involve picking one aspect over the

other. Instead it clearly points to achieving both together. I think of the competitive and growth strategies as “two wheels” needed to carry the TBS into the future.

Watanabe: That being the case, what are the strengths we need to build? I believe there are four of them. The first is “creativity.” Within that, original IP is extremely important, so we made sure that 11 out of the 12 dramas we aired during Golden time (7 p.m.-10 p.m.) in FY2022 were original and not based on previous works. Improving our anime is another pressing issue. Since October 2023, we have started rebuilding our nationwide program lineup broadcasting time slots. The second strength is “reliability.” Through means such as the rapidly growing TBS NEWS DIG, we will earn trust online as well and become an even more promising entity. The third is our “ability to reach.” As the WBC (World Baseball Classic) conclusively demonstrated, we far surpass other media when it comes to our ability to reach large groups of people at once in the same time frame. We are targeting the New Family Core demographic in order to build a foundation for TBS’s continued future growth. In FY2022 TBS was the second most-watched station for that demographic during prime time, and its spot share rose for the 5th consecutive year. The fourth strength is our “ability to solve social issues.” We will become the start of a social movement as a “leading SDG station.”

■ There is no growth without competition The spiral of both strategies will become our greatest strength

Watanabe: In the past, when broadcasting was a business structure with high barriers to entry, it was possible to make a considerable amount of revenue just by selling mainly TV program com-

mercial slots. However you can’t win with just that any more. As technology evolves and lifestyles change, it is essential for us to develop our strengths and scale out in order to create new value.

Sugai: That said, the number of people coming into contact with our content has not decreased at all. They are still watching at the same rate through a variety of devices and services. Therefore, the business model may be changing, but that does not mean we can no longer compete. After all, there is no growth without competition. When THE SEVEN makes content for an overseas audience, the knowledge will return to the site of the broadcast and the quality of TV content will also increase, and as a result, TBS creators will use the ultimate weapon that is THE SEVEN to attempt to make more advanced creations than others. We drew up growth strategies because we have competition, and we will continue to compete based on those growth strategies. I believe that this spiral will become TBS’s greatest strength.

Watanabe: You’re completely right. All of our initiatives in our growth areas are linked to increased competitive power in existing areas such as broadcasting. The mechanisms to expand content without limit are in place, and we are going to boost our strengths even further and expand our fields of business. People tend to speak about Akasaka Entertainment City as if it is a real estate project, but we have positioned it as a place for producing entertainment spaces, and as a stage linked to the innovation of future creative works. As we naturally continue to increase the value of our existing areas, we expect that every one of the creators currently working hard at our broadcast sites will be heavily inspired, and this will eventually expand their activities into the fields of our growth areas one after the other. [→P.16](#) [→P.50](#)

■ The meaning behind the announcement of VISION 2030 You cannot step onto the stage without raising your flag

Sugai: We didn’t announce VISION 2030 as a statement of our “ideal” state, but rather as a clear indication of what we will be in 2030, and a presentation of what we need to do right now in order to achieve that state.

Watanabe: What we announced was the “desired state” of the entire TBS Group. It is a flag displaying the image we share in order to win as a group. Group companies will develop a flatter, less hierarchical relationship as they consider each other comrades seeking to achieve the same VISION. Personnel exchanges have become more animated, and awareness among production personnel is beginning to change.

Sugai: You cannot step onto the stage without raising your flag. For example, THE SEVEN has seen very positive results from the



announcement of VISION 2030. The company has been receiving a previously unimaginably large number of offers from major producers overseas because the producers believe, “It might be a good idea to work together with a company that says these kinds of things.” →P.22

Watanabe: At the same time, whenever you tackle new challenges, you have to make trade-offs with your previous way of working, and conflicts and other issues arise. The difference between the timelines of the day-to-day work and the growth domains can also cause confusion, since the former prioritizes short-term achievements while the latter works from a medium- to long-term viewpoint. VISION 2030 firstly declares that it will boost the value of the broadcasting from which the TBS brand originates. It states that we will challenge ourselves in new areas while solidly maintaining our broadcasting. However, there is also difficulty involved in confronting the reality that we have to circulate the



same limited resources, including people and objects, at the sites that support our broadcasts 24 hours a day and 365 days a year.

Sugai: That may be true, but it is also true that since our goal and direction are clearly indicated, a surprisingly large number of people who have built their careers elsewhere are joining TBS, bringing their specialized knowledge with them. This would have been unthinkable for us in the past. They choose us because they believe we are a company where what they want to do is appreciated and where they can take the next step forward.

Watanabe: Indeed, we have quite a number of mid-career hires joining us at various work sites. What is happening is that our thought patterns are diversifying as different people join us as we work with the ideas and speed built from our 60 years of experience. I can feel that our ways of working are rapidly changing, and this change is not forced down from the top but is the result of the organization propelling itself forward.

■ Future Challenges

Conquering our weaknesses to become an overwhelmingly promising brand

Sugai: As we look to the future in this context, I believe it is important for us as a company to properly recognize our weaknesses and clearly understand what we lack.

Watanabe: When you embark on a new venture, you will naturally have many weak points and difficulties in performing adequately as a newcomer. There is also an element of conservativeness and homogeneity in our culture that comes from our original nature as a licensed business such as broadcasting. All the companies in our industry have announced medium-term management plans, but when you study them closely, they all

say virtually the same things.

To escape from that uniformity, I believe we must quickly and decisively create differences between ourselves and others. That is why our task now is to turn each of the four strengths I mentioned earlier into true strengths as quickly as possible. When we do, TBS will be in the position closest to the value creation of the future. However, we will not remain an organization where human resources that support growth continue to gather unless we maintain that position.

Sugai: Calling these recent years the phase of “sowing seeds” towards achieving VISION 2030 has set many things in motion. Some of the seeds we planted may not sprout, but others will grow explosively and quickly become ready for harvest. It is a matter of checking all of these factors individually while seeing how much we can compensate for the things, people and ideas we lack, and ultimately a question of how much we can develop good creators and good businesspersons.

Watanabe: It is undeniable we have continued to produce high-density content as part of our terrestrial broadcasting program listings. Right now we are in the early stages of turning our focus away from that direction and making our debut in the world, so not all of the projects in our growth areas will be able to turn a profit immediately. That's why we will need the powerful support that comes from the increased value of the competitive domains in these times. Growth and competition. We cannot achieve VISION 2030 without both of these. I believe TBS's next stage of becoming an overwhelmingly promising brand based on trust lies in the future we are heading towards on these two wheels.

Updated Medium-Term Management Plan 2023

Final Fiscal Year of the Medium-Term Management Plan:
Aiming for 47.5% of Revenue from Non-Broadcasting Business

Theme: “Sowing Seeds for Growth in Anticipation of the Post-COVID-19 Period”

The TBS Group Medium-Term Management Plan 2023 corresponds to Phase 1 of the TBS Group VISION 2030 (FY2021-FY2023), and it was themed on “Sowing Seeds for Recovery after COVID-19.” However, after meeting our operating income target in the first fiscal year of the plan, in May 2022 we formulated the TBS Group Updated Medium-Term Management Plan 2023 with the theme, “Sowing Seeds for Growth in Anticipation of the Post-COVID-19 Period.” We will accelerate and promote revenue growth through growth strategies and advance toward where we want to be in 2030.

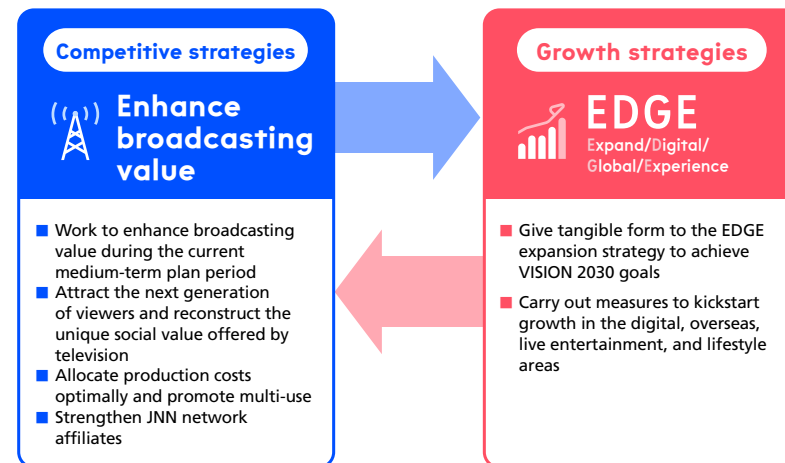
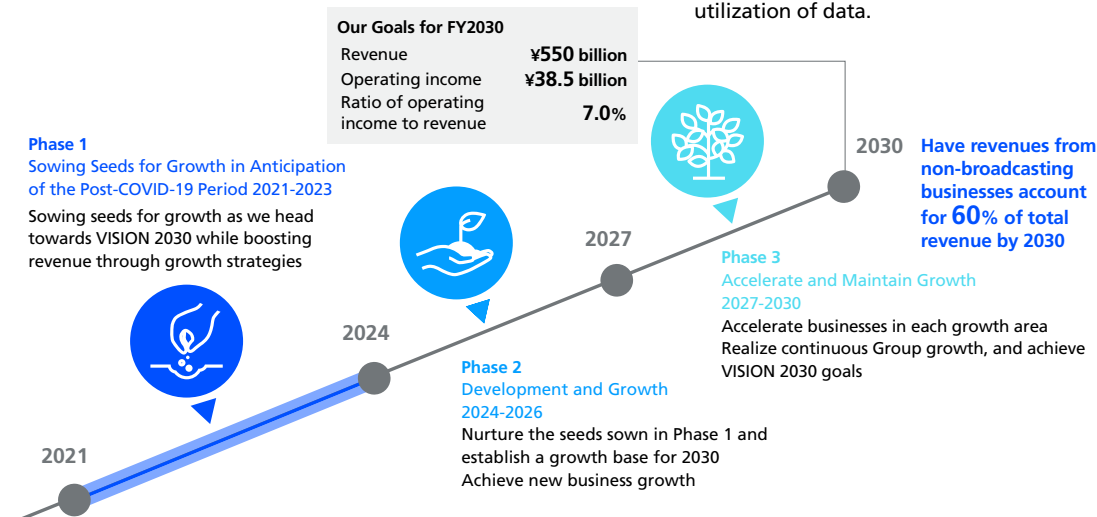
Creating Synergy by Promoting Competitive and Growth Strategies

To achieve the goals of the Medium-Term Management Plan 2023, we aim to generate positive synergy by pursuing a competitive strategy centered on enhancing broadcasting value and a growth strategy centered around “EDGE,” a strategy for expanding content. As an initiative for enhancing broadcasting value, we are striving to develop and expand our reach with next-generation viewers by focusing on individual viewership within the New Family Core (males and females 4-49 years old) demographic. We will also rebuild the value of TV advertising by crafting proposals that satisfy advertisers’ needs based on utilization of data.

Quantitative Targets

Revenue	¥390.0 billion
Operating income	¥26.0 billion
Ratio of operating income to revenue	6.67%
Simplified EBITDA*	¥39.5 billion
Share of revenue from non-broadcasting business	47.5% of total (4.1 point increase from FY2021)
Growth investments	Over ¥140 billion in 3 years

*Simplified EBITDA: operating income + depreciation expenses



MTMP 2023 - Progress in the Broadcasting and Digital Domains

Capital and Business Alliance with U-NEXT The Largest Video Streaming Service in Japan Begins!

FY2022 New Family Core viewer ratings (Ages 4-49)	Streaming business FY2022 performance (Year on year)	
Golden, Prime: 2nd Golden (7 p.m.-10 p.m.) 3.1% Prime (7 p.m.-11 p.m.) 3.0%	Streaming advertising revenue	Paid streaming revenue
4/4/2022 - 4/2/2023 weekly basis Data by Video Research Ltd. in the Kanto region	+16.4%	+43.5%

■ Broadcasting business FY2022 performance

TBS was the 2nd most-watched station in the New Family Core demographic in Golden/Prime time, and streaming revenue grew markedly

In the broadcasting business, TBS was second place in viewer ratings in the New Family Core demographic (ages 4-49) in both the Golden (7 p.m.-10 p.m.) and Prime time (7 p.m.-11 p.m.) slots.

We targeted the New Family Core so that we could expand the viewer structure that supports broadcasting to all generations and build a foundation for growth ten to twenty years down the line. Revenue shows steady growth year on year, with our spot 5-station share increasing for the fifth year in a row (20.6% in FY2022), for example.

In the streaming business, advertising revenue from ADVOD such as TVer increased by 16.4% from the previous fiscal year due to higher sell-through rates throughout the year. In paid streaming, revenue jumped by 43.5% year on year because we released a wide variety of content, such as *"The Future Diary," "I Will Be Your Bloom,"* and *"Why Didn't I Tell You a Million Times?"* on Netflix and *"My Family"* and *"Atom's Last Shot"* on Disney+.

■ U-NEXT and Paravi merge on March 31, 2023 The birth of the largest video streaming platform in Japan

U-NEXT and Paravi merged their businesses at the end of March 2023, and the content provided by Paravi was transferred to U-NEXT to coincide with the launch of a new service in July. This marked the birth of the largest video streaming platform in Japan, with net sales of over 80 billion yen, over 3.85 million paying subscribers and more than 360,000 episodes of content.*

The Japanese streaming service market, including foreign streaming services, is becoming increasingly competitive, but this business merger has allowed us to organize more substantial content and thus provide a more appealing and competitive service.



*The numbers of paying subscribers and content episodes are simple totals (as at the end of May 2023)

■ Strengthened capital and business alliance with U-NEXT on June 30, 2023

TBS acquires 20% of U-NEXT shares and signs partnership agreement

TBS also acquired more U-NEXT shares to bring its stake to 20%, and signed a partnership agreement with them at the end of June 2023.

U-NEXT covers a wide range of content: in addition to its original strengths of movies, anime, American, European and Korean dramas, and the live streaming of sports and music, it

also offers e-books that include over 190 all-you-can read magazine titles. For its part, TBS's strength is in content delivery where we offer daily-updated catch-up streaming content, and we also have the largest selection of dramas and entertainment shows in Japan when it comes to archive streaming. As a result of the strengthening of the partnership between the two companies, we will enhance our content lineups, pursue growth investments such as M&As, and accelerate the growth of our content streaming business.



■ New service starts on July 1, 2023

In July, a new streaming service including Paravi's abundance of content was launched, and over 10,000 episodes of TBS's dramas and entertainment shows became available for viewing on U-NEXT as well. The number of paying subscribers has continued to increase since the business merger, but without relaxing the partnership between the two companies, we will continue to enhance content while using our joint resources to try to develop new services that use the latest technologies such as AR and VR.

Furthermore, if we both confirm that cooperative synergy has been created as a result of these initiatives, TBS will have the option to make additional investments to raise its ratio of voting rights to 30% in order to strengthen this cooperation even further.

MTMP 2023 - Progress in the Global Domain

Preparing to Establish a New Global Company after THE SEVEN, Inc.

THE SEVEN, Inc. prepares to announce its content lineup

THE SEVEN, Inc., which started full-scale operations in 2022, has prepared a production budget of 30 billion yen and is planning, developing and producing high-end content for the international market, mainly in collaboration with global OTT.

In November 2022, they concluded a strategic partnership agreement with Netflix. For the next five years, in addition to jointly developing video content, they will distribute multiple works internationally through Netflix together with original projects and productions created by THE SEVEN's producers.

THE SEVEN **NETFLIX**



THE SEVEN, Inc. office (Akasaka, Minato City)

Apart from Netflix, they have also made project proposals to other overseas OTTs, which they expect to be greenlit during this fiscal year, so they are preparing to announce their lineup.

Several world-class talents in the video industry have joined their project development structure. They include Akira Morii, producer of successful titles such as the international hit "Alice in Borderland," and Tomofumi Akahane, a leader in the VFX industry in Japan and overseas. Personnel with a wealth of experience in negotiating business with overseas business operators have joined the company as well. As their projects expand, the number of brilliant creators is expected to increase even further.

At Midoriyama Studio City, we have built a filming studio with global standard specs for streaming content, and we have also established a dedicated VFX room at Akasaka that can handle the production of various kinds of works.

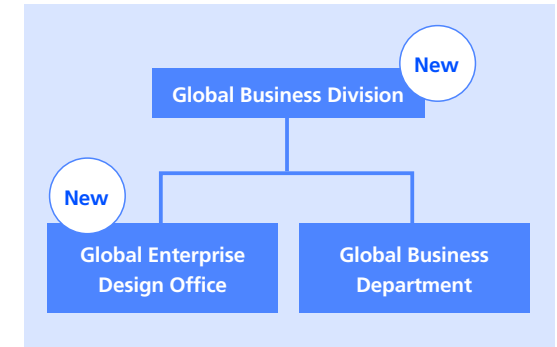


(from left) Producer Morii, VFX Producer Akahane, CEO Sugai

Preparing to establish a new global company which will cover genres "other than" content sharing

We also decided to set up a new company to expand global business, and to that end TBS Holdings, Inc. established a Global Business Division with a Global Enterprise Design Office directly under it in July 2023.

The new company we are preparing to establish will cover genres "other than" the video content that THE SEVEN is producing for the global market. It will serve as a control tower for the expansion of our businesses overseas.



MTMP 2023 - Progress in the Experience Domain

Full Advance into the Intellectual Training and Education Business: YARUKI Switch Group Holdings Co., Ltd. Becomes a Consolidated Subsidiary

TBS has positioned the intellectual training and education business as one of the important fields of the EDGE strategy. We established the Learning Next Business Department in October 2022 to promote it.

In this age of volatility, uncertainty, complexity, and ambiguity (VUCA) where the future is hard to predict, the power to “think and create for yourself” is becoming increasingly vital. In light of that, the intellectual training and education business is beginning to introduce learning styles such as “inquiry-based learning” that differ from traditional methods. The development of new video-based learning materials and schooling that incorporates new technologies is being explored, and the importance of using video technology to deepen learning is growing.

Through our broadcasting business, TBS has produced many educational entertainment programs such as “Discovery of the World’s Mysteries,” “Amazing Animals!” and “World Heritage,”

delighting, moving, surprising and enlightening many children. Using that in-built nature, we plan to go beyond the framework of broadcasting to give children many dreams and hopes and the power to live through our intellectual training and education business.

As an indispensable partner in developing and commercializing educational content, we invested in YARUKI Switch Group Holdings Co., Ltd., a company with one of Japan’s largest educational knowhow and customer bases at 130,000 paying members, and welcomed them as a consolidated subsidiary on June 29, 2023.

We plan to create a new intellectual training and education business together through the combination of YARUKI Switch Group Holdings’ educational knowhow and customer base and TBS’s creative content production abilities.



Other Learning Next businesses



Opened a new studio at Shirokane-Takanawa in March 2023.



Amazing Sports Lab Japan

Infrastructure for sports education business. Became an affiliate accounted for by the equity method.

Modern art promotion project



Held an art exhibition in collaboration with Drama Stream in September 2022. Future collaborations with dramas and other content are planned.

Akasaka Entertainment City Plan



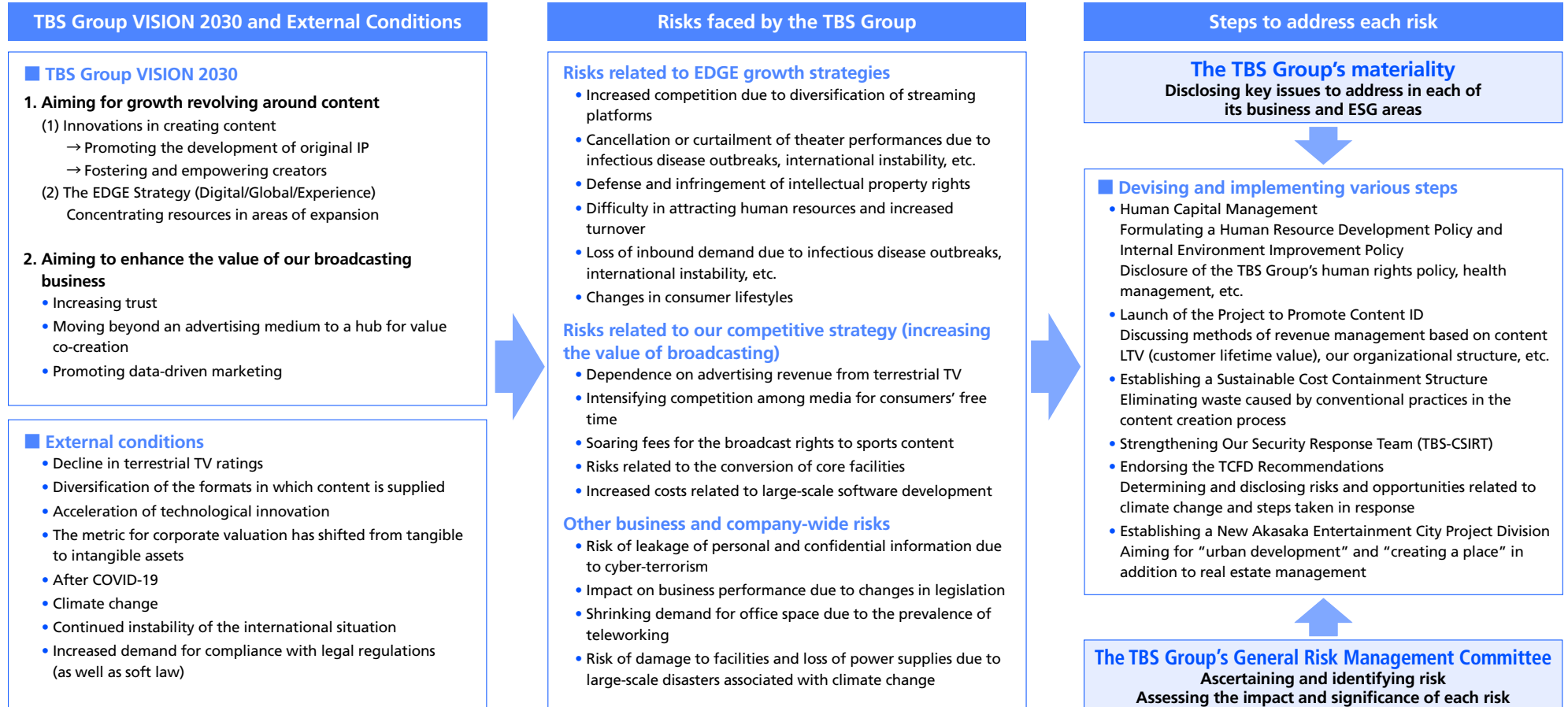
We have settled on Kajima Corporation for the construction of the East Building and Obayashi Corporation for the construction of the West Building of the Akasaka 2-chome and 6-chome redevelopment plan. Construction is steadily under way for completion in 2028. The concept of the redevelopment plan and the existing area is “An entertainment hub that inspires the world. Shake the World. AKASAKA.” Our first foray was the stage play entitled “Harry Potter and the Cursed Child” which opened in July 2022. The play, together with the café and merchandise shop adjacent to the theater, has received highly positive reviews from many quarters and continues its long run.



Stage performance of “Harry Potter and the Cursed Child”
©Maiko Miyagawa

Risks and Steps Taken in Response

To achieve TBS Group VISION 2030, we are taking steps to guard against risks that we have identified based on external conditions.



*For details on major risks and steps taken in response, see →P.107

The TBS Group's Materiality

Key Issues to Be Addressed to Achieve VISION 2030

Creating globally beloved
original content

01

- Recruiting and nurturing future **original IP** creators
- Fostering workplace environments and systems that facilitate taking on **challenge**
- Finding human capital and improving structures for **global expansion**
- Improving the management and use of content to enhance **lifetime value**

Fulfilling our social mission
as a media group

02

- Establishing standards and systems to ensure **overwhelming trust** in all content
- Further refining our capabilities as an **information lifeline** in the event of a disaster
- Serving as the **starting point for influencing society** through content on achieving the SDGs
- **Bolstering global policies** as a leader in conveying Japanese culture

Innovating work through
the development and
utilization of technology

03

- Developing and leveraging proprietary technologies to **improve content quality**
- Reinforcing the analytical infrastructure for **data-driven** marketing
- **Developing technologies** to optimize operations and save labor (cost reduction)

Delivering wonderful "moments"
to all the lives on earth

04

- Setting and implementing targets to achieve **zero carbon** emissions
- Promoting **environmentally-friendly sustainable content production**
- Enhancing measures for **biodiversity preservation**

Delivering wonderful "moments"
to everyone we work with

05

- Establishing working environments that are fair as well as physically and mentally safe, allowing **people of diverse backgrounds to flourish**
- **Improving education and training** to help our colleagues improve their skills
- Encouraging a suitable commitment to **supply chains**

Strengthening governance
as a responsible company

06

- **Enhancing strategic decision-making and risk management** in light of changes in our business portfolio
- Ensuring the **diversity** of directors and executive officers in terms of skills and gender
- **Fully engaging** with shareholders and other stakeholders

The Process of Identifying Materialities

Discussed and Approved by the Board of Directors of TBS Holdings

In May 2022, based on TBS's corporate philosophy and brand promise, we identified and announced materialities (key issues) that are indispensable to achieving EDGE, the expansion strategy set forth in the TBS Group VISION 2030, and to promote ESG management.

The Sustainability Committee, chaired by the President, reviewed the TBS Group's areas of business overall. In the area of ESG, the Committee referred to and examined information to disclose as indicated by organizations typically promoting information disclosure such as the GRI, SASB, and WEF, it referred to items evaluated by major organizations evaluating ESG, and it listed items in line with the Group's business characteristics. After discussion of materialities by the full-time Board of Directors of TBS Television and their selection and identification by President Sasaki himself, TBS Holdings' Board of Directors reviewed and approved those issues.

What issues are particularly important for TBS to enhance the value of the Group and achieve sustainable growth by giving the world wonderful "moments"? What efforts are essential for TBS to continue fulfilling its social mission as a media company? What does a company that fulfills its responsibilities to all our stakeholders, including shareholders, partners, and employees, look like? With the 169 targets of the SDGs in mind, the Committee continued to examine and discuss materialities for close to six months.

Of the materialities identified, KPIs were set for FY2022 in the areas of human capital management and the environment. We will continue to set specific targets (including numerical targets) and announce them as necessary.

The status of the TBS Group's materialities

Corporate philosophy

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.

Brand promise

To create entertaining and inspiring experiences that move hearts and minds.
From each moment, a better tomorrow.

Based on our philosophy and promise...

VISION 2030/Sustainability

Enhancing the Value of Broadcasting +
EDGE Strategy/ESG Management

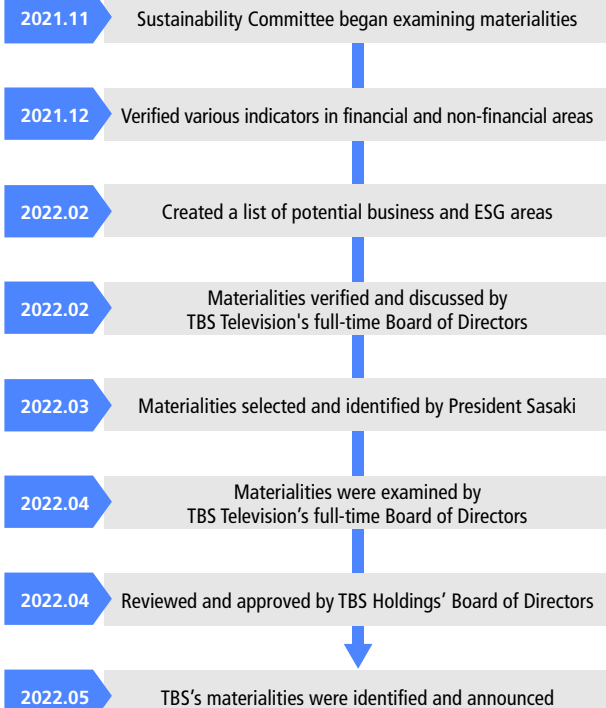
To achieve our VISION and Sustainability...

Identified **six materialities**

Criteria/standards cited in the area of ESG*

* GRI Standards: Global Reporting Initiative Standards
SASB: Sustainability Accounting Standards Board
WEF: World Economic Forum
SDGs: Sustainable Development Goals

Course of our examination of materiality



Major Materiality Initiatives

KPIs Were Set as Indicators of Change, Mainly in the Area of Human Capital

*Various figures Unless noted otherwise, FY2022.

01 Creating globally beloved original content

■ Recruiting and nurturing future original IP creators

KPI Number of original dramas produced
(Golden time: 11 of 12 dramas are original)

■ Fostering workplace environments and systems that facilitate taking on challenge

■ Finding human capital and improving structures for global expansion

Initiative Formulating a philosophy and strategy for human capital management
→P.75

KPI Ratio of mid-career hires (43%, 25 out of 58)
Number of short-term study abroad students in-house (6)
Courses for promoters of our EDGE strategy to share their knowledge (41 courses)

■ Improving the management and use of content to enhance lifetime value

Initiative Status of the project to introduce a TBS Group ID and Content ID
→P.54

04 Delivering wonderful “moments” to all the lives on earth

■ Setting and implementing targets to achieve zero carbon emissions

Initiative Endorsing the TCFD recommendations Report disclosed →P.88

KPI CO₂ emissions
← Target: Achieving carbon neutrality at the TBS Broadcast Center, buildings in the Akasaka Sacas Cultural Facility, and the Midoriyama Studio

02 Fulfilling our social mission as a media group

■ Serving as the starting point for influencing society through content on achieving the SDGs

Initiative SDG Project
Continuation of “WEEK to Make the Earth Smile”. →P.37

KPI “WEEK to Make the Earth Smile”
Total broadcast time: 131 hours Total number of programs: 213 (after 2020)

05 Delivering wonderful “moments” to everyone we work with

■ Establishing working environments that are fair as well as physically and mentally safe, allowing people of diverse backgrounds to flourish

Initiative Formulating a philosophy and strategy for human capital management
→P.75

KPI Ratio of female managers (15.76% *HD & TV as of July 1, 2023)
← Target: 20% or more by the end of FY2025
Return rate for personnel survey sent directly to the Personnel Department (57%)
Rate of one-on-one implementation (58%) ← Target: 80%
Telework rate (17%) Turnover rate (2.3%) etc.

■ Improving education and training to raise the skill level of our partners

Initiative Formulating a philosophy and strategy for human capital management
→P.75

KPI TBS Group University (TGU)
Number of courses (164) Total number of participants (18,000)
Number of select management candidates attending training (140 since 2016) etc.

03 Innovating work through the development and utilization of technology

■ Enhancing the analytical infrastructure for data-driven marketing

Initiative Status of the Project to Implement a TBS Group ID and Content ID
→P.54

■ Developing technologies to optimize operations and save labor (cost reduction)

Initiative Developing and introducing Mojiko, a transcription editor, etc.
→P.83

06 Strengthening governance as a responsible company

■ Enhancing strategic decision-making and risk management in light of changes in our business portfolio

KPI Investments in growth
← Target: 140 billion yen or more
(during the 2023 Medium-Term Management Plan)
Sales of cross-shareholdings (116.1 billion yen in the last 5 fiscal years)
← Target: 60 billion yen or more
(during the 2023 Medium-Term Management Plan)

■ Ensuring the diversity of directors and executive officers in terms of skills and gender

KPI Ratio of outside directors (40%, 4 out of 10)
Ratio of female directors (10%, 1 out of 10) *As of FY2023

Message from the Director of Financial Strategy

Investing in growth mainly in the EDGE areas

**Toshiaki Kawai**

Representative Director and Director of Financial Strategy,
TBS HOLDINGS, INC.
Executive Vice President, TBS TELEVISION, INC.

■ Status of the second year of the 2023 Medium-Term Management Plan and outlook for the future

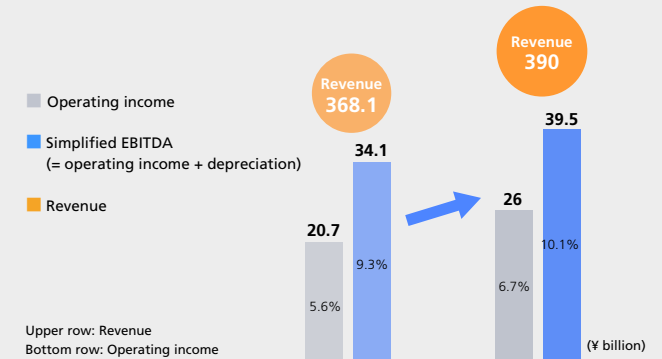
Both revenue and operating income reached their highest levels since the Company became a holding company in FY2009.

Looking back at FY2022, the advertising market was significantly affected by high resource and commodity prices associated

with the situation in Ukraine and shortages in the supply of semiconductors and other components, while remaining vigilant regarding the spread of COVID-19.

In addition, conditions were harsh due to the US-China relationship, which was overshadowed by the issue of Taiwan, and bank failures in the US and Europe. Under these circumstances, the Group updated its 2023 Medium-Term Management Plan in May 2022 and took various steps on the topic of “sowing seeds for growth after COVID-19.” As a result, consolidated results for FY2022 reflected an increase in both revenue and operating income, reaching their highest levels since the Company became a holding company in FY2009.

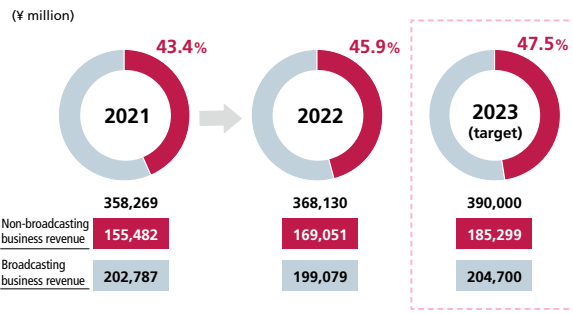
Revenue increased in all segments. In the broadcasting business, TBS TV (the Group's pillar) ranked second in the New Family Core demographic for the first time, leading to an increase in market share. The industry-wide decline in revenues from spot ad had a limited impact on us, and we believe that it demonstrates that diligently creating appealing content for both viewers and sponsors will enhance the value of our broadcasts. In addition, TVer advertising revenue grew 29.2% in the streaming business, which is part of our EDGE (Expand/Digital/Global/Experience) strategy. Paid streaming and overseas streaming, which are part of Global area, grew significantly and contributed to earnings particularly in FY2022. Theaters, which are a pillar of the Experience area, also recovered, and sporting events such as the WBC were strong. The number of customers visiting Plaza stores has grown beyond expectations, and the Akasaka area is thriving with cafes and events at Akasaka Sacas.



	Results for FY2022	Target for FY2023
Media and content	285.2 billion yen	300.5 billion yen
	10.9 billion yen	15.6 billion yen
Lifestyle	66.3 billion yen	70 billion yen
	3 billion yen	3.3 billion yen
Real estate and other	16.5 billion yen	19.5 billion yen
	6.7 billion yen	7.1 billion yen
Total	368.1 billion yen	390 billion yen
	20.7 billion yen	26 billion yen
Share of non-broadcasting revenue	45.9%	47.5%

Target for fiscal year 2023	Revenue 390 billion yen	Operating income 26 billion yen	Simplified EBITDA 39.5 billion yen
	Share of non-broadcasting revenue: 47.5% of the total (up 4.1 points from FY2021)		

Percentage of non-broadcasting revenue



We will work with local residents to create an attractive area as a base for content creation and distribution and to enhance the power of the Akasaka brand.

Through the promotion of our EDGE strategy, the ratio of non-broadcasting revenue, which is one of the pillars of the TBS Group VISION 2030, grew steadily from 40% in FY2020 to 43.4% in FY2021 and 45.9% in FY2022, exceeding the targets. We aim to increase this to 47.5% of the total in FY2023.

■ Investment in growth

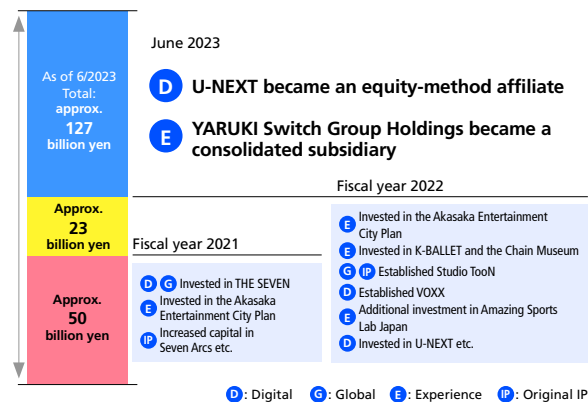
Continuing active investing in line with our EDGE strategy

We intend to invest a total of 140 billion yen or more in growth over a three-year period in line with our EDGE strategy.

In FY2021, we invested approximately 50 billion yen. Together with approximately 23 billion yen from FY2022, we have invested approximately 73 billion yen in growth to date. In addition to efforts related to Akasaka Entertainment City, in FY2022 we invested in the area of Experience, including K-BALLET, the Chain Museum, and Amazing Sports Lab Japan, in the area of Digital, including investment in U-NEXT and the establishment of Studio TooN. Compared to the area of Experience, the areas of Digital and Global are somewhat slow, so the Global Business Division, which was established in July, will serve as a command post to accelerate our actions on the world stage.

Investments in growth

(140 billion yen or more is planned during the 2023 Medium-Term Management Plan)



Investments in growth are financed by cash on hand, accumulated operating cash flow, and the sale of cross-shareholdings. For some time now, we have been comparing investment returns such as capital costs, IRR, and ROIC when starting a new business or making an investment.

In FY2023, we plan to invest over 70 billion yen in growth. There were two major investments prior to June. In conjunction with the integration of the streaming services U-NEXT and Paravi to create the largest streaming platform in Japan, we subscribed to a third-party allotment of new shares of U-NEXT and converted it into an equity-method affiliate. Investment amounted to 24.3 billion yen. In our intellectual training & education business, we invested 30 billion yen to convert YARUKI Switch Group Holdings, which operates a comprehensive education business for children from infants to high school students, into a consolidated subsidiary.

We plan to focus on global IP, which includes programs and content generated by Studio TooN. The seeds sown will basically be nurtured and grown in Phase 2, but the seeding itself will be done on an ongoing basis.

Seeds for growth after COVID-19 are steadily being sown on the whole, and projects that could become future centerpieces are being nurtured. As we enter the final year of the 2023 Medium-Term Management Plan, we will steadily implement the plan and continue to grow so that we can transition to the next medium-term management plan and achieve VISION 2030.

■ Shareholder return

Expeditious share buybacks while maintaining a consistent and methodical dividend policy

We have been increasing dividends to shareholders in line with the Company's growth, and we increased dividends by 5 yen to 42 yen in FY2022. In FY2023, we plan to increase the dividend by another 2 yen to a total of 44 yen, consisting of an interim dividend of 22 yen and a year-end dividend of 22 yen, thus maintaining our basic policy of consistent and continuous dividends.

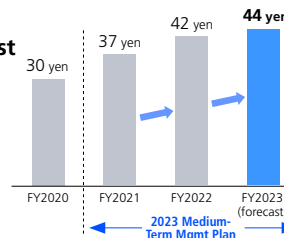
Over the past five years, the Company has purchased approximately 18 billion yen of its own shares to improve shareholder returns and capital efficiency and to introduce an incentive plan for officers and employees. In FY2022, the company also purchased 10.9 billion yen of its own shares. This, together with the dividend of 7 billion yen, resulted in shareholder returns of around 18 billion yen.

The dividend payout ratio is 20.1%, but we have enhanced our disclosures, such as indicating the amount of treasury stock purchased, so that our shareholders can understand our policy of generating future profits from our current investments in growth and returning those profits to shareholders on a sustainable basis. The Company appropriately manages gains on sales of investment securities for use in growth strategies.

The only way to raise the share price is to show an increase in corporate value and sustainable growth. In order to continue to increase the number of long-term shareholders, we will enhance shareholder benefits to encourage them to understand the TBS Group's business activities and win them over.

Dividend policy and annual dividend forecast

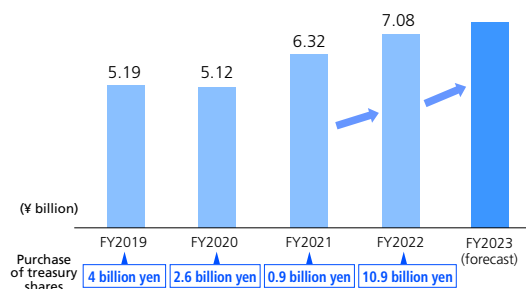
The target for the dividend payout ratio on a consolidated basis is 30%, with a lower limit of 30 yen per share during the 2023 Medium-Term Management Plan. However, the minimum dividend may be revised if the Company does not generate a net profit for two consecutive fiscal years.



	Annual dividend (yen)	Dividend payout ratio (%)	Dividend payout ratio excluding the impacts of special factors (★)
FY2019	30	17.3	43.0
FY2020	30	18.3	59.5
FY2021	37	19.7	30.9
FY2022	42	20.1	30.3
FY2023 (forecast)	44	29.6	-

★Special factors Gains/losses on sales of investment securities sold as a source of investment in growth areas

Total dividends and purchases of treasury shares



■ Cross-shareholdings

116.1 billion yen sold over 5 years

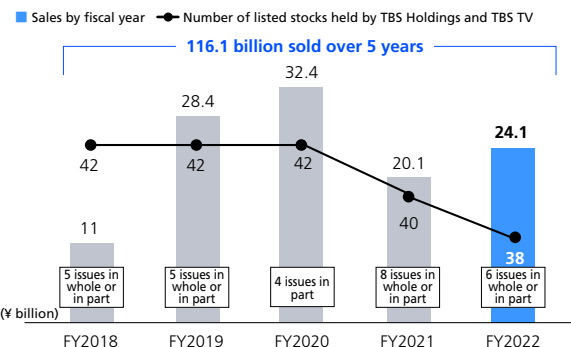
In accordance with the Corporate Governance Code, the Board of Directors examines cross-shareholdings multiple times with respect to individual issues, including business relationships and economic benefits compared to capital costs. We have been selling off stocks that have diluted the significance of our holdings as necessary, and the reduction over the five years since FY2018 totaled 116.1 billion yen. With respect to the target reduction of 60 billion yen as promised in the 2023 Medium-Term Management Plan, we implemented a reduction of 44.1 billion yen by FY2022 and expect to meet the target by the end of FY2023.

→P.101

Here, I would like to mention the Tokyo Electron stock. Exactly 60 years ago, Tokyo Electron Laboratories (the predecessor of Tokyo Electron) was established as a wholly owned subsidiary of the Company (then Tokyo Broadcasting System) as a new challenge outside of broadcasting.

The company's long history of support and research led to significant growth during the semiconductor boom. However, we sold our shares in the company because its line of business had diverged from our core business, and the company was listed on the stock exchange. Now, we hope to use the funds to promote our EDGE strategy and nurture businesses that will lead to the future and new sustainable growth.

Sales of cross-shareholdings



■ Capital efficiency and disclosures

Continuing discussions to put forward a set of indicators

Here, we will describe our thoughts and discussions on capital efficiency. Prior to the TSE's (Tokyo Stock Exchange) request that we increase our PBR by more than 1.0-fold, we had settled on increasing capital efficiency, even if just a little, and each department has been discussing how to set targets and indicators that will enable them to visualize definite progress.

That said, we must consider the fact that we have a mission as a broadcaster that is entrusted with a portion of the airwaves, which are public property. In light of these points, we will now fully explain the current situation, which is one where we have not put forward management indicators such as ROE. In any

event, we are in the process of discussing the next medium-term management plan to put forward indicators related to capital efficiency along with an explanation of the optimization of our balance sheet.

As we have explained, we maintain anti-takeover measures in order to maintain our public status as a broadcaster and our neutrality as a news organization. Naturally, we do not intend to permanently maintain anti-takeover measures. In order to further increase our corporate value, we have set goals in the 2023 Medium-Term Management Plan and VISION 2030 and we have made growth as a content group an utmost priority. We believe that the resulting increase in corporate value will reduce the risk of acquisitions, and we are in the process of improving capital efficiency while reinvesting in the new value created by our investments in growth. As part of these efforts, we are maintaining anti-takeover measures, and we ask for your understanding in this regard. [→P.101](#)

We are also receiving a variety of feedback on the land we own in Akasaka. I would like to talk about this in terms of the sustainability of Akasaka Entertainment City. Broadcasting, one of the core components of our business, cannot be sustained without equipment and facilities that ensure a certain scale and performance, and building renovation must be kept in mind. The current TBS Broadcast Center will be updated and renovated in the not-too-distant future. In such an event, we can build a new broadcasting facility on the Akasaka site, and there is no need to worry about searching for an alternative site or relocating.

We are proud to be the only broadcasting company that can continue our brand on the same premises, and we believe that this is the driving force that will enable us to lastingly work with the area of Akasaka and to promote Akasaka Entertainment City. [→P.16](#) [→P.50](#)

■ To our shareholders, investors, and other stakeholders Sharing the path to growth through active dialogue

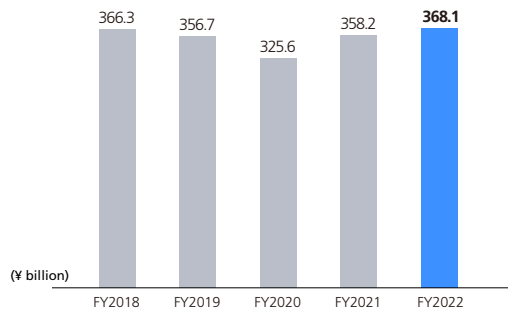
We hold large and small meetings to engage in a dialogue with shareholders and investors, and we conducted tours for analysts at several of our facilities in Akasaka in March. They were able to see our large underground generator and cooling system for disaster preparedness, and they gained a better understanding of our business preparations and approach as a public news organization.

We actively engage in a dialogue with domestic and foreign institutional investors and shareholders through individual meetings and briefings for individual shareholders. We attempt to respond to opinions and requests received through dialogue wherever we can, such as by enhancing our integrated report and results briefing materials, so that we can share the story of our growth with our shareholders and investors.

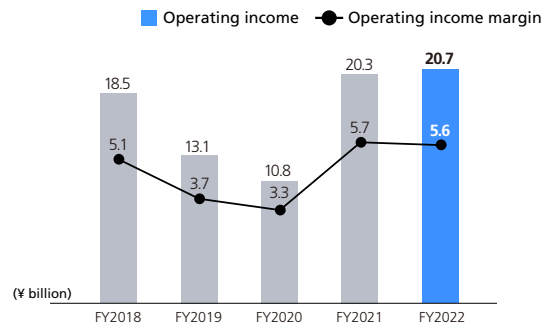
As a whole, the Group will continue to further refine the TBS brand to provide quality content by actively investing in our EDGE strategy. We also aim to be recognized as a "partner in co-creation" with all of our stakeholders, including shareholders, investors, viewers, customers, employees, staff, performers, interviewees, sponsors, clients, venture partners, and the local community. We appreciate your continued understanding and support of the TBS Group.

Financial Highlights

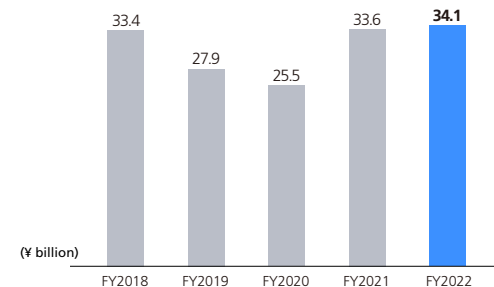
Revenue



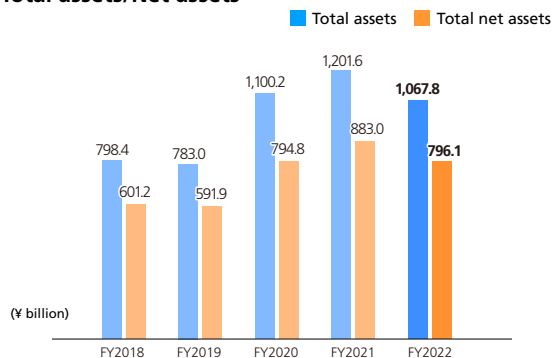
Operating income/Operating income margin



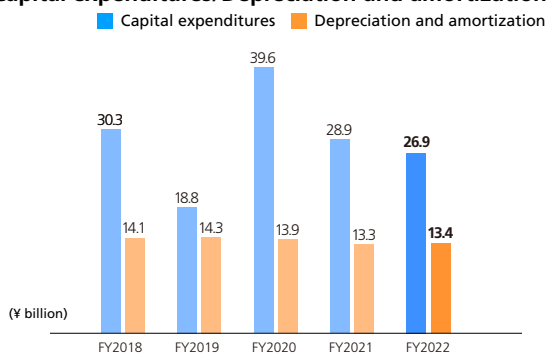
Simplified EBITDA (operating income + depreciation)



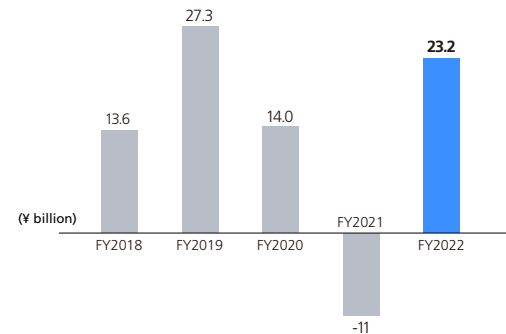
Total assets/Net assets



Capital expenditures/Depreciation and amortization



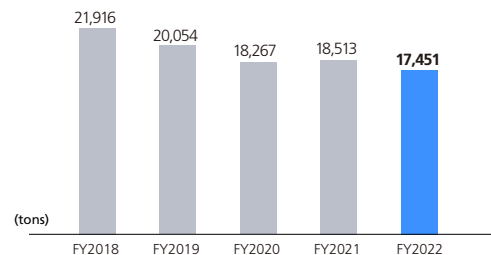
Free cash flow (cash flow from operations + cash flow from investing)



Non-Financial Highlights

CO₂ emissions

(Broadcast Center and buildings in the Akasaka Sacas Cultural Facility)



Employee training

Number of TGU courses:

160

Total number of participants*

18,000

(FY2022)

Promoting the honing of Group employees and the exchange of human resources through training at TBS Group University (TGU), in-house University

*Based on applicants

Efforts to achieve the SDGs

Total hours of broadcasting:

131

Total number of programs:

213

SDG project entitled the “WEEK to Make the Earth Smile” Continued from 2020 Involving news, information, variety and other types of programs

Zero CO₂ emission broadcasting

During the “WEEK to Make the Earth Smile” (May 14-20, 2023), all broadcasts used green power from renewable energy sources

Reduction of approx.
105 t-CO₂

This is equivalent to the amount of CO₂ absorbed by approximately 7,500 cedar trees in a year*

*Results for 2021, using coefficients published by the Ministry of the Environment and the Ministry of Economy, Trade, and Industry (METI) on 1/24/2023

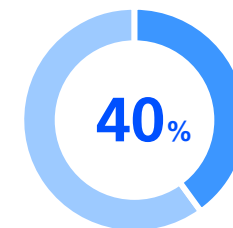
Ratio of female managers (TBS Holdings + TBS TV as of July 1, 2023)

15.76%

We are promoting efforts to foster and create a corporate culture for female managers in order to have 20% or more female managers by the end of FY2025

Ratio of Outside Directors

■ Outside Directors
■ Inside Directors



Appointment of one female outside director in FY2023
4 out of 10 members of the Board of Directors are outside directors

Message from the Director of ESG Strategy

A diverse workforce gathered under the banner of VISION 2030 shall achieve sustainable growth



Masaya Chisaki

Company Director and Director of ESG Strategy,
TBS HOLDINGS, INC.
Managing Director, TBS TELEVISION, INC.

In the previous issue, the 2022 Integrated Report, we talked about how “TBS will be a starting point for influencing society to create a sustainable world.” In this issue, I would like to share with you what I am most excited about: human resources.

In order to achieve VISION 2030 as put forward by the TBS Group, we need creators who can create content to give people wonderful “moments” and businesspersons who can use and monetize that content in a variety of ways.

TBS can point to a wealth of content, including drama, variety, and news programs, from its long history, and every year we receive approximately 200 times as many entries from aspiring creators and journalists than the number of new graduates we plan to hire. New employees joining the Company are then usually assigned to the workplace of their choice. We are devising ways to foster young people with care at each site. There are an increasing number of workplaces that outline a career plan and where senior staff members then fully teach the basics of assistant directing and how to write project proposals. Efforts are also underway to give young people opportunities to take on challenges and assign them to programs and program segments. We believe that conditions are ripe for a second or third “*Naoki Hanzawa*” or “*The Full-Time Wife Escapist*” to emerge.

That said, businesspersons who monetize content have been lacking in quantity and quality, in part because they have long operated under a business model that specialized in terrestrial broadcasting. This is why we have been actively promoting mid-career hiring, with a focus on hiring people with such skills, over the past few years.

By being a leader in our industry in adopting VISION 2030 and our EDGE strategy, we have been able to attract people who we previously had trouble finding in the industry, such as those who want to “disseminate TBS’s content to the world,” “develop new businesses revolving around content,” and “implement M&As with or by TBS.” These people are already serving as immediate assets.

In order to ensure that everyone who works at TBS can do so fairly and safely, we have also discussed and organized our thoughts on human rights and we drafted the TBS Group’s Human Rights Policy. We have also prepared Sustainable Procurement Guidelines to ensure that we pay close attention to the human rights of everyone we work with in the supply chain. [→P.75](#)

VISION 2030’s phase of “sowing seeds” ends in FY2023, and the second phase of Development and Growth will begin in FY2024. In preparation for this, we are making more mid-career hires than hiring new graduates in FY2023. The skills of the people we have brought in from the outside are stimulating our existing employees, and we feel that the Group as a whole is undergoing a major transformation as a result of this new synergy. We hope to accelerate this trend and foster human resources who will not only help to achieve VISION 2030 but also increase TBS’s value long into 2040 and 2050.

In the near future, TBS promises to create innovative content and new businesses to bring you wonderful “moments”. Through these efforts, we shall increase TBS’s value and achieve sustainability. We ask that you keep an eye out for us in the future.

Our Social Mission as a Media Group

To Be a Trusted Presence in an Age with a Deluge of Information



Fulfilling our social mission as a media group

Key issues for the TBS Group (as of May 2022)

From materiality 02

- Establishing standards and systems to ensure **overwhelming trust** in all content
- Further refining our capabilities as an **information lifeline** in the event of a disaster
- Serving as the **starting point for influencing society** through content on achieving the SDGs

TBS was created as a broadcaster that is entrusted with a portion of the airwaves, which are public property, and it has a social mission both as a commercial enterprise and as a news organization.

Natural disasters have increased in both scale and frequency over the past few years. In such an event, TBS will aid people in protecting their lives and livelihoods as an information lifeline. It will also serve as a “starting point” for society to solve the many problems faced by the earth and the world. This awareness of its social mission pervades TBS’s content, from news and information programs to dramas, sports, and variety programs.

As a prerequisite to fulfilling TBS’s social mission, President Sasaki has always exhorted us to earn the overwhelming trust of our viewers. The spread of the Internet and social media has allowed anyone to disseminate information, but the world is also full of information that may or may not be true. In times like these, we are always aware of the danger of betraying our viewers, listeners, and customers, which would cause our credibility to instantly vanish. We call on our partner to be vigilant as well.

To provide information to save lives

As part of the information infrastructure for the public, TBS is ready 24 hours a day, 7 days a week, to promptly disseminate information to save lives, regardless of the circumstances.

When a disaster strikes, the initial response is crucial for both victims and broadcasters. When an earthquake with an intensity close to 6 on the Japanese seismic intensity scale (an intensity higher than 5 in Tokyo’s 23 city wards) is detected in Japan, TBS News, which serves as an emergency broadcasting site, fulfills its role as a broadcaster that has been entrusted with the public airwaves. In principle, the division sends out every employee, even on holidays or late at night, and it promptly prepares special news programs.

Routine preparations are also important. In principle, the News Division conducts earthquake drills every week. All staff members, from newcomers to veterans, participate in confirming the initial response so that accurate information can be disseminated without confusion immediately after a disaster strikes.



A news coverage network that spans the country

A broad system of news coverage is also needed to ensure that correct information is conveyed without exaggeration or omission. In addition to the Head Office in Tokyo, TBS has 19 sites in Tokyo and six other prefectures where cameramen and other staff are stationed to cover the Kanto area, delivering information from the field as quickly as possible. Outside of the Kanto region, we can draw on JNN’s broadcasting network, which consists of 28 TV stations nationwide and TBS as the key station. When a major disaster strikes, local stations are the first to report the news. In the interim, network stations like TBS send in support to provide continuous and extensive coverage and disseminate information.

In an age of numerous concerns, such as worsening environmental problems and constant conflicts around the world, media outlets with a solid foundation are necessary. We will continue on our journey to be a truly trusted media outlet.

Steps in reporting on a disaster



Our Social Mission as a Media Group

Interview with Our Journalist

A reporter wearing a bulletproof vest heads to the battlefield yet again today



Hiroshi Sukagawa

Middle East Bureau Chief

profile

Joined TBS in 2006. After working in the TV Sports Division, he was assigned to the TBS News in 2010, where he oversaw the Metropolitan Police Department beat in the National News Department and the news program “News Studio” before becoming JNN’s Middle East Bureau Chief in 2019. He received the Vaughn-Ueda Memorial International Journalistic Prize, given to journalists for outstanding achievements in international reporting.

Traveling to the front lines of conflicts even during the COVID-19 pandemic

2020 was when COVID-19 was raging and the whole world seemed to have stopped. However, life went on as before in the conflict zones that I was covering. Gunfire, air strikes, suicide bombings. Their daily lives were filled with more dangers than COVID-19. Nevertheless, almost every Japanese media outlet has curtailed its overseas coverage, and such harsh everyday conditions have seldom been reported.

However, TBS was different. When those of us in the field told our superiors that now is the time to tell the story, they always respected our judgment, with the utmost care for our safety, and allowed us to cover events. Decisions will be made on a case-by-case basis to ensure maximum performance. TBS was able to put this into practice even during the pandemic.

As a result, we were among the first to enter the scene of a major explosion in Lebanon, where most media did not go, the conflict in Gaza, where nearly 300 people were killed, and the turmoil in Afghanistan following the withdrawal of US troops. We were able to convey to the world the plights of the people at those scenes.

Expanded avenues for dissemination

Seeing avenues for dissemination expand beyond news programs is also gratifying. My appearance on the Golden time show “Crazy Journey” helped to convey the reality of conflict zones to a larger audience, including young viewers. TBS is also attempting to put out videos on YouTube. The most watched

videos have received 2.5 million views. Last December, we also produced the documentary “A Conflict Zone Reporter” as a compilation of our interviews in places such as Gaza, Ukraine, and Afghanistan, and the film was shown at 35 theaters nationwide.

Hoping for a world without conflict

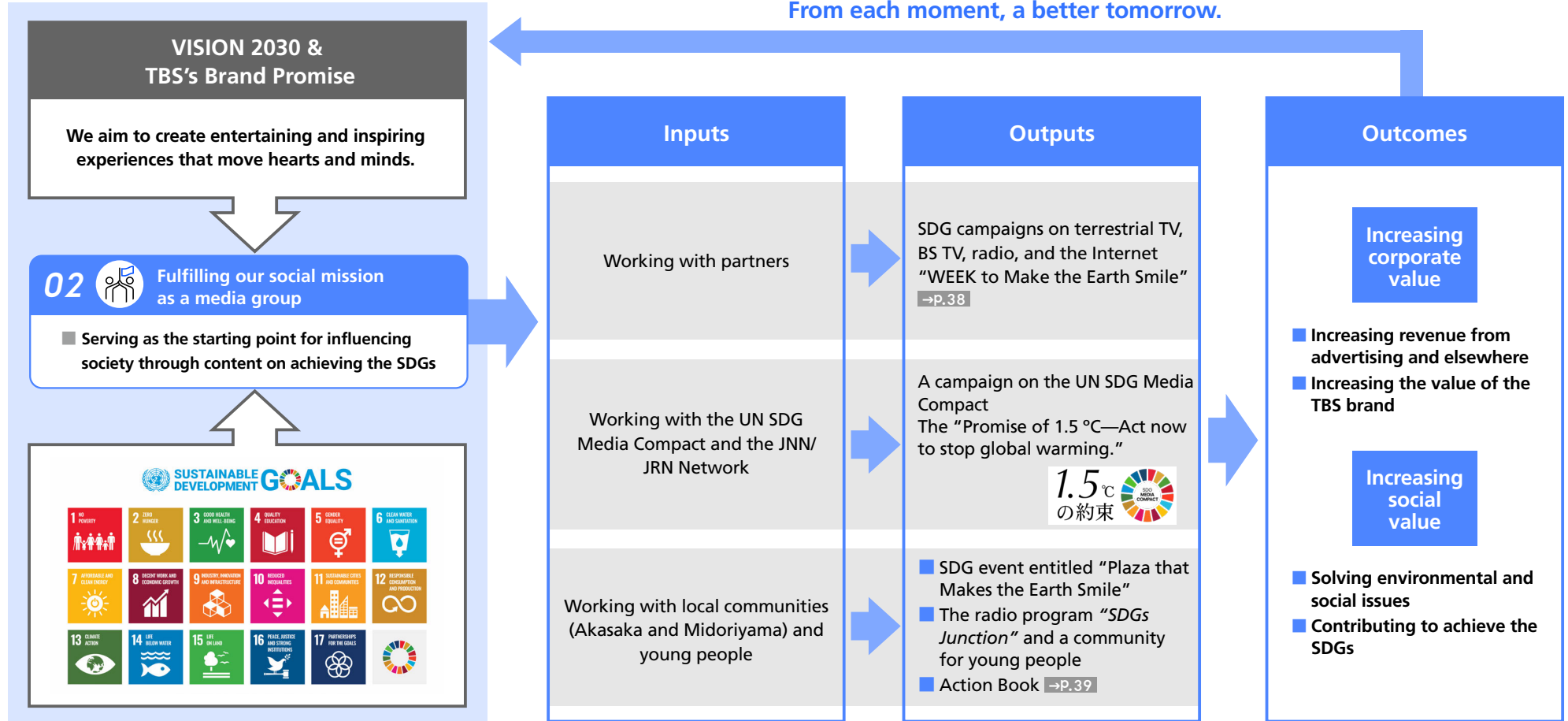
Human society is unequal. That may sound a bit cliché, but I am even more convinced of this since I have been assigned as a correspondent for the Middle East and Africa region. That said, this is why continuing to cover conflicts, disputed regions, and refugees flowing from around the world is meaningful. To be honest, there would be no more jobs like mine if conflicts were eliminated from the world and if people’s misery were eliminated, but that is what I really want. But life doesn’t work that way. So we have to keep reporting. To reduce conflicts as much as possible and to enable as many refugees as possible to lead lives in which their basic human rights are protected.



SDGs and TBS's Business Model

As a starting point for influencing society, we propose actions for the future through our content with the aim of creating a virtuous cycle of corporate value and social value.

From each moment, a better tomorrow.



SDG Campaign “WEEK to Make the Earth Smile”

“Zero CO₂ Emissions Broadcasting” All Week Long Through the Use of Green Power

The SDG campaign entitled “WEEK to Make the Earth Smile” celebrated its 6th anniversary in the spring of 2023. During this year’s campaign, programs were broadcast the entire week using green power. On the last day, we broadcast a major 8-hour live special entitled “SDGs Day: Let’s achieve the SDGs together” for the first time.

The theme of the “WEEK to Make the Earth Smile” campaign in 2023 is “Let’s achieve the SDGs together,” which is a step forward from the previous “Let’s try action, SDGs.” The special included the message that all of us - TBS, the viewers, and society - should work together to achieve the SDGs.

The campaign ambassadors were the comedy duo Banana-man (Osamu Shitara and Yuki Himura) for the second time since 2021, along with Mone Kamishiraishi, Yosuke Sugino, Soichi Noguchi, and announcer Makoto Hibi. Many corporate partners have continued their involvement from the first campaign, making it a campaign that symbolizes TBS being “the leading SDG station.”

In addition, the power used at the TBS Broadcast Center and for broadcasting during the campaign, totaling approximately 227,000 kWh, was under a “Green Power Certificate” for energy from natural sources, so we achieved “zero CO₂ emissions broadcasting.”

This means our carbon dioxide emissions were reduced by approximately 105 tons (t-CO₂). (equivalent to the amount of CO₂ absorbed by approximately 7,500 cedar trees in a year)



As a first for this campaign, more than 20 of TBS’s variety, news, information, and radio programs combined to broadcast a blockbuster 8-hour live special entitled “SDGs Day: Let’s achieve the SDGs together” on May 20 (Saturday), the final day of the campaign.

The theme of the program was “Turning Waste into Treasure!” The program focused on the SDG issue that viewers are most familiar with, which is “garbage.” It conveyed the problem of waste disposal and covered various facets and detailed aspects of topics such as food waste, recycling, reuse, and upcycling, encouraging viewers with the message “Let’s achieve the SDGs together!” Nowhere else in the world has there been such a large special dedicated to the SDGs, and it attracted attention from UN officials.

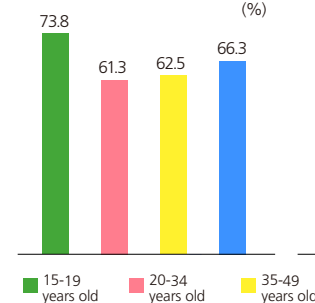


Highly rated by viewers in the age group that is “turning away from TV”

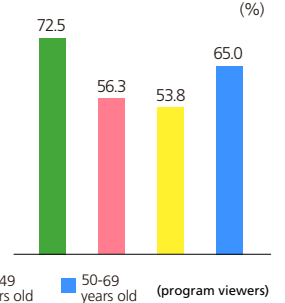
According to a viewing survey on the “WEEK to Make the Earth Smile,” 54.8% of viewers overall said they had “a favorable opinion of TBS,” though that number rose to 83.8% for viewers of the “WEEK” programs, indicating that the campaign has bolstered TBS reputation. The largest number of respondents who said that the SDGs were “good subject matter” and that “such broadcasts give me a favorable impression of the TV station” were age 15 to 19, indicating that the SDGs are effective as an avenue to younger age groups, which are “turning away from TV.”

Viewing survey by Video Research (May 2023)

Good subject matter



Such broadcasts give me a favorable impression of the TV station



With Various Partners

Expanding the SDG Circle beyond Broadcasting

In addition to continuing to hold hands-on SDG-themed events at locations such as Akasaka Sacas Square, TBS has been promoting efforts to expand the SDGs beyond broadcasting, such as by creating a community to think about various social issues and propose solutions together with young people.

SDG event entitled “Plaza that Makes the Earth Smile”

Since the fall of 2021, TBS has been holding a hands-on SDG-themed event for parents and children, “Plaza that Makes the Earth Smile,” at Akasaka Sacas Square twice a year in conjunction with the SDG campaign. Our goal is to provide an impetus to link the 17 SDG goals to action in a realistic setting beyond broadcasting. The theme of the November 2022 event was “Changing the Future through Circularity!” as one of the solutions to global warming. A “Zero Waste Hub” to separate trash was set up in the center of the venue, and visitors and staff worked together to sort trash from the venue into 10 categories.

The “Zero Waste Hub” has also been set up at subsequent events, and the recycling rate has improved from 22% before its setup to 77% in the fall of 2022 and to 81% in the spring of 2023.

In May 2023, a record amount of content - more than 40 events - was provided on the theme of “Let’s achieve the SDGs together.” About 15,000 people visited the exhibition over the four-day period. They enjoyed a performance on “a piano made from scrap wood” by Manamaru, a pianist currently appearing on “THE TIME,” a hands-on experience with future TV technology, and a workshop in which Ukrainian evacuees taught traditional handicrafts to visitors.

The event was supported by Minato City and the Minato City Board of Education. For the first time, we accepted school field trips on the weekdays, and a total of 400 students from five elementary schools in the district and other areas visited the venue.



A community for young people entitled “ACTION to Make the Earth Smile” is launched

TBS has launched “ACTION to Make the Earth Smile,” a community in which we work together with young people to think about various social issues and propose solutions. The community is made up of junior high school to university students, and various actions are being taken based on “the interests and concerns of young people & TBS’s ability to disseminate information as a media outlet.”

“Meat-free” dishes that were devised by members together with restaurants in Akasaka were actually sold at the “Plaza that Makes the Earth Smile,” and a member-initiated workshop on the theme of “finding your own identity” was held with drag queen Durian Lollobrigida as the guest speaker.

In addition, a roundtable discussion between President Takashi Sasaki and community members was featured in the “SDGs Action Book to Make the Earth Smile.”



https://www.tbs.co.jp/TBS_sustainability/pdf/actionbook2022.pdf

In October 2022, TBS Radio started broadcasting “SDGs Junction - RADIO to Make the Earth Smile” (a segment within the program “After 6 Junction”), hosted by announcer Maoko Hibi, which features a variety of guests, such as members of “ACTION to Make the Earth Smile,” and disseminate information on the SDGs.



Dialogue between the Chairman and an Outside Director

How to expand our areas of business is at the stage of "sowing seeds and nurturing seedlings"



Hitoshi Kashiwaki
Independent Outside Director

Shinji Takeda
Chairman and Board Director,
TBS HOLDINGS, INC.

■ Achieving VISION 2030

Deciding to explore new areas of business more quickly

Takeda: Mr. Kashiwaki, you were appointed as an outside director five years ago, in 2018, and since then you have offered us a variety of advice. How do you view TBS Holdings' Board of Directors now compared to when you took office?

Kashiwaki: The biggest thing is that while working on VISION 2030 we discussed "how to expand our areas of business" rather than proceeding in existing areas. The plan was devised accordingly, discussions by management have very clearly laid out our direction, and I am keenly aware that a system of checking and reviewing the plan within a time frame is beginning to take shape. Setting numerical targets and working toward them is

not something the Board of Directors has done before, but I think we are off to a good start. →P.98

Things are going well so far, but I also believe that we must, of course, further accelerate the process. We are now in the phase of sowing seeds, but in the next Medium-Term Management Plan, we will enter a new stage of "sowing seeds and nurturing seedlings" to develop and grow the company.

We had experience with prior operations and broadcasting so those might be things we could take time doing, but I believe that an important issue as we enter the next phase will be how to more quickly decide to explore new areas.

The Company should assist people who want to work on new projects and who are happy to do so, it should put them in charge of new businesses, and it should let them make decisions. In the meantime, the Group as a whole will look at the business from a larger perspective. We need to take on the challenge of making decisions in a way that has never been done before, and in some cases, to make the organization flatter so that people with various abilities can quickly maneuver under a leader.

Takeda: That's delegation of authority. We are appointing young people to positions such as department managers and successively forming project teams consisting of young people. That said, the transfer of authority is still underway at the current point in time.



■ Human capital management

“Comfort” is not enough to sustain an organization.

Kashiwaki: Taking on a challenge in a new area means that the company is taking a risk, but it also means that the individuals involved are taking a risk, so the crucial thing for the company is to encourage and assist them.

Then the question becomes, “What should older people do?” Instead of solemnly passing on the torch...if older people want to encourage young people in business, you can ask those older people, “Would you be willing to take on this role?” If they decide “to give it a go,” then they have a new reason for being a part of that company.

Age and position may be reversed in some cases, but I think being united in creating something new and each of us displaying our abilities would be a good thing.

Takeda: But not changing is comfortable, everything is just fine. That’s how we tend to operate.

Kashiwaki: That is correct. Which is why my management policy is to “intentionally make things a little uncomfortable.”

Unfortunately, expecting everyone to do the same job forever is honestly difficult in today’s world, where the structure of the business is rapidly changing. I think the crucial thing is for people in the organization to understand that a comfortable organization does not last simply because it is comfortable.

Moreover, I would gladly allow people like “individuals who stand out.” An organization grows as a whole when the people at the front of the pack run faster, so the abilities of individuals should be highlighted more, and especially in relation to our EDGE strategy. Instead of dragging those “individuals” down, we should catch up and overtake them. Doing so will enhance our ability to move beyond current confines.

Takeda: I think the key word for both an organization and individuals is “growth.” What we want to do is elicit a sense that a person is likely to grow as part of the TBS Group or the person’s inherent desire to grow. That is “human capital management.”

Kashiwaki: That will also lead to personal joy. I am growing, the company is expanding into areas in which it has never been. This

is the sort of relationship where one feels like he or she is working in a workplace unlike any other.

■ What is needed for future change

We also need to decide to “stop”

Kashiwaki: That said, when trying to do something new we also need to sometimes decide to “stop” doing some of the things we are already doing.

Young people say, “Let me do this new thing,” which is obviously great. However, in terms of management resources, and especially in terms of staffing, we cannot allocate people to do everything, so we must always review the situation at some point.



Kashiwaki: But even if we say that we are going to stop engaging in a business, there are many ways to do so. Even if TBS will not engage in a business, for instance, it could be done elsewhere. Being constantly under review, “discomfort” from it, constant chatter. That process will produce subsequent strengths.

Therefore, we have set out to create something new, but establishing that “things will not be the same as before,” which includes human resource issues, will take time. We may not be able to speed up the process without making further changes, such as by linking it to new aspects and inviting people to raise their hands and say, “Why don’t we create a new business together?”



■ What is required of management in the future Setting goals higher

Takeda: Mr. Kashiwaki is also the chairman of the Nomination Advisory Committee. We are talking about the choices we will make regarding the future structure of TBS’s management. What sort of management qualities and human resources will TBS need in the future?

Kashiwaki: Being the head of a broadcasting company naturally differs somewhat from being a typical manager. That said, as we rightly proceed in existing areas and expand in other areas as set out in VISION 2030, we should set even higher goals for ourselves, or perhaps even greater goals to aim for as a company.

To that end, we may need to increase the number of our partnerships with various external organizations instead of relying on existing tie-ups. Thus far, we may have felt that we’ll see how things go, look at the results, and make corrections..., but from here on out we should be more resolute, saying “this is how we do things,” as we embark on this path as a whole. As a result, people may think that “various things will change,” but I believe that things that should change need to change while things that should stay the same need to stay the same. If more of these things are identified and if management supports those changes...Such an approach should allow us to break away from the “broadcasting pack” of the past and become a more exciting company.

Takeda: Those are encouraging words. I also updated my thoughts on the urgent issue of further accelerating the speed of change. I hope we can continue to have various discussions in the future. Thank you for your time today.



Business Strategy



Strategies for Business













Stage performance of *"Harry Potter and the Cursed Child"*

©Maiko Miyagawa

Business Overview

By Integrating the Three Businesses, TBS Seeks to Strike an Optimum Balance for Both Growth and Stability

TBS Group Companies

Media and Content Business	Six core companies
	TBS TELEVISION TBS RADIO BS-TBS TBS SPARKLE TBS GLOWDIA TBS ACT
Lifestyle Business	  THE SEVEN
	CS-TBS TBS INTERNATIONAL TBS-MRI  NICHION
Real estate and Other Businesses	StylingLife Group
	StylingLife   
Affiliate accounted for by the equity method	TBS TELEVISION  株式会社 TBS 企画 TBS HEXA  TBS SUNWORK
	WOWOW  BCL Beauty Creative Lab. (BCL China Inc.)  U-NEXT  

Overview of Each Business

Delivering timeless and beloved content and services to the world

The Group's most profitable business segment consisting mainly of TBS's six core companies: TBS TELEVISION, INC., which is the core of the TBS Group, TBS RADIO, Inc. and BS-TBS, INC. which are core broadcasters, TBS SPARKLE, Inc. and TBS GLOWDIA, Inc., which have a consolidation of program production and video and cultural business functions, and TBS ACT, INC. which handles technical, artistic and CG-related tasks.

While we enhance the value of our mainstay broadcasting business, we will position the three fields of our streaming business, overseas business, and live entertainment as growth areas and further boost profitability to drive the performance of the TBS Group as a whole as we aim to achieve the TBS Group VISION 2030. Furthermore, under the Akasaka Entertainment City Plan, we are committed to our role of delivering wonderful "moments" to everyone as a content provider.

Bringing customers a more comfortable, more individual lifestyle

The StylingLife Group is developing a business based on "demand creation," where it develops new needs in the market. In the main field of beauty & wellness, we aim to leverage our advantage in integrated manufacturing and sales to further develop and provide products with superior profitability. Additionally, YARUKI Switch Group Holdings Co., Ltd. became a consolidated subsidiary in June 2023.

Transforming Akasaka into a city that brings joy and happiness and provides wonderful "moments" to every visitor

Involved in real estate management, including the TBS Broadcast Center to Akasaka Sacas and Midoriyama Studio City. We are also working on urban development to help turn Akasaka into "the city offering the most moving experiences in the world" with the Akasaka Entertainment City Plan.

Associated companies that support the TBS Group in both broadcasting and the EDGE domains

Affiliates accounted for by the equity method are composed of satellite broadcasters, companies that plan and develop experience-based attractions, companies that sell cosmetics for the international market, and sports-related businesses. Two more companies were added in June 2023.

Breakdown of revenue

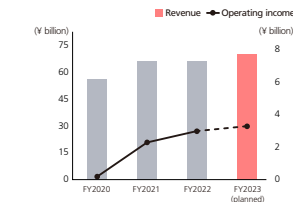
FY2022		Media and Content Business	Lifestyle Business	Real estate and Other Businesses
Terrestrial broadcasting	Time	81,267	—	—
Advertising revenue	Spot	84,539	—	—
Other broadcasting revenue		36,979	—	—
Other real estate revenue		—	—	15,831
Other business revenue		78,627	61,023	—
Revenue from external customers		281,414	61,023	15,831

FY2021		Media and Content Business	Lifestyle Business	Real estate and Other Businesses
Terrestrial broadcasting	Time	79,124	—	—
Advertising revenue	Spot	82,886	—	—
Other broadcasting revenue		37,068	—	—
Other real estate revenue		—	—	16,508
Other business revenue		86,151	66,391	—
Revenue from external customers		285,230	66,391	16,508

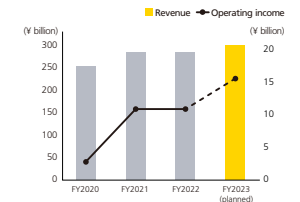
Revenue and operating income by segment

(includes planned values for FY2023)

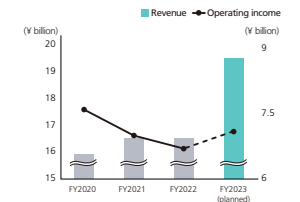
Lifestyle Business



Media and Content Business



Real estate and Other Businesses



* Added as a consolidated subsidiary and an affiliate accounted for by the equity method in June 2023

Media and Content Business

Business structure

Six core companies

TBS TELEVISION

TBS TELEVISION, INC.

The core company of the TBS Group that creates entertainment in a wide range of fields, including TV broadcasting, video content such as streaming and movies, live entertainment, overseas business, and licensing.

TBS RADIO

TBS RADIO, Inc.

In addition to its main business of radio broadcasting, TBS Radio also invests in events and films, and operates a housing business (show houses).

BS-TBS

BS-TBS, INC.

A TBS-affiliated satellite broadcaster that provides BS digital broadcasting. It began broadcasting in 4K in 2018, creating realistic, immersive productions with ultra-high-definition images.

TBS SPARKLE

TBS SPARKLE, Inc.

One of Japan's largest video production companies that makes programs and content across all genres, from dramas, entertainment shows, documentaries, movies and anime to news, information and sports.

TBS GLOWDIA

TBS GLOWDIA, Inc.

TBS GLOWDIA provides a wide range of services, including entertainment and events, program and merchandise sales, video-related businesses such as DVDs and streaming, radio program production, and broadcasting and digital technologies.

TBS ACT

TBS ACT, INC.

One of Japan's largest general production companies working in technology, art, and computer graphics. It has the equipment and human resources to handle all kinds of content production, from broadcasting and stage shows to events and streaming.

CS-TBS, INC., SEVEN-ARCS Co., Ltd., TC Entertainment Incorporated, TBS International Inc.,
TBS MEDIA RESEARCH INSTITUTE Inc., NICHION, INC., MANGA BOX, Co., Ltd., THE SEVEN, Inc.

Business environment

While remaining cautious against the spread of COVID-19, Japan tried to balance disease prevention with economic activity, and business conditions, especially consumer spending, continued to recover slowly since there were no movement restrictions or other pre-emergency measures. At the same time, however, we need to remain cautious of the risk of a downturn in overseas business conditions due to a global credit crunch and the impact of the price increases caused by the steep rise in energy and raw material costs on household budgets. The TV advertising market, which is highly susceptible to economic trends, remains difficult to predict, but we believe that capturing demand in non-broadcasting businesses is important as events and entertainment performances recover with the relaxation of restrictions on going out, and as we continue to provide video content to overseas OTTs.

Competitive superiority

Leveraging the strengths of the largest reach in the media industry, content production and comprehensive promotion capabilities cultivated over many years, and overwhelming trust in the midst of information overload, this is the business segment with the largest earning power of the TBS Group. While enhancing the value of its mainstay broadcasting business, the segment also includes many other different businesses in the areas of streaming, overseas business, and live entertainment.

Opportunities

Reach across all platforms in competitive and growth areas

- Development of next-generation viewers and greater reach
- Growth and expansion of digital business, including streaming
- Borderless content distribution
- "Goods - Time - Emotion" consumption behavior, experience and fulfillment needs
- Corporate, organizational, and individual initiatives to address social issues (SDGs)

Risks and issues

Weighing the risks and benefits of diversification

- Dependence on terrestrial TV advertising revenue and domestic economic fluctuations
- Inter-media competition and content acquisition
- Event restrictions because of the COVID-19 pandemic
- Copyright and other intellectual property rights
- Increase in capital expenditures due to equipment upgrades
- Technology, systems, and security becoming obsolete
- Human resource development, organizational and workstyle reform
- Growth strategy investment & R&D

Media and Content Business Strategy

Our goals

Even after internet advertising spending overtook TV advertising spending in 2019, TV advertising revenue continues to occupy a large percentage of the TBS Group's revenue, and we continue to value our role as a core broadcaster. However, we need to adapt flexibly to society's needs as media rapidly diversifies. As we work to enhance the value of broadcasting, we will also aim to deploy a greater variety of businesses in addition to television by extending our ability to reach through the EDGE strategy and increasing the proportion of sales occupied by non-broadcasting businesses.

Growth strategies

Always bringing new entertainment as the best content provider

Digital/global domain

TBS Television, Inc. provides programs and a lot of original content broadcast on TBS to overseas over-the-top (OTT) media service providers such as Netflix, Amazon Prime Video, and Disney+. Going forward, THE SEVEN, Inc., a new overseas strategic company established in January 2022, will plan and develop high-end content separate from terrestrial broadcasting. It aims to create two or three global hits within five years to demonstrate the TBS Group's presence in the overseas streaming market.

Live entertainment domain

As part of the Akasaka Entertainment City Plan, the long-running stage play *"Harry Potter and the Cursed Child"* opened in July 2022. TBS's real live content aims to evolve further together with the city of Akasaka.

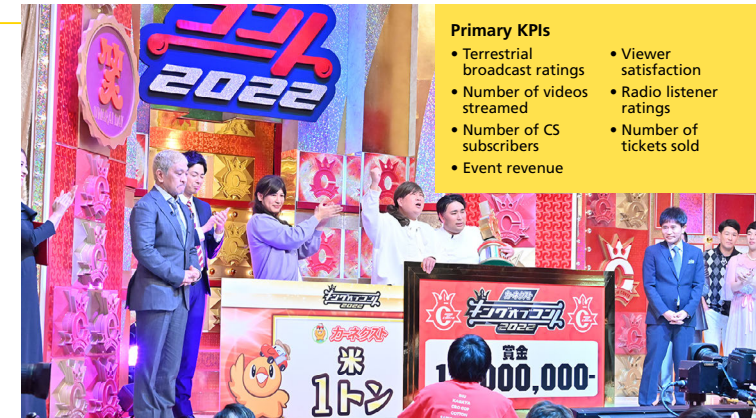
Business topics and case studies

Substantial growth in the streaming business and increased revenue due to a recovery of events and performances

Terrestrial broadcasting advertising revenue reduced due to the lack of large-scale special sports programs, but free video streaming in Japan and paid streaming both in Japan and overseas performed strongly, and there was a rebound from the previous year which was severely affected by COVID-19. There was also significant growth in events and performances such as the start of the long-running performance of the *"Harry Potter and the Cursed Child"* stage play, and the successful *"Paris Saint-Germain Japan Tour 2022"* in soccer, so the segment as a whole secured increased revenue.

TBS and U-NEXT sign partnership agreement based on strengthening capital and business alliance

To match the timing of the UI/UX merger between Paravi and U-NEXT on July 1, TBS acquired a 20% stake in U-NEXT and is



pursuing further collaborative businesses such as large-scale live streams and original content production.

On March 31, 2023, U-NEXT merged with PPJ, which managed Paravi. This made it the largest video streaming platform business in Japan with sales of over 80 billion yen, over 3.85 million paying subscribers and more than 360,000 episodes of streaming content.* Then on July 1, the content available on the Paravi service was transferred to the U-NEXT service. We will take the opportunity to create even greater business synergy through this strengthened capital and business partnership.

Furthermore, this additional investment from TBS gives use the potential to greatly increase our ability to procure external content and plan and produce original content, and we will strive to expand the business even further through cross-platform broadcasting and streaming initiatives such as large live events and the advance streaming of special dramas.

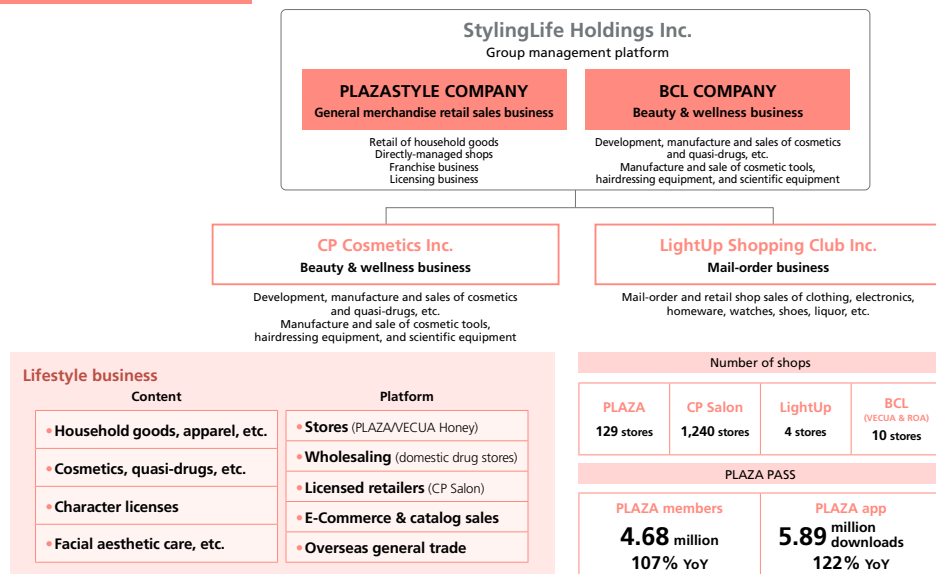
*The numbers of paying subscribers and content episodes are simple totals (as at the end of May 2023)

Lifestyle Business

YARUKI Switch Group Holdings Co., Ltd. became a consolidated subsidiary in June 2023 →P.23

Business structure

Structure of the StylingLife Holdings Group



*as of end of March 2023.
The figure for PLAZA app is the total number of downloads

Business environment

After the lifting of the self-imposed restrictions that the Japanese government called for in response to the COVID-19 pandemic, there were signs of a recovery in demand for the core general merchandises retailing business, as the flow of people began to recover and inbound demand increased. However, the future of the downturn in customer behavior remains unpredictable due to issues such as the sharp rise in item prices in Japan caused by the drastic depreciation of the yen due to the effects of the global economy and the state of world affairs coupled with higher raw material and distribution costs. At the same time, we will aim to increase the profitability of the whole StylingLife Group by pursuing development that uses integrated manufacturing and sales by increasing EC through an accelerating digital shift, developing cosmetics to meet customer's diversifying tastes and focusing on the Asian market.

Competitive superiority

Through the strengthening of the retail business with private brand products that leverage the development and manufacturing functions of BCL COMPANY, and the promotion of cosmetics development utilizing the sales capabilities and retail business data possessed by PLAZASTYLE COMPANY, the segment has achieved high profitability through its superiority in integrated manufacturing and sales that mutually leverages robust product sales functions.

Opportunities

Developing a business based on "demand creation" where we develop new needs in the market

- Respond to changes in consumer mindset or behavior
- Improve proposals targeting younger demographics, where demand for cosmetics is increasing, by integrating manufacturing and sales
- Increase customer contact times and opportunities through enhanced coordination between retail shops and web/social media presence
- Respond to market changes / "Life post-/with COVID-19" leading to enhanced mail-order and regional (FC) development
- Reorganized drugstore market leading to faster proposals to major distributors

Risks and issues

Flexible response to changes in the business environment

- More diversified product development due to a falling birth-rate, an aging and declining population, and lifestyle changes
- Strengthen digital capabilities including e-commerce and compensate for rural gaps in the currently urban-focused network of directly-managed stores in preparation for more frequent and more severe disasters such as earthquakes, typhoons, and infectious diseases, as well as more frequent unseasonable weather
- Accelerate overseas business to reduce focus on Japanese business

Lifestyle Business Strategy

Our goals

The StylingLife Group seeks and nurtures buds with growth potential that lie dormant in existing businesses, as well as things of value that can take on new challenges beyond the domains of existing businesses. It aims to maximize brand value by using these strategies as an engine for growth. Moreover, the enormous amount of customer data owned by the StylingLife Group, which has a nationwide network of stores and receives tremendous support from Gen Z customers, is important information that contributes to data-driven management in the TBS Group. We are building a system to securely manage and analyze this data in order to expand group synergies. We are also confronting our social responsibility as a corporation and focusing on solving social issues through ESG.

Growth strategies

Experiencing growth in clothing, food, home and beauty categories and continuing to enter new business domains

We will aim to further boost the PLAZASTYLE COMPANY general merchandise retail business through an efficient store opening strategy, increased brand value and IP strategy for PLAZA. At the same time, we will endeavor to create new value that goes beyond existing businesses in order to reach a wide range of customers. We will do this by developing products and expanding channels (by predicting trends by analyzing inbound demand and overseas market demand), enhancing e-commerce, and in-

creasing our target range through generational analysis. We will pursue product development clearly differentiated from other companies by adding extra value that creates more fulfilling lives.

Business topics and case studies

Retail sales remain strong Overall increase in revenue and profit

In the StylingLife Group in FY2022, the LightUp Shopping Club Inc. mail-order business slowed down from its strong performance the previous year and recorded lower income and profit. For the beauty & wellness business, BCL COMPANY, which develops, manufactures and sells cosmetics, continued to face challenging circumstances, but due to the increase in sales for CP Cosmetics and other factors, revenue and profit increased in the business as a whole. Furthermore, PLAZASTYLE COMPANY, a core general merchandise retail sales business, experienced a surge in revenue and profit as the flow of people recovered following the lifting of self-imposed restrictions during the COVID-19 pandemic, so the StylingLife Group as a whole recorded both increased revenue and profit.

Full-scale entry into the intellectual training and education business

Since our founding, our broadcasting business has produced a wide range of video content that has delighted, moved, surprised and educated many children.

Using that inbuilt nature, we plan to go beyond the framework of broadcasting to give children many dreams and hopes



and the power to live through our intellectual training and education content.

In this age of volatility, uncertainty, complexity, and ambiguity (VUCA) where the future is hard to predict, “the power to think and create for yourself”, i.e. “creative power,” is becoming increasingly vital. In light of that, the intellectual training and education industry is beginning to introduce “inquiry-based learning” and the need for video content educational material to deepen learning is growing.

“Creative power” and “content production ability” are precisely TBS’s greatest assets, so by imparting that knowledge and knowhow, we intend to contribute to the development of human resources who can create new value with their own strength and carve the way into the future even in a world with no answers.

As an indispensable partner in developing and commercializing educational content, welcomed YARUKI Switch Group Holdings Co., Ltd., a company with one of Japan’s largest educational bases at 130,000 paying members and knowledge about marketing intellectual training and education businesses, as a consolidated subsidiary on June 29, 2023.



Real Estate and Other Businesses

Business structure

TBS HOLDINGS, INC./TBS TELEVISION, INC./TBS HEXA. Inc.

Involved in the leasing of land and buildings owned by TBS HOLDINGS, INC., and TBS TELEVISION, INC. (Akasaka Biz Tower, Akasaka The Residence, THE HEXAGON, etc.) and in the maintenance and operation of the TBS Broadcast Center. Also handles urban development in the Akasaka Entertainment City Plan area, supporting the TBS Group's entertainment from an infrastructure and facilities perspective.

Midoriyama Studio City, Inc.

Midoriyama Studio City's main business is the management of studios, centered on Midoriyama Studio, one of Japan's largest television studios, and outdoor sets and art production facilities.

Akasaka Heat Supply Co., Ltd.

Akasaka Heat Supply's main business is supplying heat for air conditioning and hot water supply to buildings and facilities in the Akasaka 5-chome and Akasaka Sacas areas, such as the TBS Broadcast Center, Akasaka Biz Tower, TBS Akasaka ACT Theater, and Akasaka Park Building.

TBS Sunwork, Inc.

TBS Sunwork supports the infrastructure of the entire TBS Group and provides lateral support, including TBS Broadcast Center's equipment maintenance and management, security, temporary staffing, and outsourcing of accounting, general affairs, and payroll work.

TBS Kikaku Co., Ltd.

TBS Kikaku operates and manages parking lots as well as an insurance agency.

Real Estate and Other Businesses

Content	Platform
• Building leasing	• Akasaka Biz Tower/The Hexagon, etc.
• Residential condominiums	• Akasaka The Residence
• Studios, parking lots	• Midoriyama Studio
• Heating and cooling, electricity	

Real estate managed by the TBS Group
TBS Broadcast Center/Akasaka Biz Tower/
Akasaka The Residence/TBS Akasaka ACT Theater/
The Hexagon/Midoriyama Studio City/ TBS Housing, etc.

Competitive superiority

The segment has several profitable properties in the Akasaka area, including Akasaka Biz Tower, offices, stores, and residential condominiums. One of the segment's strengths lies in generating stable profits through its real estate leasing business that makes use of these properties. The segment will promote the construction of an even stronger foundation to achieve the Akasaka Entertainment City Plan.

Opportunities

Increase in revenues from both new and existing facilities associated with the Akasaka Entertainment City Plan

- Increase in rental income due to the acquisition of properties in the Akasaka area
- Increase in revenue from attracting customers to existing facilities because of promotion of the Akasaka Entertainment City Plan
- Increase in number of spaces that can be utilized through the acquisition of land and buildings, dramatically expanding range of entertainment on offer

Risks and issues

- Decrease in the utilization rate of rented real estate due to working style changes such as telework
- Impact on rental income due to changes in the lease and other real estate markets
- Increase in operating and maintenance costs due to soaring raw material and energy prices and personnel expenses
- Increase in costs and investment expenditures due to soaring real estate market value

Business environment

After the spread of COVID-19 from 2020 onwards, telework took root as a new working style and became a contributing factor to the continuing drop in rents and increases in vacancies in the office market in Tokyo business districts. This was worsened by Russia's invasion of Ukraine in FY2022 which sent world fuel prices soaring, creating a highly unfavorable environment around the real estate business. Even in this business environment, however, Akasaka Biz Tower, Akasaka The Residence and other properties owned by TBS have maintained high rent level and extremely low vacancy rates.

Strategy for Real Estate and Other Businesses

Our goals

To achieve VISION 2030, we will (1) Improve and enhance the Broadcast Center, studios and live entertainment facilities to support and boost the performance of content production and experience businesses, and (2) Promote office real estate and real estate businesses that use land the company owns so that they can contribute to the growth of the Group as a whole by serving as a revenue base for Group management.

Growth strategies

Producing content called “space” Remaking Akasaka into a city that provides wonderful “moments”

We have positioned the Akasaka Entertainment City Plan at the center of the growth strategy of the real estate business in particular. As part of that plan, a district development plan was drafted for the 2-chome and 6-chome areas in Akasaka. The plan was certified by the Prime Minister in November 2021 as a national strategic city planning building development project as part of the National Strategic Special Zone Plan.

We will produce content called “space” in the Akasaka area to foster an environment for delivering the best entertainment, and we will evolve Akasaka into a city that provides wonderful “moments.”

Moreover, we established the Akasaka Entertainment City Project Division in July 2023. It unites the previously separate Realty Strategy Bureau and the Akasaka Entertainment City Pro-

motion Office into one division, which will now work in solidarity on this project.

Capital investments related to the Akasaka Entertainment City Plan

FY2021	FY2022
16,132	14,668

(¥ million)

Business topics and case studies

Stable revenue base remains intact. Active investments into energizing Akasaka continue

Despite the lingering impact of the COVID-19 pandemic in FY2022, business performance remained strong and revenue increased. However, due to factors such as an increase in utility costs, overall financial results showed a decrease in profit but we are still generating stable profits.

Akasaka Entertainment City Plan initiatives

■ We made active capital investments to energize Akasaka. For example, TBS Akasaka ACT Theater was given a new lease of life as the Harry Potter Theater with the Akasaka Biz Tower decked out in the world of Harry Potter, and Akasaka began featuring a Harry Potter Cafe and the Harry Potter – Mahou Dokoro themed shops.

■ We opened “Brunch Park,” shop and restaurant produced by popular infotainment show “King’s Brunch,” on the first floor

Primary KPIs

- Operating rate
- Occupancy rate
- Renewable energy usage rate
- CO₂ reduction rate



of The Hexagon, right in front of the TBS Broadcast Center. It has become a space to enjoy the TBS experience through collaborations with TBS dramas and popular artists and the sale of program collaboration merchandise.

■ Akasaka BLITZ, which had until now been used as a live entertainment venue to deliver a variety of contents, was reborn as TBS Akasaka BLITZ Studio, a television studio. The first floor is an exhibition area for collaborations with popular programs while the third floor contains a viewing area where visitors can watch programs being filmed in the studio. Additionally, from the standpoint of the SDGs that TBS is promoting as a Group, we have reused 1.4 tons of broadcasting equipment which were used at the Broadcast Center and were scheduled for disposal to produce objects of art which are on display in the foyer in front of the studio.





Value Creation Story

Value Creation Story

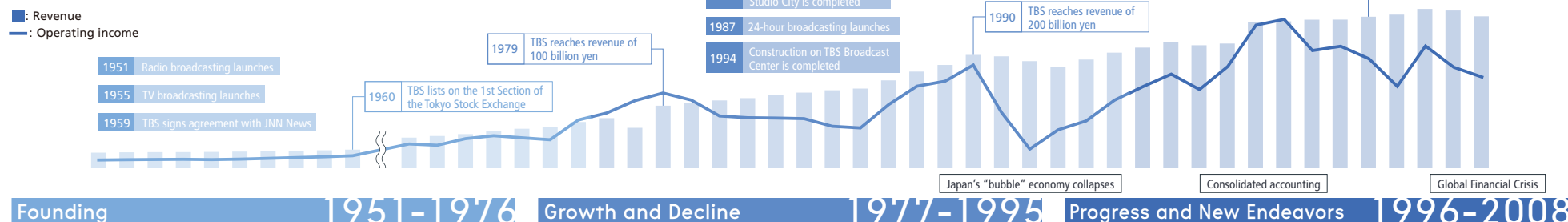
"I Will Be Your Bloom"

Growth Trajectory 1 1951-2008

Cultivating Content Creativity over Generations. Staying in Tune with the Times to Earn Trust.

After launching its radio broadcasts in 1951, TBS began broadcasting TV programming in 1955 to become a two-pronged force on the airwaves. The company, pursuing its broadcasting activities on public radio waves, has worked to provide information quickly, accurately, and across far-reaching areas to earn the trust of society.

In addition to enriching its broad array of programming content and working to reach new heights of creativity, TBS also operates commercial facilities, engages in Lifestyle Business, and takes many other steps to diversify its efforts so that it can continue to form closer, deeper connections to people's everyday lives.



TBS established itself as a media organization by offering the news in a multidimensional way that leverages the responsive, in-the-now medium of television, with JNN providing thorough coverage, anchors delivering compelling analysis, and teams reporting live on events as they happen.



"NewScope"



A powerful, moving story that grew out of TBS's efforts to take its creativity to the next level, "I'd Rather Be a Shellfish" became the first Japanese TV drama export when it hit the West German airwaves in 1961.



"I'd Rather Be a Shellfish"



TBS rolled out a string of new, unique shows that pushed the boundaries of the television medium. Examples included "The Best Ten," a music program that featured not only Japanese artists but also appearances by stars from overseas television live, and "Takeshi's Castle," which brought action and variety elements together for a thrilling, fun-packed viewing experience.



"The Best Ten"



On video, "Tell Me That You Love Me" sold 120,000 copies in its first fiscal year, making it one of the biggest drama hits the video industry had ever seen. Putting popular programming on video proved pivotal in driving the development of new businesses.



"Tell Me That You Love Me"



The emergence of young, up-and-coming producers with roots in the TBS lineage give life to a string of hits, including "GOOD LUCK!!," "Crying out Love, in the Center of the World," and "ROOKIES."



"Crying out Love in the Center of the World"



The company's theatrical operations also came into full swing with the opening of Akasaka BLITZ and TBS Akasaka ACT Theater. One notable stage production was a ballet performance by the Tetsuya Kumakawa K-BALLET COMPANY, which broke from the conventional ballet mold by selling out on its first day of ticket availability.

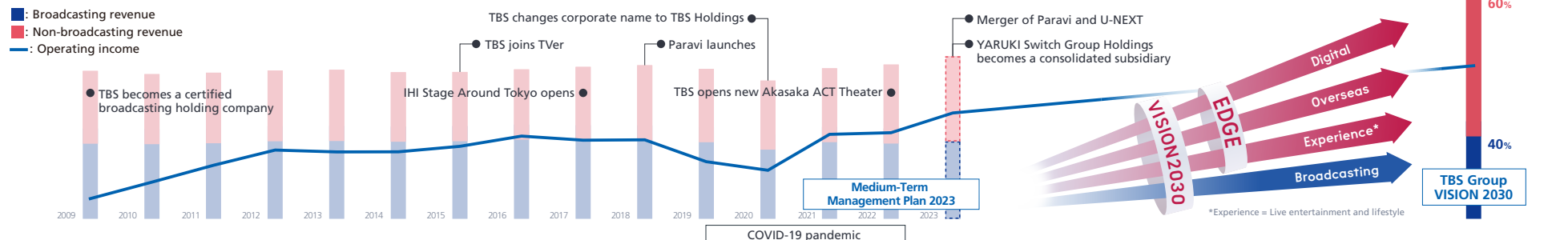


"Symphony No. 9 Ludwig van Beethoven" (ballet)
©Hidemitsu Seto

Growth Trajectory 2 2009-2030

Building a Business Model for Offering Powerful Content across Wide-Ranging Platforms

With smartphones and social media dominating the landscape, people are engaging with entertainment in ever-diversifying ways. TBS has cultivated a wide range of business activities around its core in the broadcasting business. Looking forward, TBS will use its broadcasting efforts and a diverse mix of other platforms to create content and services that move hearts and minds around the world, across generations, and in ways that align with changes in people's lifestyles and society as a whole.



Sustainable Growth and Exploration 2009-2020



TBS has broadcast hit shows that went viral on social media, such as "NAOKI HANZAWA," which won Japan's "buzzword of the year" for the phrase "I'll pay them back double," and "The Full-Time Wife Escapist," which popularized the "Love Dance." Meanwhile, TBS's focus on developing programming for family audiences has helped make variety shows like "The World Unknown to Matsuko" and "Secrets of the Pros Revealed" established fixtures on the TV schedule.



"NAOKI HANZAWA"



"Seven Souls in the Skull Castle" (stage series)

"Seven Souls in the Skull Castle"
©2017 HANA/TBS-Village-Gekidan; Shinkansen,
Photo by Aki Tanaka



Saborino

Beyond Tokyo, Beyond Broadcasting 2021-2030



In addition to enhancing broadcasting value, TBS also works to develop programming geared toward maximizing LTV. Eleven of our twelve prime time (7 p.m.–11 p.m.) dramas in FY2022 were original, non-adapted works, which tend to be easier to deploy across multiple platforms. That versatility made for a stronger presence and more expansion possibilities on a mix of platforms. We will continue to create content capable of forming foundations for our IP portfolio.



"VIVANT"



"Takeshi's Castle" (streaming)



"Takeshi's Castle," "Let's Get Divorced," and a host of other content is currently streaming across the globe. The stage play "Harry Potter and the Cursed Child," meanwhile, has not only wowed audiences with its incredible production but also created magical moments outside, transforming the area around Akasaka Sacas into a scene straight out of the Harry Potter world. TBS will continue to grow through proactive investments in the EDGE growth strategy, one that aims to maximize content value.



"TOKYO MER: Mobile Emergency Room—The Movie"

©2023 TOKYO MER—The Movie Production Committee

Working to Maximize Content LTV

Creating Mechanisms for Matching Users with Content

We believe that one of the keys to delivering wonderful “moments”—the goal at the core of our brand promise—is giving users the content they want when they want it.

Two IDs for Content LTV

To bring that goal to fruition, we began working on creating platforms for two IDs vital to optimizing user-content matching.

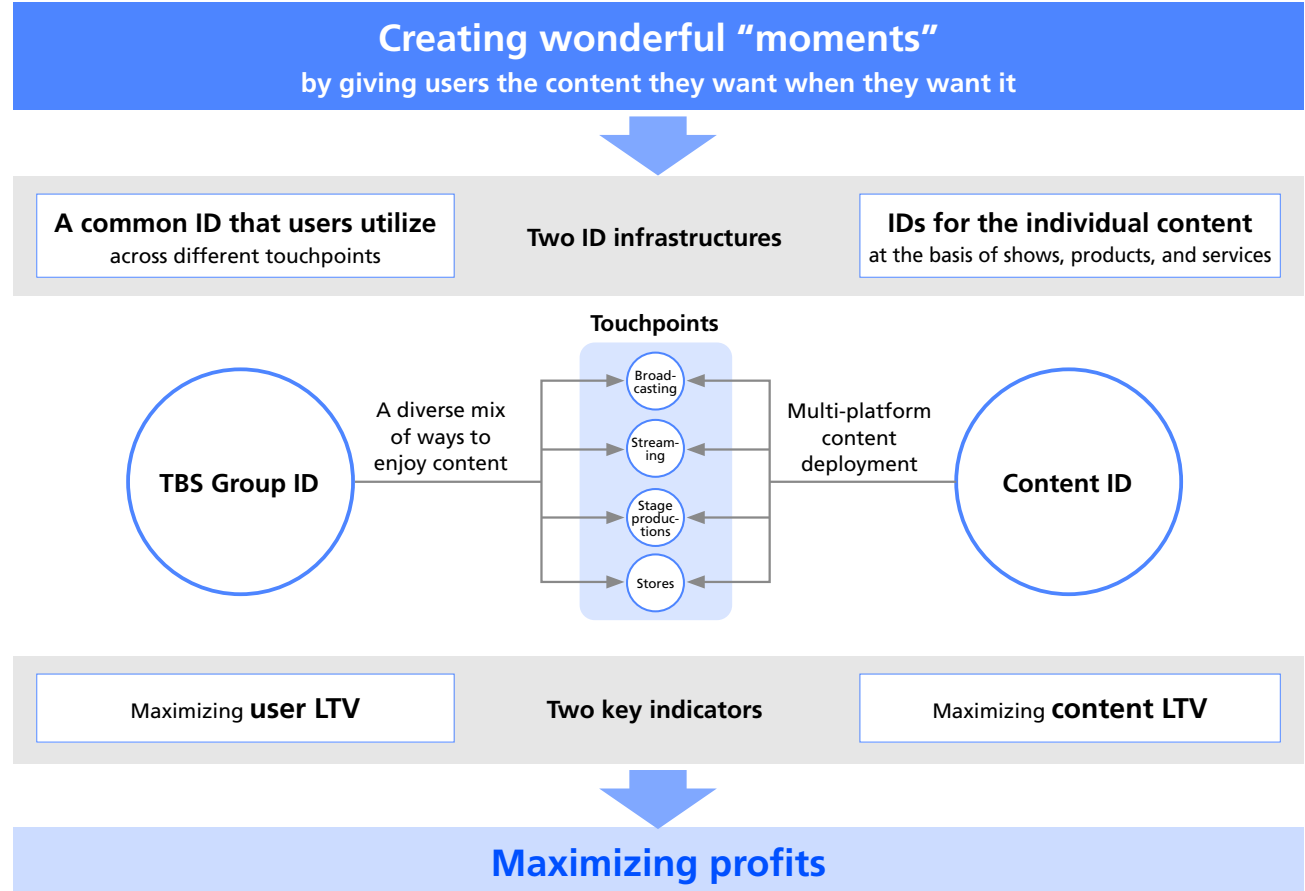
We also decided to use two LTVs as our key indicators in working to turn the IDs into revenue. LTV, which stands for “lifetime value,” generally refers to the value (revenue) that a customer generates over the course of their relationship with a company. At TBS, however, we also apply the LTV concept in assessing content that produces value for prolonged periods of time—long-loved content, in other words.

TBS Group ID: A common ID for users

This common ID service lets users engage with content across a wide range of touchpoints, from broadcasting and streaming to stage productions and stores.

Content ID: Linking individual multi-platform content

As we work toward multi-platform content deployment, [→P.57](#) managing the IDs of the content at the core of our shows, products, and services on an individual basis enables optimal user-content matching across touchpoints.



TBS Group ID

Delivering Optimal Content to Bring Every User Wonderful “Moments”

We offer content across a wide variety of touchpoints, including broadcasting, streaming, stores, and stage productions. The “TBS Group ID,” a common ID that covers every touchpoint, enhances convenience for the user. That one ID not only gives users easier access to content via full range of the TBS Group’s various touchpoints but also makes it easier for them to discover content that meets their individual needs.

Getting ready to debut the new service

The TBS Group ID Business Bureau and Personal Information Management Bureau, both of which formed last fiscal year, are leading the way in preparing the service for launch by the end of FY2023.

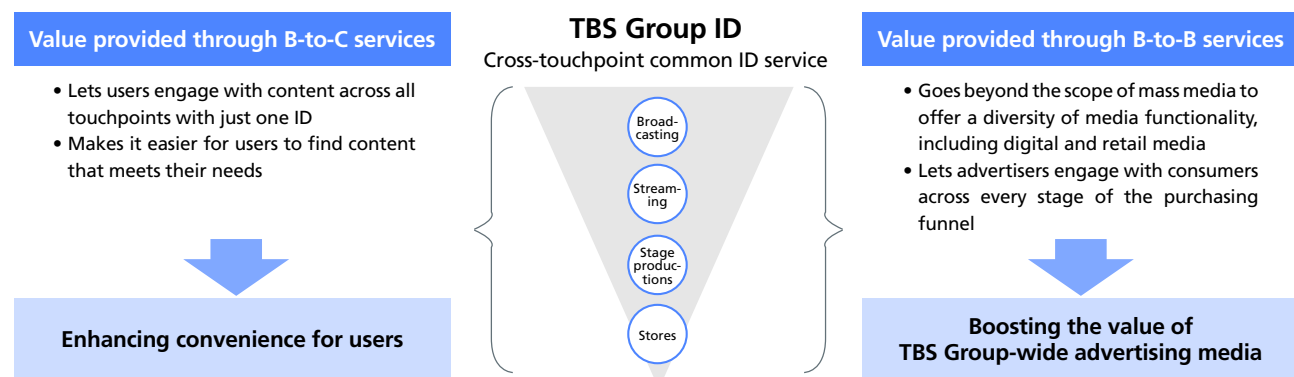
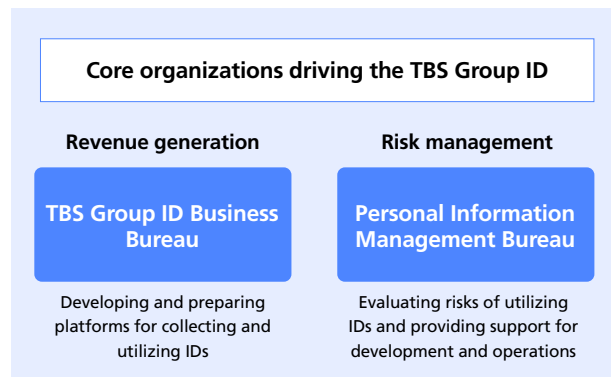
Future prospects that could propel growth in the advertising business

We believe that making the TBS Group ID a reality will not only enhance the value we provide through B-to-C services but also improve the value we offer in our B-to-B advertising business efforts. The first area where we anticipate applying the TBS Group ID is in digital advertising. A key step in that initiative will be collaborating with our new ad technology company, VOXX, which formed in August 2022.

As the TBS Group is also home to brick-and-mortar retail operations and e-commerce services, we also have our sights set on breaking into retail media advertising: services that online and offline retailers provide on their own platforms. Retail media advertising has a number of compelling features. In addition to helping companies effectively showcase their products when

consumers are making purchasing decisions, it also enables high-precision targeting grounded in the detailed consumer data—purchasing history, viewing history, and other information—that retailers collect.

By combining the mass-media advertising the TBS Group has offered in the past with stronger digital advertising and retail media advertising, we will be able to give advertisers new ways of reaching consumers at every stage of the purchase funnel. That will help us not only boost the value of individual media but also the value of media across the entire TBS Group, thereby sharpening the Group’s competitive edge.



Content ID

Using Content-Specific ID Management to Facilitate Multi-Platform Deployment

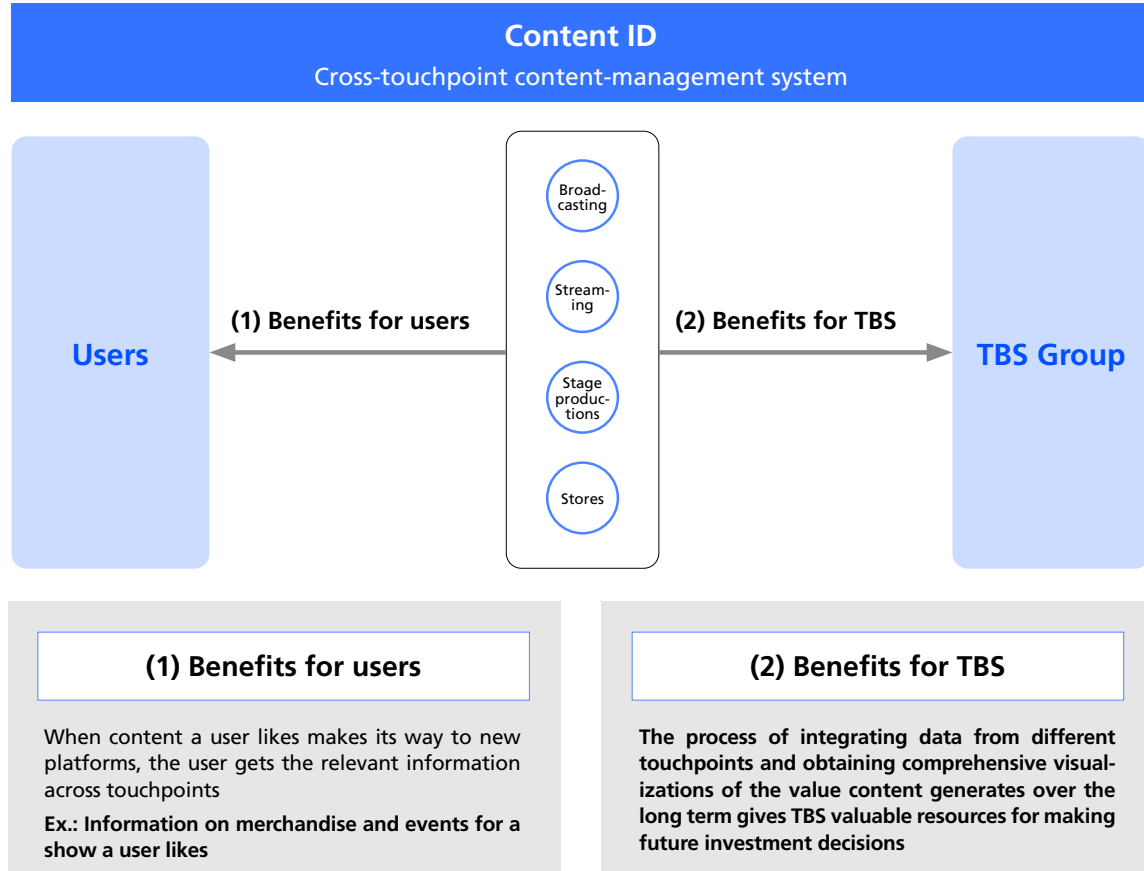
Leveraging our broad touchpoint coverage, we are taking more and more opportunities to put individual content on multiple platforms. For example, our array of options for multi-platform content deployment—from adapting dramas into films and holding events for variety shows to creating marketable merchandise for anime titles—gives us the ability to deliver the content we create to a broad range of users.

Current projects

To maximize the earnings of our multi-platform content deployment, we knew that we needed structures for managing content not by touchpoint, such as shows or products and services, but on a content-specific basis. We thus launched the “Content ID Promotion Project” in January 2023.

Future prospects that could enrich content investments

With Content IDs, we will be able to do more than just provide optimal content to users across different touchpoints. The new approach, integrating the data that we gather via our multi-platform content-deployment efforts, will also give us fuller, more comprehensive visualizations of the value that content generates. On top of that, we believe that the data will help us evaluate content from a more complete perspective and thus make faster, better decisions on content investments.



Drama: “I Will Be Your Bloom”

Deploying Content on a Compelling Mix of Platforms

TBS does more than broadcast the rich mix of content (dramas, variety shows, anime, and more) it prides itself on. By taking advantage of the Group’s wide-ranging platforms, TBS rolls that content out on multiple fronts. “I Will Be Your Bloom,” a drama that aired on TBS in 2022, is one example of how TBS is working to maximize LTV.

Debuting in October 2022, “I Will Be Your Bloom” featured a boy band called 8LOOM that made the leap from a fictional drama to real life—and catapulted the drama into a crossover success with a reach the likes of TBS had never seen. The integration was comprehensive: the group did live shows and events in alignment with the progress of the story, creating a link that allowed the drama and the artists, 8LOOM, to publicize each other. That synergy made a significant impact in generating new fans, increasing attendance figures, and promoting merchandise sales.

The show holds the all-time TBS record for highest merchandise revenue—and the totals are still rising.



October 2022– (terrestrial broadcasting)

Multi-platform deployment of “I Will Be Your Bloom” (drama)

Web streaming

Recorded **second-most** new users for individual content in Paravi history

The drama served as a jump-off point for a variety of other content, including unreleased footage from “365 Days to I Will Be Your Bloom” (which followed the formation of the group over the course of one year, starting with auditions) and “8LOOM: The I Will Be Your Bloom After-party,” a show-case of behind-the-scenes stories.



CS broadcasting

Generated over **3,000** new subscriptions

TBS broadcast a lineup of 8LOOM-focused programming and a complete edition of the group’s live tour on TBS Channel 1 (CS), an effort that brought in 3,000 new subscriptions.

Blu-ray & DVD

Sales topped **60,000** sets

Releases of drama series for home viewing usually simply package the episodes of the series together. With “I Will Be Your Bloom,” however, TBS rolled out two packages: one for the drama itself, which came out in March 2023 and sold 17,000 sets, and one for the live tour, which hit shelves in May and sold 50,000 copies by the end of the month.



Music streaming

Released **five** new original songs
Totalled over **200 million** streams

8LOOM’s seven members came from different talent agencies. To ease challenges on the logistical side, TBS designed the contracts so that Nichion (a TBS Group company) would hold the rights to and manage all the group’s songs while the members were part of 8LOOM. That enabled the TBS Group to consolidate sales in one place.

Overseas streaming

Launched worldwide streaming on Netflix in February 2023

Episodes hit Netflix for streaming in Japan immediately after airing on TV. The show then made its international streaming debut in February 2023.

Merchandise and books

TBS Store at JR Tokyo Station **bested the broadcasting retail market in FY2022 revenue**

TBS released over 120 pieces of merchandise that gave boy-band fans a full palette of choices to meet their needs. Buoyed by the success of “I Will Be Your Bloom,” the TBS Store at JR Tokyo Station posted the highest revenue mark of any broadcasting retail location—from other commercial broadcasters to public broadcaster NHK—in FY2022. Other sales drivers included collaborations with popular brands, such as lounge-wear that characters wore on the show, and photo exhibitions across the country, which boosted the revenue volume of photo collections.



Tours and events

Immediately sold out all tickets for **8 performances in 3 cities**

One major contributor to merchandise revenue was a lineup of live, in-person events that fueled substantial enthusiasm among fans. A total of 8 live performances, funded completely by TBS, sold out the day they went on sale. Rounding out the event program were gatherings like the “I Will Be Your Bloom Exhibition,” which showcased reproductions of the main sets from the series along with characters’ clothing and props; fanmeets with performances and talk-show sessions featuring the 8LOOM members; and a food-focused event at Akasaka Brunch Park, where guests got to taste dishes that made appearances on the show and menu items themed around their favorite members.



Producer, *"I Will Be Your Bloom"* (drama)

Only on TBS: Breaking New Ground in the Drama Landscape

"I Will Be Your Bloom" spawned 8LOOM, a fictional-turned-real boy band, and the drama's content business continues to set new revenue and profit records for TBS. We talked with the producer of the series to learn more about how it all came about.



Lai King Yi

Programming Section, Programming Department, TV Programming Division, Multi-Platform Media Division, TBS TELEVISION, INC.

profile

Joined TBS in 2015. Born in Hong Kong and raised in Beijing. Showing an interest in Japanese content during her elementary school years, taught herself Japanese and eventually made her way to the country. Made her debut as a producer with *"A Warm Up Love"* (2020). Won the Best Drama Award at the 108th The Television Drama Academy Awards (2021) for *"Dragon Sakura S2"* (2021).

Where did you get the idea to take a boy band from a drama and actually make them a unit in real life?

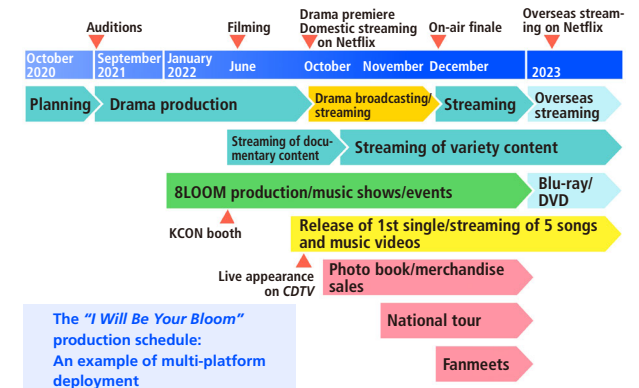
With the company focusing on creating original IP and "oshikatsu" (enthusiastically supporting singers, entertainers, and others) now a part of everyday life, we started talking about how incorporating a boy band into a drama might have a lot of pull. Then we got to the idea of enhancing the viewing experience with a new dimension: giving people the chance to see a live performance by a group they saw on a drama the night before, buy merchandise, and listen to actual songs. That's how the project got going. It was an effort unlike anything TBS had done before, but that didn't mean the company shied away from it. Since new endeavors are a big priority at TBS right now, we had plenty of support.

Did you anticipate seeing these levels of earnings from the start?

I knew that 8LOOM had the potential to be big—but with the COVID-19 pandemic, I also knew it would be somewhat of a gamble. We started streaming behind-the-scenes documentary footage about six months before the actual drama went on air. The group's first single came out around a month ahead of the premiere too. But we didn't see the kind of response we were expecting. Things changed, though, when the group made an appearance on *"CDTV LIVE! LIVE!"* (a terrestrial broadcast) a week before the premiere. With the promotional impact that appearance had, all the seeds we'd been carefully laying over the previous several months finally started to bear fruit. To me, that's the real advantage of having an entire TV station get behind a project like ours: the power to spread information.

What do you think enabled *"I Will Be Your Bloom"* to earn its place among TBS's highest-earning individual content to date?

One thing was the fact that we committed to generating profit but made sure that fan satisfaction was our top priority—and 8LOOM was fully on board. You could tell that the members wanted to be as involved as they could in events, TikTok videos, and other promotional activities, and I think that showed the fans how into it they were. The second thing was that we kept all the profits in house. Nichion, a Group company, managed all the rights to the music. TBS brought in all the proceeds from merchandise too, as TBS stores and the StylingLife Group handled sales. Having the coverage of the entire TBS Group, with its variety of platforms and array of different Group companies, was crucial.



Striving to Provide Wonderful “Moments” to the World

Global Market Expansion at TBS: An Ever-Evolving Effort over More than 60 Years

For over six decades, TBS has worked to expand into the global business market on multiple fronts ranging from syndication and format sales (selling program concepts) to the sale of drama and film remakes. And new endeavors, fueled by in-house IP and the production prowess TBS has honed over the years, are always in progress.

Drama series streaming around the world one after another

TBS distributes new drama series and a host of other content on global platforms. Although overseas distribution of drama series has primarily taken place in the Asia region, the reach that today's streaming services boast presents an extraordinary opportunity for TBS to deliver its content to audiences around the world.

In addition to making new dramas accessible to more viewers on these platforms, TBS is also streaming older series like *“Ikebukuro West Gate Park”* and *“Tiger and Dragon”* both domestically and internationally. Efforts to expand overseas used to operate on a syndication basis, a setup that left some content out of the distribution picture. As the streaming market now continues to grow, however, shows that aired in Japan as far back as 20 years ago are finally finding their way to audiences abroad. These types of throwback titles generated considerable buzz when they hit domestic streaming prior to their global debuts, testifying to the enduring appeal of TBS content.

Pioneering format sales

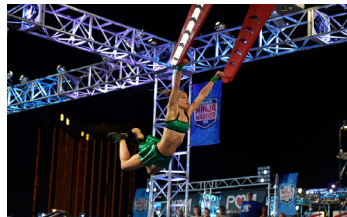
TBS's track record in format sales includes several high-profile titles, such as the *“Funny Home Video Corner”* from *“Kato and*

Ken's Good-Time TV”; *“Takeshi's Castle,”* which currently has localized versions in production in Saudi Arabia and several other countries; and *“SASUKE”*.

“SASUKE” has made it to the airwaves in over 160 countries and spawned the production of local versions in over 25 countries. Localized renditions of *“Funny Home Video Corner,”* too, have been seen in over 100 countries around the world. The American version of the show has aired a total of over 750 episodes over 33 seasons since debuting in 1989, making it one of the world's longest-running shows and cementing its place alongside *“Takeshi's Castle”* as a global success story in format sales.

“SASUKE,” meanwhile, has expanded into a wide-ranging, IP-driven “derivative sales” franchise with a bevy of merchandising, tie-ins, and even theme parks in the UK and US.

TBS is also active in the development of new formats. One example is its collaboration with the high-profile producer behind the American version of *“The Masked Singer”* on *“Love by A.I.”*—an AI-driven dating reality show that premiered in October 2022 at MIPCOM CANNES, the world's largest entertainment content market.



“American Ninja Warrior”
© NBCUniversal Media, LLC

Accelerating global market expansion through in-house IP

With teams of some of the best and brightest creative minds around, TBS is also accelerating the development of original IP with overseas over-the-top media providers and making more and more content available for streaming worldwide.

That initiative brought about the recent revival of *“Takeshi's Castle,”* which is now an Amazon Original streaming brand-new episodes on Amazon Prime Video around the world since April 21, 2023. Another example is *“Let's Get Divorced.”* The drama, produced by Group company TBS Sparkle and streaming across the globe since June 22, 2023, is TBS's first Netflix original series.

THE SEVEN, Inc., a new company that forged a strategic partnership with Netflix in November 2022, has created plans and proposals for other overseas over-the-top providers—several of which are to be green-lit this fiscal year. TBS is extending its global reach, and we hope you stay tuned for more.



“Takeshi's Castle”
(Amazon Original)



“Let's Get Divorced”
(Netflix series)



Content Innovation & Technology

Original IP = Intellectual Capital That Creates Wonderful “Moments”

Maximizing LTV by Leveraging a Trove of IPs for Multiple Purposes



Key issues for the TBS Group (as of May 2022)

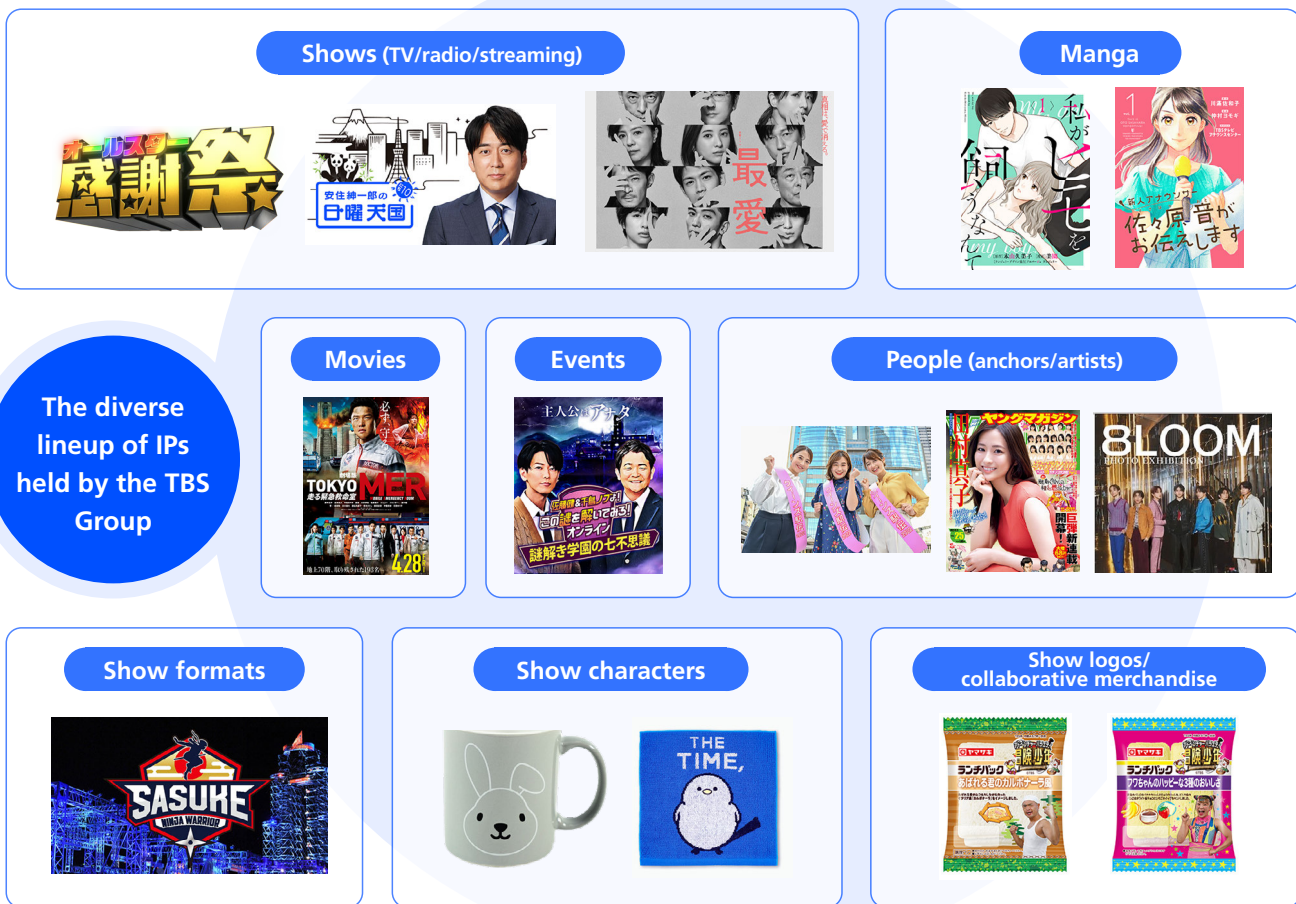
From Materiality 01

- Recruiting and nurturing future **original IP** creators
- Fostering workplace environments and systems that facilitate taking on **challenge**
- Finding human capital and improving structures for **global expansion**
- Improving the management and use of content to enhance **lifetime value**

The intellectual capital (i.e., IP) of the TBS Group comprises an expansive collection of media content that the company has developed and accumulated since its establishment. In recent years, we have particularly been focused on producing original IPs and content produced in-house that are not adaptations of outside works. We create and provide a wide range of content that is not limited to TV shows but also includes movies, events and manga publications. In addition to the content itself, our definition IP also extends to TV show formats, logos and original characters as well as our human resources, from which we generate revenue.

Internal efforts are also underway to fully utilize TBS's IPs across a diverse range of platforms. We established a company-wide initiative called **the Multi-Purpose Content Strategy Project** →P.65 in July 2021, and various departments have since been working together to launch numerous projects.

Furthermore, all of TBS's group companies are working as a whole to expand the IP business and maximize content LTV (customer lifetime value). For example, TBS Sparkle and Manga Box create original IPs. Nichion produces original music and also manages music copyrights. TBS Glowdia re-uses IPs and operates an expansive licensing business. The StylingLife Group as a whole is involved in the IP business, with a focus on the sale of goods.



IP Business Projects: Recent Achievements

From Content Holder to IP Holder!

In the past, TV stations relied on the short-term business model of generating most of their profits by airing advertisements during TV broadcasts. However, going forward, TBS will actively engage in a medium-long-term IP business model that generates profits by expanding our content beyond TV broadcasts and having it be viewed by a more diverse audience over longer periods. This page features the achievements of our IP businesses that have generated significant profits in recent years.

Online streaming of TV shows

In addition to providing video-on-demand (VOD) streaming for missed TV shows, TBS began to simulcast prime time shows online in April 2022. Furthermore, viewers can watch a wide-ranging lineup of shows, from the latest episodes to past masterworks, using an online paid service. This allows us to deliver TBS content to even more people without the restrictions of time, place and device that come with TV broadcasting. As of March 2023, TBS offers around 1,420 titles and 11,130 episodes (paid and free combined) for streaming at all times. **Our streaming advertisement revenue for FY2022 reached around 5.7 billion yen.**

VOD streaming performance (FY2022)

*Monthly average: 55.85 million views
*Views in December reached 88.59 million, the highest ever for any TV station

3 most-watched TBS TV drama series

1	"Why Didn't I Tell You a Million Times?"	24.39 million views
2	"The Black Swindler" (new)	23.97 million views
3	"Hold My Hand at Twilight"	22.44 million views

3 most-watched TBS entertainment shows

1	"Any Theory Goes"	53.59 million views
2	"LOVE it!"	23.82 million views
3	"The World Unknown to Matsuko"	17.68 million views

*"Any Theory Goes" won the TVer Award for Best Entertainment Program for two years running in FY2021 and FY2022
*"LOVE it!" won the Special Award of TVer Award 2022

Sales of original character merchandise

The TBS store sells merchandise featuring Lappy, the mascot character of "LOVE it!", a show that revolutionized morning TV. This past spring, we opened a Lappy Market in TBS's flagship store, THE MARKET, for a limited period to celebrate the show's second anniversary. The market offered not only Lappy goods but also collaborative merchandise featuring the show's cast. **Total revenue from the show's merchandise have exceeded 220 million yen.**



Sales of licensed products in collaboration with TV shows

Developing products in collaboration with other companies allows TBS to publicize its TV shows while also earning profits from licensing fees. For example, the TV show "Timeless Shops & Restaurants" documented the cast getting directly involved in developing a business's product. It was then sold in the company's store and became a great success. Furthermore, the cast of "Bouken Shounen" ("I Am Adventure Boy") worked on a large-scale collaboration with Yamazaki Baking involving the company's popular product, Lunch Pack, which drew a lot of attention.



Online sales of products featured on TV shows

The TBS online store, TBS Shopping, launched an exclusive page in April 2022 where users can order delicious foods from establishments that were featured on Sunday's popular TV show "Bananaman's Gotcha Gourmet!" **Revenue from the site has exceeded 100 million yen.**



A live event hosted by a radio show

"Tamamusubi" is a TBS radio show that began airing in April 2012. It celebrated its 10th anniversary in April 2022 and held a live event with an audience titled "Tamamusubi in Budokan." Over 20,000 people took part in the event, either in-person at the Nippon Budokan or as online participants. **The total revenue from goods and DVDs reached around 170 million yen.**



IP Business Projects: New IP Initiatives

This, That, These, Those – All IPs

Creating new IPs with news content

As a TV broadcast station committed to our social mission, TBS produces an enormous amount of news content through our daily work in journalism. In recent years, we have been particularly focused on creating IPs based on such news content, in addition to drama series, anime and entertainment shows.

◆ TBS DOCS

News programs do not always air the entirety of the extensive content gathered through interviews and investigations. Sometimes, extensions of the news story, background information, as well as the passionate work of our journalists and directors get buried. The TBS Documentary Film Festival was launched as a means to deliver various news as documentary films to be viewed in greater depth with more time. Furthermore, we established TBS DOCS as a new brand covering the entire collection of TBS documentary films. We release many films from the trove of news content and create social impacts with the TBS Documentary Film Festival. News stories that receive recognition are further investigated, documented and made into full-length theatrical films shown nationwide, which lead to enhancing our branding efforts and creating revenue. Going forward, we will also develop IPs and release information that target the global audience.



People are also valuable IPs of TBS

In addition to the previously mentioned boy band group 8LOOM from "I Will Be Your Bloom," TBS is engaged in various other initiatives that view and actively leverage people as "human IPs" to generate profits.

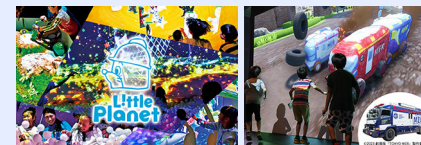
◆ THE IDOL BAND : BOY'S BATTLE was launched in June 2022 as a joint Japanese-Korean project to form a boy band. The project was undertaken in partnership with FNC Entertainment, a leading band management company in South Korea, and SBS, a South Korean TV broadcast station. Having participated in the project from the audition to the debut of the idol band, TBS is able to leverage the band as a human IP after its debut and will receive a distribution of the profits it generates over the next five years. Fifty-four entrants passed the preliminary auditions held in Japan and Korea, who went on to clear numerous missions over the next half a year or so. Then, in the final round held on March 4, a five-member Japanese-Korean band debuted globally as Hi-Fi Un!corn. Going forward, the band plans to release songs and perform at live concerts not only in Japan and Korea but also worldwide.



Leveraging IPs in intellectual training and education

◆ Next-generation theme part Little Planet

TBS has been supporting Little Planet to expand its business in Japan and overseas since investing in the company in 2018. We are also working together to expand the intellectual training business. TBS was also involved in developing the games featured in the TV show "Oto Attraction" ("Sound Games") that aired until February 2022. The project's initiatives allowed viewers and visitors to enjoy the IPs both in the TV show and the theme park. In addition, we also provide new experiences that merge the real and digital worlds, such as with a collaborative project that allows visitors to experience the world of the movie "TOKYO MER."



◆ Strategic management of TBS anchors

TBS has begun to manage its anchors more strategically than before, actively offering them opportunities to take on projects from not only inside but also outside the company. In June 2022, for example, TBS anchor Noriyuki Hasumi was the presenter of the Childcare Leave Acquisition Support Summit organized by the Tokyo Metropolitan Government. This work led to Hasumi being selected as the 2022 IKUMEN OF THE YEAR (Ikumen refers to men who take part in childcare).



IP Business Projects

A Massive Archive and a Fanbase That Grows Larger over Time

TBS's archive is in itself our competitive superiority

When TV shows look back on the famous stars and shows of the Showa Era (1926 – 1989), those created by TBS are always featured as unforgettable works. Among them, for example, are “*Hachiji Da Yo! Zen'in Shugo*” (“*It's Eight O'Clock! Everyone Gather*”), “*The Best Ten*” (a live music TV show), and countless TV drama masterpieces.

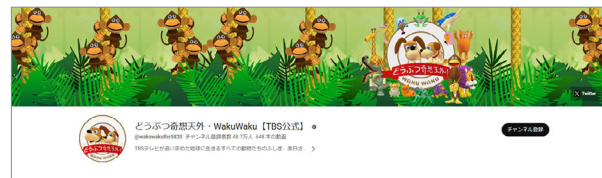
One of the unique characteristics of TBS is that a large majority of the TV shows created over the course of its history were produced in-house.

The company employs producers and directors who are able to draw out, enhance and bring together the gifted talents of the cast and staff. This practice has been passed down over the years, allowing TBS to continuously produce a multitude of content that have adorned the ages. In-house production is more expensive and demanding than outsourcing, but we are able to fully utilize the archive precisely because the shows were created by our employees. Furthermore, in recent years, we are focused on producing TV drama series that have original stories written from scratch with a scriptwriter rather than adapting existing titles.

Number of original TV drama series aired during the 12 regular prime time slots available in a year that are not based on an existing title



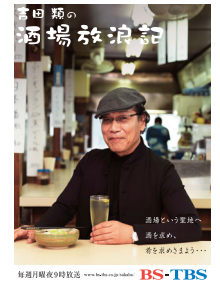
Utilizing the archive has the potential to produce many forms of revenue, such as from advertisements when airing reruns on TV, CS broadcasting contracts, DVD/Blu-ray sales, and streaming. While YouTube could previously only be used for promotions, videos can now be monetized as well. On our YouTube channel *Amazing Animals/WAKUWAKU*, created in September 2020, we upload various videos of rare animal clips that were previously aired on TV and have now been re-edited, allowing us to reach viewers around the world. **The channel has 488,000 subscribers and the videos have been viewed a total of over 220 million times** (as of August 1).



Show formats that slowly but steadily capture fans and are loved for many years

Another one of TBS's strengths is our ability to start with small projects and develop them into popular shows over many years.

A good example is “*SAKABA: Bar Hop-ping Report by Rui Yoshida*,” a show on BS-TBS that features a middle-aged man, whose trademark look is a flat cap, drinking at different establishments. It began in 2003 as a small segment of a show that was airing at the time. After steadily growing in popularity, it became its own 30-minute show in 2008.



Social media was flourishing in the world at the time.

Nothing was greater than our compatibility with X (then Twitter), a platform that creates a strong connection with hardcore fans.

Hashtags related to “SAKABA” appear on the trending list every week.

The show has also increasingly been used for multiple purposes since the 2010s, such as for a collaborative TV commercial with ROHTO Pharmaceutical and a live talk show event to celebrate its 10th anniversary. In November 2022, it even got its own official fan club website after almost 20 years since first being aired.

The spirit that we have cultivated at TBS of “devoting our hearts and souls to meticulously develop each and every piece of content” is what drives us to continuously generate profits no matter the age or circumstance.

IP Business: Future Outlook

To Promote Even More Active Use of IPs

Multi-Purpose Content Strategy Project

The Multi-Purpose Content Strategy Project was established in July 2021 as a company-wide, cross-sectional organization that aims to promote the active use of TBS's IPs.

Mottainai (what a waste)!

Let's leverage the treasure trove we have at TBS!

Creating and broadcasting TV shows has been TBS's main form of business since its establishment. Therefore, our knowledge in developing and utilizing IPs is still lacking. We were sometimes told, "TBS has such a rich trove of IPs. Why aren't you using them? Mottainai (what a waste)!"

One cannot expect to produce a significant profit by only creating IPs or conveying the IPs of others. Our strength at TBS is that we have plenty of creativity to create IPs and we are able to run a streamlined IP business using a diverse range of platforms.

We will promote the utilization of IPs to expand our business beyond TV broadcasting by actively developing and re-using IPs for various different purposes while maintaining TV broadcasting as our central pillar.

The Multi-Purpose Content Strategy Project spearheaded the collaboration between the drama series "I Will Be Your Bloom" and leading fashion brand MASH Style Lab.



10月スタート 火曜ドラマ
君の花になる
×
MASH STYLE LAB

Manga by a TV drama series producer

TBS worked with its group company Manga Box to create a manga titled "Hide from the Rain" as an original IP. The manga was turned into a live-action series and aired from March 28, 2023.

Two-way perk with a manga and drama series!

Existing manga are often adapted into live-action drama series, but to do so, we must first receive permission from the publisher, pay royalty and furthermore work within various limits regarding the use of the IP. As such, we had a drama series producer plan and propose an original manga. He worked with TBS's group company Manga Box to create the manga, which was then adapted into a live-action series. This produced a two-way perk, with fans of the manga watching the TV drama series and viewers of the drama series picking up the manga.

TBS × **Manga Box**



We will create and deliver original games!

As TBS launches a full-scale entry into the gaming industry, Kenji Hiruta was appointed as a Specially Appointed Executive Officer at TBS Television on April 1, 2023. An expert in the gaming industry, Hiruta has experience in establishing new game businesses at Yahoo and managing the expansion of an overseas business at Tecmo Koei Canada.



We will leverage games to develop original IPs and maximize Content LTV (customer lifetime value) to fulfill the Vision 2030 EDGE Strategy!

A teaser website for TBS Games opened in July. Under the slogan of "Bringing You the Best Gaming Experience," we will leverage the TBS Group's ultimate weapon, the power of content creation. We will deliver the most impressive gaming experiences through consumer, mobile, PC, arcade, card, board games, and other gaming types to best suit our customers and turn our original IPs into household names around the world.

TBS GAMES



Content Creation Bases

TBS Facilities and Infrastructure to Create and Deliver



Creating globally beloved original content



Innovating work through the development and utilization of technology

Key issues for the TBS Group (as of May 2022)

From Materiality 01 and 03

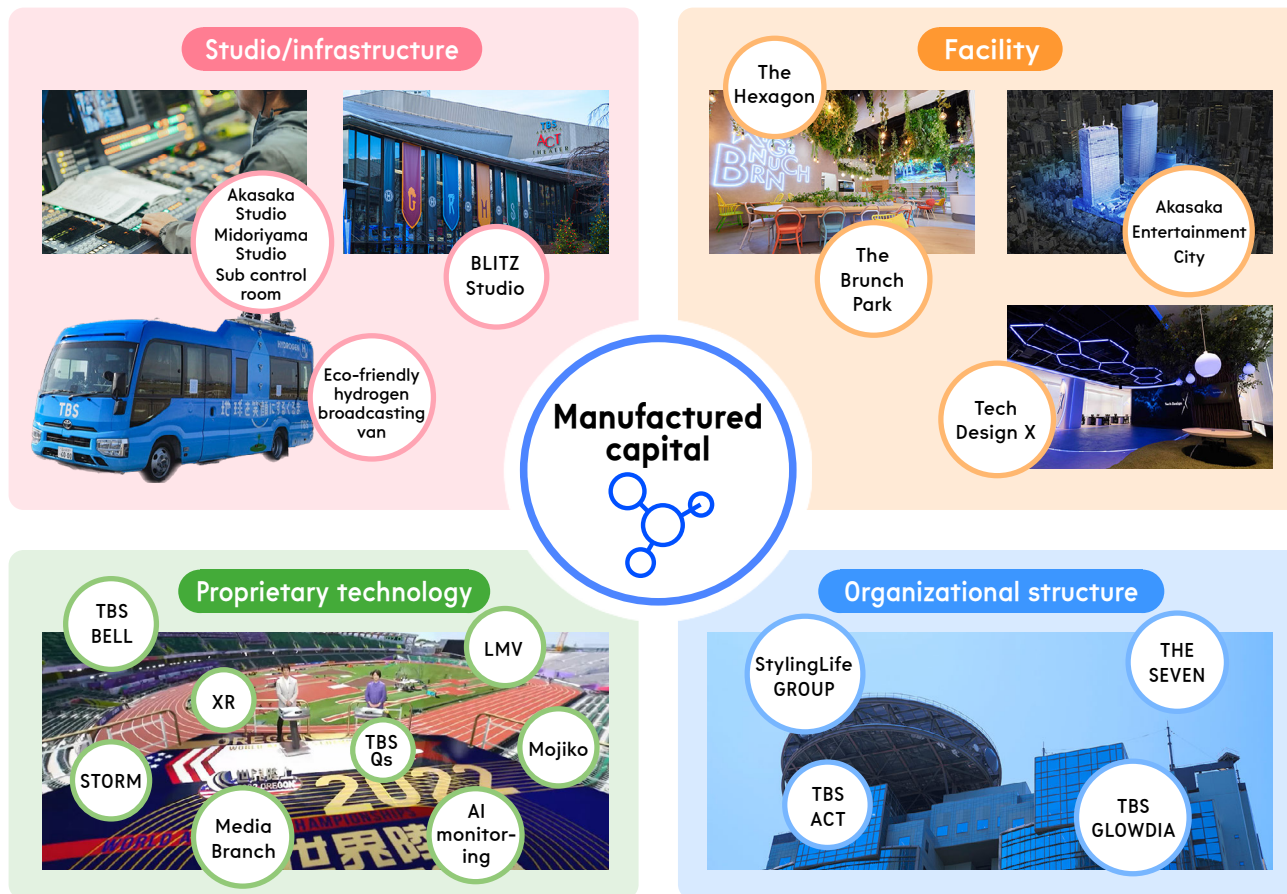
- Developing and leveraging proprietary technologies to **improve content quality**
- **Developing technologies** to optimize operations and save labor (cost reduction)
- Fostering workplace environments and systems that facilitate taking on **challenge**
- Finding human capital and improving structures for **global expansion**
- Improving the management and use of content to enhance **lifetime value**

The manufactured capital of TBS is classified into studio/infrastructure, facility, proprietary technology, and organizational structure. These are the driving forces behind TBS's ability to create and deliver content to its audiences.

The TBS Broadcast Center located in Akasaka, Tokyo, houses recording studios and editing equipment to create content, broadcasting vans to deliver video and sound, and a network control center/master control room to deliver content on air. In addition, live cameras permanently installed across the country to relay information on the state of each region in the case of natural disasters are also classified as TBS's studio/infrastructure capital.

TBS holds a diverse range of manufactured capital that is not only limited to video equipment but also extends to the TBS Akasaka ACT Theater, used for theatrical shows and live performances, as well as the Midoriyama Studio, an expansive filming studio exclusively for shooting TV drama series (to create).

Furthermore, TBS is actively engaged in researching and developing a broad range of technologies and is working to expand proprietary technologies and businesses beyond the scope of TV broadcasting. Taking on these challenges is made possible by TBS's organizational structure.



TBS Studios

Owning Vast Real Estate Properties: Major Bases to Create a Rich Lineup of Content

Midoriyama Studio

■ The Midoriyama Studio is one of Japan's largest TV Studios

The Midoriyama Studio is located on an expansive property of around 264,500 m² in Midoriyama, Aoba-ku, Yokohama City. One of the largest TV studios in Japan, it has indoor filming spaces to create various video content and outdoor facilities that can be adapted for use in many different situations. While the Midoriyama Studio is used to produce various types of video content, such as TV drama series and entertainment shows, TBS is not the only user. For example, NHK also uses the facility to film its annual year-long drama series, the Taiga Drama.



■ Utilizing the vast open space

TBS fully utilizes the expansive open space of the Midoriyama Studio for various content creation projects. For example, the facility has a demonstration set from the popular show *"Sasuke: Ninja Warrior,"* which is held in over 160 countries and regions worldwide. It also has an outdoor set from *"Takeshi's Castle,"* an action entertainment show with viewer participation that was revived on Amazon Prime Video. Furthermore, the track



from the famous "Akasaka 5-Chome Mini Marathon" segment of *"All-Star Thanksgiving Festival"* was also reproduced in Midoriyama in 2020.

■ M6 Studio

The M6 Studio is scheduled to complete construction in 2023, which will make it one of the largest private filming studios in Japan (around 1,000 m²). It will be operated by the new company THE SEVEN as a high-end content production site capable of not only filming TV drama series but also flexibly responding to over-the-top (OTT) media service companies overseas.



M6 Studio (finalized exterior concept)

■ M4 Studio

The M4 Studio, which is currently operating as one of TBS's production bases for filming drama series, will be updated this year. We plan to permanently install a cinema camera in the facility, which will be a first for TBS. This will enable production teams to create even more cinematic videos.

■ Optimizing the editing process with a high-speed digital leased line

A high-speed digital leased line was set up and began operating between the Midoriyama Studio and Akasaka TBS in June 2022, establishing a network to send and receive data. This optimizes the editing process as the video file can be sent to Akasaka as soon as on-set filming is complete.

BLITZ Studio

■ The TBS Akasaka BLITZ Studio opened in October 2022

The BLITZ Studio has been operating as our 11th studio in Akasaka since 2022, specializing in the production and recording of entertainment shows. Although the facility's main purpose is to record, it is connected to the TBS Broadcast Center via an optical network, allowing it to coordinate with the station's sub control room to deliver live broadcasts as well.



■ Event areas with a focus on entertainment

The BLITZ Studio has an exhibition area featuring collaborations with popular TV shows on the first floor, and viewing stands on the third floor where visitors can watch shows being recorded in the studios.



■ A multi-purpose facility that extends beyond terrestrial TV shows

We plan to use the BLITZ Studio for a diverse range of purposes in the future, not only for terrestrial TV shows by TBS but also for online streaming shows and events held for various projects in the Akasaka Sacas Square.

The Challenge of Content Creation

To Create and Deliver Entertainment in Line with Global Trends

Tech Design X (Cross)

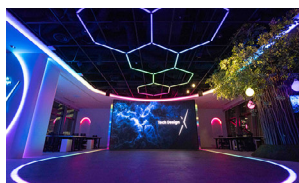
■ **Opened in March 2023 as a base for the TBS Tech Design Lab**
Tech Design X (Cross) opened on the 9th floor of the Hexagon in Akasaka in March 2023 as the first innovation space of the TBS Group. We believe it will function as a place for the group to engage in R&D and develop software systems that focus on technology and design.

Tech Design



■ Spatial effects and spatial sound equipment

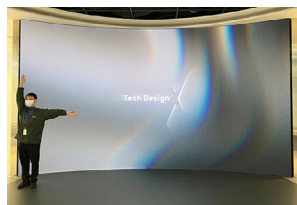
The facility is permanently equipped with lighting, decorative illumination and spatial sound equipment that can be controlled over a network. This allows us to test various spatial effects, not just for broadcasts but also for theatrical stages and events.



■ Large 6 m x 3.4 m LED wall

A giant LED wall measuring 6 m wide and 3.4 m tall is used to research and test the most advanced video technologies. These

include, for example, the extended reality (XR) technologies that were used in the Beijing 2022 Winter Olympic Games and the World Athletics Championships Oregon 2022, as well as the virtual production technologies used in the Sunday night drama series “My Family.”



■ Utilized for a range of purposes such as for events and new business development

In addition to researching and developing the latest technologies as a research facility of the TBS Group, Tech Design X is also being utilized for a wide range of initiatives to enhance TBS's branding. For example, it was used as an experiential venue during an event for SDGs Day and also hosts joint events with other companies.



The Brunch Park

■ A store and restaurant based on the infotainment show “King’s Brunch” opened in October 2022

The Brunch Park, which opened in October 2022, is a next-generation restaurant and store based on the infotainment show “King’s Brunch” by TBS Television, Inc. Located one minute away by foot from Akasaka Station, it is gaining popularity as a trendsetting establishment where visitors can be the first to enjoy specially designed dishes and entertainment programs that are uniquely “King’s Brunch.”

Going forward, we plan to hold collaborative events with the TV show and other outside content at the Brunch Park. It will also offer exclusive menus and goods recommended by “King’s Brunch” and TBS Television, Inc. that fit the seasons and social trends. We hope visitors can make new discoveries and find pleasant surprises here, where we provide experiences that make ordinary weekends a little more fun, just like “King’s Brunch” itself.



Capital expenditures (CAPEX)	FY2021 result	FY2022 result	FY2023 forecast
	28.9 billion yen	26.9 billion yen	21.0 billion yen

Proprietary Technologies Developed by TBS

Improving Content Quality and Entering New Growth Fields

Technology is the key to achieving the TBS Group VISION 2030. At TBS, we are engaged in various initiatives, such as enhancing content experience, optimizing operations and taking on the challenge of entering new growth fields. To this end, we continue to develop technologies. We are currently undertaking a reform that aims to (1) maintain the quality of our TV shows

while (2) constantly taking on new challenges. We are striving to significantly reform the conventional broadcasting business by providing consumers with opportunities to come into contact with TBS's content in various places, from everyday devices, such as TVs, smartphones and computers, to an entire corner of the city such as Akasaka Entertainment City.

Experience

New experiences that TBS developed and offers.

■ LMV(Live Multi Viewing)

Streams videos of an event venue from multiple angles.



■ TBS BELL

A proprietary system developed by TBS to connect many remote participants.
(Received the Best Technology Development Award from the Motion Picture and Television Engineering Society of Japan)



■ TBS Qs

A real-time viewer participation quiz system. Viewers can easily participate by using their smartphones to enjoy new experiences while watching TV or at events.

TBS Qs

■ Extended Reality (XR) Technology

XR is a technology that synthesizes real-life videos and 3D CG using a real-time engine, making it appear as if the scene was filmed in a totally different location, such as a large event venue or a futuristic city. (Received the Award of Excellence of the Digital Content of the Year '22/28th AMD Annual Content Awards)



Work optimization

Striving to optimize work operations to make more time for creativity.

■ Media Branch

Online submission of videos for broadcasting



■ AI Monitoring

Automated on-air monitoring system



■ Mojiko/Mojipa

Automated transcript and subtitle generators



■ Senrigan

Secure video preview system



■ News Publisher

Integrated news distribution system



■ STORM

High-speed file transfer software



Spreading TBS's technologies overseas

In order to extend our content to a global audience, we must first spread our technologies overseas. As a new initiative for TBS, we began exhibiting our technologies at international exhibitions.

As part of this effort, we participated in South by Southwest 2023 (SXSW 2023), an event to showcase leading-edge technologies and entertainment, which was held in Austin, Texas in the USA.

SXSW attracts companies from around the world that are brimming with innovative technologies and creativity. TBS set up a booth where visitors could experience a VR simulation of the popular TBS show "Sasuke: Ninja Warrior" as well as the editing process of the English version of Mojiko, a transcript generator developed by TBS Television, Inc.

Going forward, our young engineers will continue to take the initiative, communicate with people overseas and develop technologies that impress the world.



TBS's Organizational Structure

Group Companies Supporting TBS's Technologies

A leading general production company in broadcasting technology and art creation

TBS ACT is one of Japan's largest general production companies, born from a conglomeration of 12 companies. It works mainly on TV shows broadcast by TBS in the three fields of technology, art and CG.

TBS ACT

In-house development of broadcasting systems, apps and web services

TBS GLOWDIA is in charge of a broad range of operations for smartphone apps and web services, including their planning, graphics and UI design, development and operation. The company also develops web apps that use VR, AR and AI, operates online store systems, works on video streaming, and produces and operates TV show websites.

TBS GLOWDIA

AWARD
Recent achievements

● Transcript generator Mojiko

- Received the Leader Award of the ITreview Grid Award 2023 Spring
- Acquired a patent (No. 6543755)

● Mojipa

- Received the Grand Prix Award in the Technology Category of the 2021 Japan Commercial Broadcasters Association Awards
- Acquired a patent (No. 7087041)

● XR studios for the Beijing 2022 Winter Olympic Games and the World Athletics Championships Oregon 2022

- Received the Grand Prix Award in the Technology Category of the 2022 Japan Commercial Broadcasters Association Awards
- Received the Award of Excellence of the Digital Content of the Year '22/28th AMD Annual Content Awards

● 3D Illumilink: CG lighting and decorative illumination simulation system

- Received the Content Technology Award of the Technology Promotion Awards from the Institute of Image Information and Television Engineers

● 63rd Japan Record Awards

- Received the Video Technology Award (Broadcast Sounds) from the Motion Picture and Television Engineering Society of Japan

TECH VISION 2030

Below is TECH VISION 2030, a roadmap that summarizes key media technology themes based on VISION 2030.

		Enhance strengths and areas of expertise	Collaborate with other businesses to cover what we lack	Create alliances with outside experts
Change the way we create broadcast content	<ul style="list-style-type: none"> ■ A structure to deliver content at any time ■ Secure content rights ■ Recruit and train creators 	<ul style="list-style-type: none"> • Production that can take place anywhere by leveraging the cloud and AI • Build an integrated broadcasting and streaming system • Train programmers and CG creators 	<ul style="list-style-type: none"> • Collaborate with outside partners who have HD video and audio facilities • Develop a system to protect digital content rights • Increase mid-career hires from other industries 	<ul style="list-style-type: none"> • Train project managers • Partner with outside experts
Deliver broadcast content to a wider audience	<ul style="list-style-type: none"> ■ Paid streaming service ■ Free streaming service ■ New kinds of digital content ■ Global market ■ Experiential business 	<ul style="list-style-type: none"> • Establish a structure to produce paid content • Stream shows based on terrestrial broadcasting • Enhance R&D and personnel training • Establish a structure to produce 4K HDR, 5.1ch drama series • Apply video production expertise to theater and music hall productions 	<ul style="list-style-type: none"> • Multicast IPs and run targeted ads • Expand revenue sources by leveraging TBS's ID • Accelerate content service development by recruiting more mid-career hires • Secure streaming platforms • Expand into the field of experiential services including AR and VR 	<ul style="list-style-type: none"> • Investment strategy, M&A, collaboration
Change how the broadcasting business operates	<ul style="list-style-type: none"> ■ Share broadcasting facilities ■ Automate and incorporate AI into operations ■ Streamline and restructure the organization ■ Improve the management of TV show data and content 	<ul style="list-style-type: none"> • Establish a new production structure • Systemize operations • Leverage the cloud and AI 	<ul style="list-style-type: none"> • Analyze viewer data • Leverage new platforms, the web and social media • Enact archive and cyber security measures 	<ul style="list-style-type: none"> • Integrate broadcasting and telecommunications • Central casting • Share facilities with other TV stations and broadcasting companies • Consider 4K terrestrial broadcasting

Partnerships with People and Organizations Around the World

Building More Global Relationships to Handle Change in the Global Market

Key issues for the TBS Group (as of May 2022)

From Materiality 01

- Recruiting and nurturing future **original IP** creators
- Finding human capital and improving structures for **global expansion**

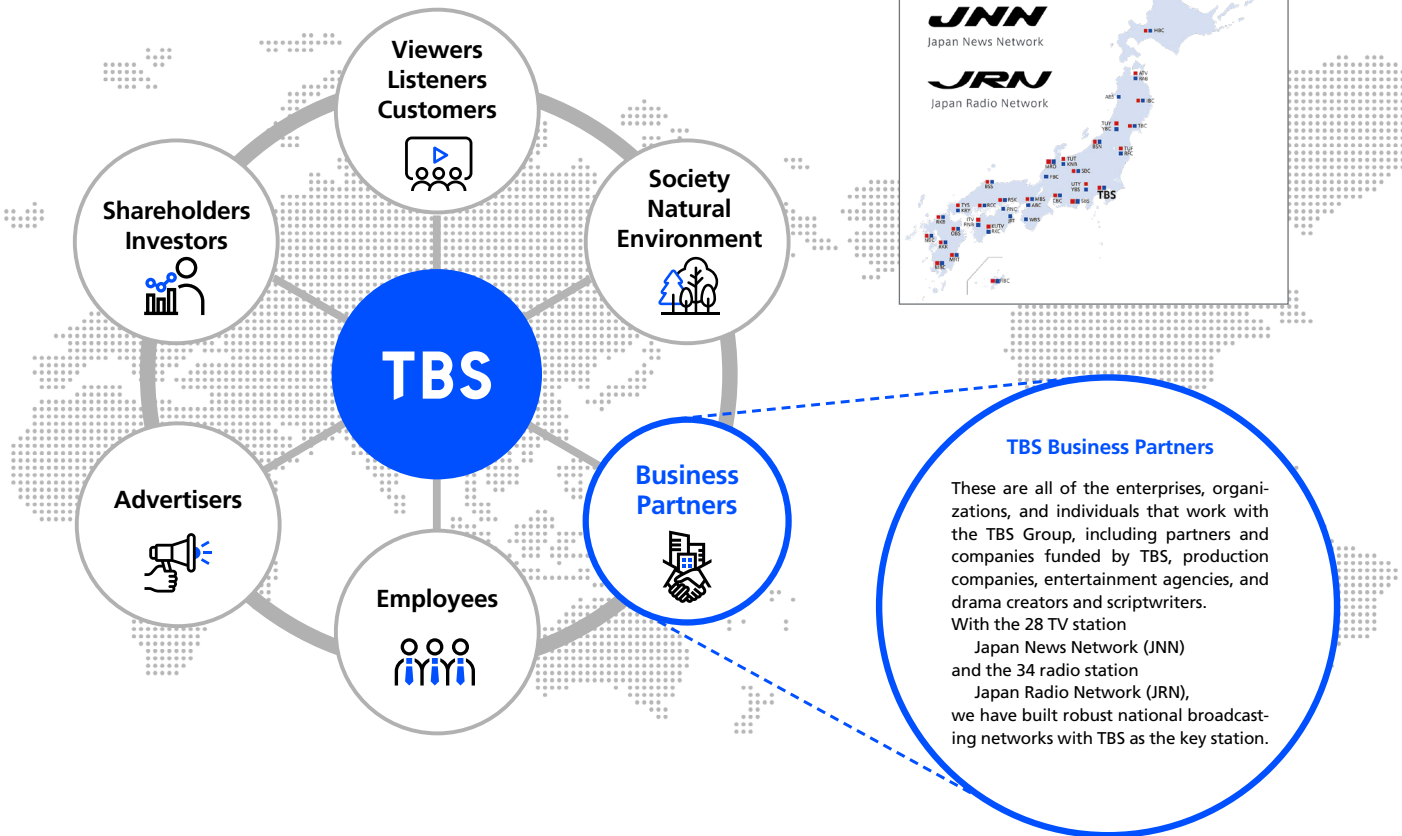
From Materiality 02

- Establishing standards and systems to ensure **overwhelming trust** in all content

The social capital of TBS is every person and organization around the world. And in particular, it is the wide range of partners that we have in our business model of creating content and delivering it via platforms that will enable TBS to expand its business and grow.

The content industry as a whole faces an environment that rapidly and continuously evolves and in which the dominant platforms are constantly changing, in addition to the diversifying tastes and preferences of content consumers. In such an environment, judgments on what kind of content to put out and where need to be constantly updated. Of particular necessity when it comes to dealing with an evolving global market is the further expansion of partnerships with people and organizations around the world, so in FY2022, the TBS Group continued to work on building a range of relationships.

In addition, maintaining and developing networks that are based on a sustainable framework and enable us to continue to fulfill our social mission as a news reporting organization is also a key issue. To address this issue, we have taken on a range of challenges, such as the establishment of the news website TBS NEWS DIG powered by JNN that started in partnership with JNN, which is comprised of 28 TV stations around Japan.



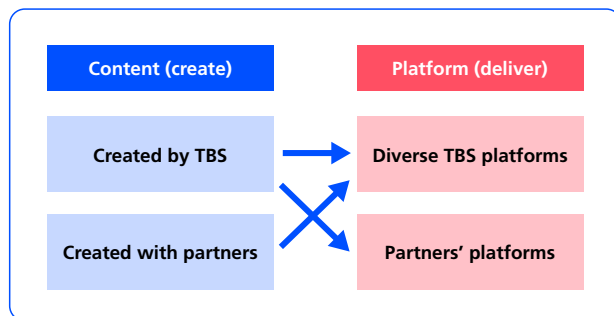
Creating globally beloved original content



Fulfilling our social mission as a media group

Building Global Partnerships

Strengthening Partnerships in Various Sectors Based on the EDGE Strategy



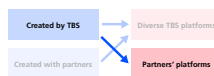
Content made by TBS and delivered on partners' platforms

NETFLIX

THE SEVEN, Inc., a new global strategy company
November 2022
Strategic partnership agreement with NETFLIX



Amazon Original
"Takeshi's Castle"
April 2023
Worldwide rollout



Content made by partners and delivered on TBS platforms



Stage performance of "Harry Potter and the Cursed Child"
©Maiko Miyagawa

Main partnerships from FY2022

May 2022

Studio TooN established to produce vertical scrolling digital manga with partners including NAVER WEBTOON (South Korea)



July 2022

Capital and business alliance agreement with K-BALLET
New studio opened in Shirokane-Takanawa, Tokyo in March 2023
Target increased income through synergy between performances and school



June 2023

Funding for YARUKI Switch Group Holdings
Becomes consolidated subsidiary
Fully-fledged expansion into intellectual training and education



June 2023

Partnership agreement with U-NEXT
TBS acquired 20% of U-NEXT shares upon the UI/UX integration of Paravi and U-NEXT on July 1
Equity method adopted for the company



A News Website Combining the Capabilities of the 28 JNN Affiliates

More than 200 Million Page Views in the Year After Launch

TBS NEWS DIG Powered by JNN

200 million page views in a month, highly rated by partners

TBS NEWS DIG Powered by JNN is an integrated news website for the 28 JNN affiliates with TBS as the key station. The website is based on the concept of using the digital world to “dig” further into the news and information that TV news alone cannot fully cover. It achieved 100 million page views in just four months after its launch in April 2022, and in June 2023, it reached its highest ever monthly page views with more than 200 million.*

With a record high of 700 million page views in a month on external platforms such as Yahoo! News and YouTube (where the channel has more than 1.6 million subscribers) and receiving awards at the SmartNewsAwards and LINE Journalism Awards among other accomplishments, the wide-reaching news network and in-depth reporting capabilities of TBS/JNN that covers domestic and international news are also highly acclaimed by news platforms.

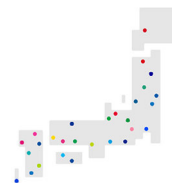
*Research performed with Google Analytics/total for newsdig domain, not including page views on external platforms



Internet optimization and value improvement as the JNN news network

TBS NEWS DIG was launched with the aim of dealing with change in the environment that the broadcast industry is faced with, enhancing the ability of TBS/JNN news to disseminate information and strengthening its brand appeal, and achieving monetization as a result of this. Revenue in the digital news business has reached 150%* year-on-year, and thanks to the sharing of equipment and systems, costs for all affiliates have been reduced while efficiency and profit have increased. By sharing know-how, the JNN partnership has been cemented through TBS NEWS DIG.

*For FY2022, revenue for TBS/JNN NEWS DIG, LLC that runs TBS NEWS DIG


JNN news network

28
stations in Japan
11
overseas branches

Monthly

200 million
page views
Inc. external platforms
700 million page views

Revenue
150%
(year on year)

Affiliate voices

BSS (Broadcasting System of San'in, Tottori/Shimane Prefecture Area)

In contrast to terrestrial broadcasting, NEWS DIG has no limits imposed by schedule slots and every article reaches every corner of the country, so naturally, communication with TBS increases and the JNN partnership has been strengthened. The reason for the rapid growth of NEWS DIG is the fact that all members of JNN have worked together on it. What this means is articles that would otherwise be unread if disseminated by a single station can achieve a major reaction through partnership with JNN. NEWS DIG provides an equal chance to all stations regardless of their size, and the fact that our reach has expanded to all areas of Japan has led to an increase in motivation for our young reporters. It also has a significant effect on profit, and BSS revenue from digital news in FY2022 grew by 456% year-on-year. This stunning growth in revenue has led to an in-house awareness of news as a new source of profit, and new challenges are being started even in sections outside the news bureau.

TUT (Tulip Television, Toyama Prefecture Area)

Since NEWS DIG started, local scoops have instantly become national news. We discovered that the issue of the Unification Church was in the background to the assassination of Japan's former Prime Minister Shinzo Abe, and three days later, before any other company, we interviewed a former member of the church and published an article entitled “Money Money Money, Donations Donations, My Family Fell Apart”, and subsequently continued our coverage over consecutive days. This reporting formed the spur for a focus on the relationship between the world of national politics and the Unification Church. Reporters on the ground now take into account a nationwide audience instead of just a local audience. Creating articles for distribution from information that didn't fit into a finite broadcast schedule has resulted in a positive cycle where the reaction can be seen in real time and coverage continued.

People

Human Capital & Human Rights

"THE TIME,"

This Year's Initiatives in the Field of Human Capital

Human Capital Management Philosophy and Strategy

Human Resource Development Policy and Internal Environment Improvement Policy



Creating globally beloved original content



Delivering wonderful "moments" to everyone we work with

Key issues for the TBS Group (as of May 2022)

From Materiality 01

- Recruiting and nurturing future **original IP** creators
- Fostering workplace environments and systems that facilitate taking on **challenge**
- Finding human capital and improving structures for **global expansion**

From Materiality 05

- Establishing working environments that are fair as well as physically and mentally safe, allowing **people of diverse backgrounds to flourish**
- **Improving education and training** to help our colleagues improve their skills

The TBS Group formulated a philosophy and strategy for human capital management in FY2022.

We consider our employees and colleagues as capital with the potential to create infinite value, not as existences that incur personnel expenses and other costs and that exist only to be consumed in the working process. Thus after examining and discussing what is truly important to achieve VISION 2030, which is centered around businesses built on appealing content that can only be created by people, we drew up Human Resource Development Policies and Internal Environment Improvement Policies and prepared strategies, measures and KPIs based on them.

Under our currently announced strategy, in these recent times when the position of TV is said to be weakening in society as a result of the growing diversification of platforms and audience tastes, we will aim to become an organization that strikes a balance between those who create and those who expand globally beloved original content, and endeavor to become a group where people respect each other. We will also make it possible for everyone to improve their skills as part of an organization with a positive and reasonable working environment and thorough adherence to compliance issues.

TBS Group Human Rights Policy

As a member of society, the TBS Group once again recognizes the importance of respecting human rights and is committed to fulfilling its responsibility to respect the fundamental human rights of its executives, employees and all other stakeholders. All suppliers are expected to comply with this policy as well. →p.85

Human Capital Management Philosophy

We have formulated the following philosophy in the belief that content creation is the source of increased corporate value for the TBS Group and that human capital management that emphasizes creator development is a key success factor.

We will nurture autonomous individuals with diverse creative abilities and high expertise who can adapt to ever-changing social and business environments. At the same time, we will also create an organization where people can display their creative abilities to the utmost as part of teams where members respect each other's values in a free corporate culture. Additionally, we will provide an environment that makes everyone working there happy.

The TBS Group will endeavor to increase its corporate value through this kind of human capital management.

Strategy 1 Human Resource Development Policy

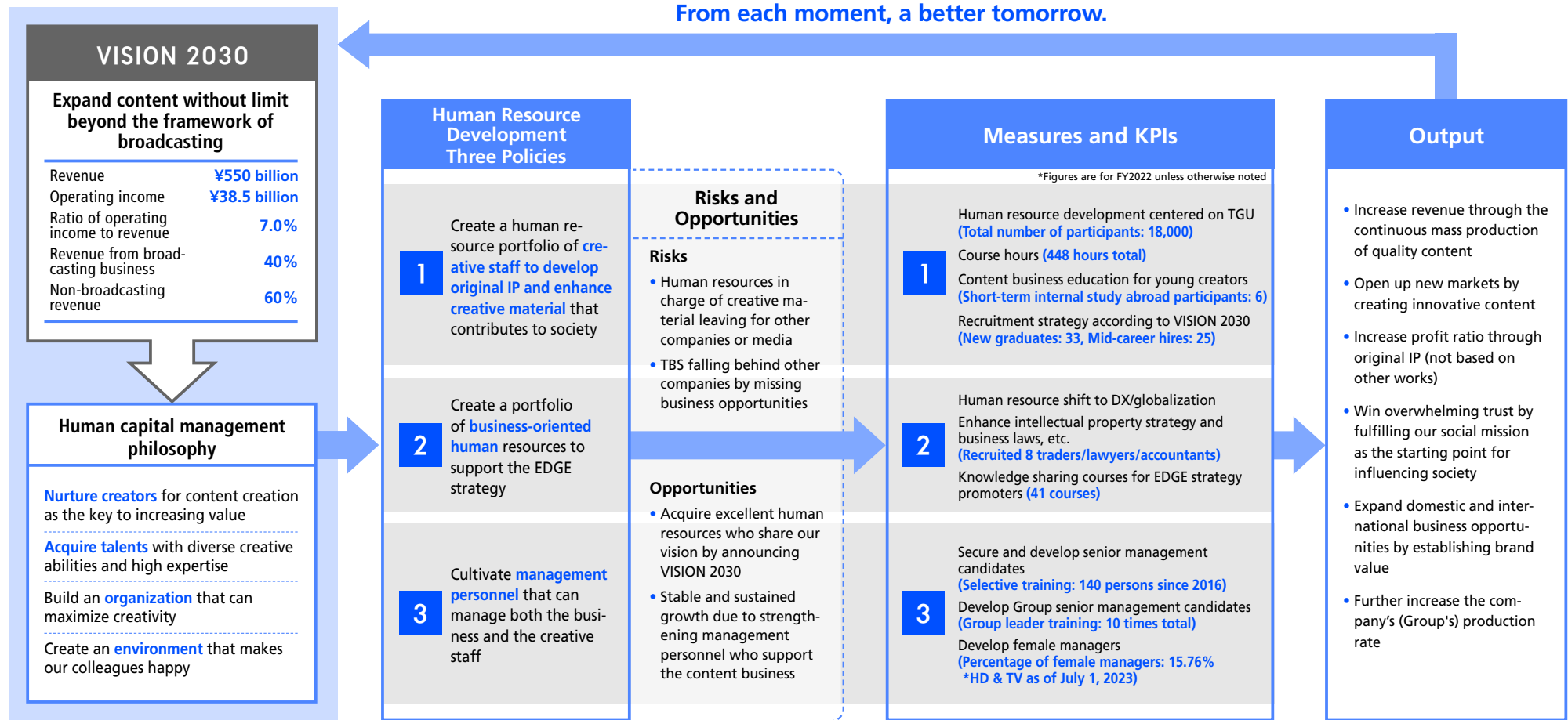
- 1 Create a human resource portfolio of creative staff to develop original IP and enhance creative material that contributes to society
- 2 Create a portfolio of business-oriented human resources to support the EDGE (Expand/Digital/Global/Experience) strategy
- 3 Cultivate management personnel that can manage both the business and the creative staff

Strategy 2 Internal Environment Improvement Policy

- 1 Create structures that support skill development and tackling long-term challenges
- 2 Promote diverse working styles for individuals to increase the personnel retention rate
- 3 Encourage health management so that working staff and their families can live healthy lives

Human Capital Management Human Resource Development Policy

Develop and Strengthen Both Human Resources That Create and Those That Expand



Message from the Division President of Human Resources and Labor

Weaving Growth for the Future

The TBS Group's Human Capital Management Strategies and Initiatives



Hirohiko Shigemune

Division President of Human Resources and Labor, TBS HOLDINGS, INC.

profile

Joined TBS mid-career in 1998.

After working in the TBS News and Content Business Divisions, he handled recruitment, planning and the retiree reemployment system in the Personnel Department.

After serving as the director of the Personnel Department, director of the Department of Budget Control, Division President of the Corporate Planning and then Division President of the Business Investment Strategy, in 2022 he was appointed Division President of Human Resources and Labor.

To create the TBS Group Human Capital Management we recently announced, we formed a working group with members drawn mainly from TBS Group University and the Division of Human Resources and Labor. They came up with a draft that was approved after multiple discussions at the management level. Having changed our company name from Tokyo Broadcasting System Holdings and being in the process of evolving into a content company, we took stock of all of the measures we have unconsciously engaged in to date and revised and visualized our philosophies and strategies. The Human Capital Management Philosophy and Six Strategies you read about are the results of that process, and they also contain areas for strengthening that we became aware of during the process.

Carefully nurturing talents for producing creative material as stated in the Human Resource Development Policies is something we had been focused on based on an unspoken understanding, independent of management policies here and there, and naturally we were adopting development methods that suit the modern era as a matter of course, even before the creation of the management strategy and other strategies. In the coming years, however, there will be a growing need to create content to suit a variety of devices and monetization points. That is a field that requires knowledge from both within and outside the company, and it is one where I believe strategies and measures must be deployed from a high viewpoint.

When it comes to personnel to handle the business side of things, our urgent task is to expand the number of business producers who can expand content under the EDGE strategy and who understand content (products). While we will endeavor to recruit them from outside as well, we already have many talents

in the company who understand content, so I think that internal development will ultimately be the wisest course of action. Another challenge is developing creators who desire to deploy their works on the world stage.

We have an in-house university called TBS Group University (TGU) which is one of the bodies responsible for human resource development. We have developed and deployed a two-tiered human resource development structure where each TBS Group company carries out its own human resources development initiatives while TGU provides group-wide support through cross-group human resource development initiatives.

On the other hand, when it comes to improving the internal company environment, when we took stock recently, we realized that we had already made a lot of progress in many aspects. For example, the issue of men taking paternity leave is receiving a lot of attention lately, but we already have systems in place that go beyond legal stipulations when it comes to taking time off to support working styles that suit a variety of life stages. Furthermore, we were certified as a Health & Productivity Management Outstanding Organization this year, and in the course of the application process, we learned that our employees have a high level of health awareness, in contrast to the image of the industry. Going forward, we will proactively promote communication, increase engagement, and undertake measures aimed at young people who have various ideas about career development.

The current “human capital management” is but a first draft. We will continue to refine it in line with constant changes in the external environment and the continued transformation of TBS, and we will also strive to make it easier for all our stakeholders to understand its effectiveness.

Human Resources that Create Wonderful "Moments"

A Stage for Growth and Transformation The Future Carved Out by TGU, Our In-House University



TGU is our in-house university that was established in 2018. Through education, it increases the unity of the whole Group and promotes a corporate culture that supports growth and leads to innovation. It develops human resources for achieving VISION 2030 and drives our transformation into an integrated media company.

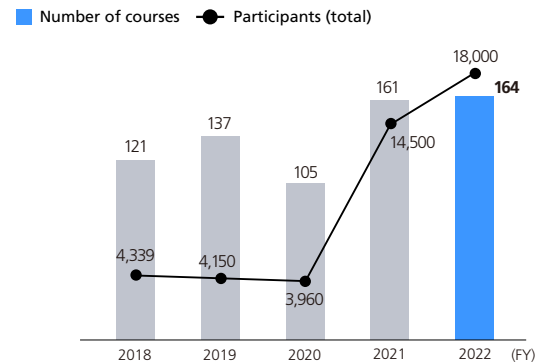
TBS Group University is an in-house university that was established in 2018 in response to requests from employees. It organizes courses and training sessions all year around and serves as a learning platform for the Group's 8,000 employees. In an age where predicting the future is difficult due to the rise of digital media, for us to survive powerfully as an organization, each individual must be sensitive to trends in times of turbulent change and must learn, think, and constantly be ready to take up the next challenge. The following three points represent the operating philosophy of TGU, which was launched to be part of this management strategy.

- (1) Raise the growth capacity of the entire TBS Group
- (2) Increase the unity of the TBS Group
- (3) Foster a culture that leads to innovation (new businesses)

By developing all Group employees into autonomous human resources who generate new content and businesses, we will further increase corporate value and achieve perpetual success.

Since VISION 2030 was announced in 2021, the goals of our education have become even clearer. For many years, we single-mindedly pursued a path as a broadcasting company. From now on, however, it is expected that we will leverage the content production skills we are proud of in order to transform into an integrated media company. To achieve VISION 2030 as well, the Group as a whole has changed directions to put even more effort into human resource development and further enhance human capital. We are improving training conducted on a Group basis, and carrying out human resource development to serve as the foundation for developing new businesses that display group synergy.

An increase in participants due to the expansion of online courses



A total of 160 courses and seminars were held in FY2022. Over 50 of the courses were proposed and planned by departments and divisions and by Group companies on their own initiative. As the sharing and proposal of knowledge through in-house speakers becomes established and knowledge spreads throughout the Group, there is growing momentum for the use of that knowledge as a trigger for innovation.

In January 2022, TGU Campus was established in The Hexagon, a building next to the TBS Broadcast Center. With TGU as one of its hubs, the Group's human capital management will continue to evolve, and provide all those working here with wonderful learning moments as a path to increasing corporate value.



Human Resources that Create Wonderful "Moments"

Human Resource Development for the Future Educational Training and One-on-One Meetings

The key to the EDGE strategy is the balanced development of talents to handle both the creation side and the business side of our work. To achieve that, we offer a full range of educational and training opportunities, and in FY2022 we introduced one-on-one meetings to strengthen relationships of trust within the company and help managers support the growth of their subordinates.

Create a human resource portfolio of creative staff to develop original IP and enhance creative material that contributes to society

In 1996, the Department of Personnel Education was spun off from the Personnel Department. It has provided all employees with the training they need, such as on human rights and the Broadcast Act, in order to become media persons who contribute to society. We provide a full complement of training in stages until the 8th year after joining the company (when employees are estimated to be 30 years old), and we conduct training for new employees as well as all-day/group training in their 2nd, 3rd, 5th and 8th years. Over the course of those 8 years, each employee is guaranteed 520 hours of training time, bolstering the foundation for the development of human resources that can grow autonomously.

Create a portfolio of business-oriented human resources to support the EDGE strategy

We have recruited experienced mid-career employees ranging from DX and overseas business experts to lawyers, certified public accountants and marketing personnel (25 mid-career hires as against 33 new graduates in FY2022). By using in-house speakers for training and TGU, among other means, we allow the newly joined business personnel to participate freely in all aspects of the company and create opportunities for them to grow further.

Create a human resource portfolio of creative staff to develop original IP and enhance creative material that contributes to society

To elevate employees' viewpoints from a focus on the front lines, and to encourage them to have a changed awareness of management, we organize group training for 35-year-olds that goes beyond the year of joining and departmental lines. Furthermore, starting in 2016, we introduced selective six-month training for next-generation leader development candidates. It plays the role of a management personnel talent pool, and to date it has produced 10 corporate officers and executive officers and 29 division presidents out of a total of 140 participants.

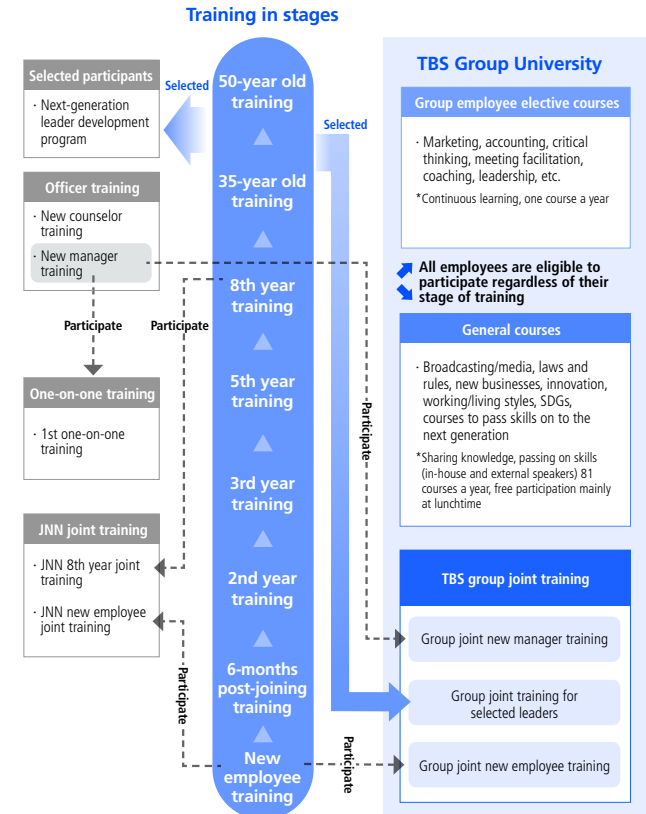


One-on-one meetings: 20 minutes a month for the sake of subordinates' growth

In April 2022, TBS Television, Inc. launched a new system called "One-on-one meetings: a regular check-in between a manager and an employee to give feedback, resolve issues, and help the employee grow in their roles." Under this system, employees meet with their managers once a month for 20 minutes for one-on-one dialogue. When it was being introduced, we invited Kosuke Honma, Senior Advisor of Z Holdings Corporation, as a speaker, and we also held a mock training session for all employees. It was an opportunity for managers to realize the appeal and capabilities of their subordinates that they were not aware of, so we intend to continue the system for a long time and make it a part of TBS culture.



Human resource development training and learning structure



Entertainment Show Producer

I Want the Culture of “Teaching and Being Taught” to Take Root

TBS implements a Next-Generation Leader Development Program to nurture future leaders. Members selected from all Group companies meet every year to consider the Group's management issues. We asked an FY2022 participant from the content production scene her thoughts on changes in herself and the company.



Nozomi Takamiya

Program Production Department I, Content Production Division,
TBS TELEVISION, INC.

profile

Joined TBS in 2002.

Became a producer after working as an assistant director and director. She is currently in charge of the following programs: “COUNT DOWN TV LIVE!LIVE!”, “Masahiro Nakai's Smile Friday,” “ONGAKUNOHI,” and “Japan Record Awards.”

A switch from the concept of “learning by watching your seniors”

Participating in the Next-Generation Leader Development Program was a good opportunity for me to consider what a program producer (i.e. leader) is supposed to be. Discussing issues with senior and junior colleagues of the same generation from other departments was a highly stimulating experience as well.

Moreover, it made me start to think that I need to build systems to ensure that program staff will continue to grow as usual even if I cease to be the program producer one day. Back when I was an assistant director, we were expected to learn by watching our senior colleagues. We spent time with them day and night, going into the editing room, watching and learning the editing process up close, and trying to figure out how to make programs more interesting during long meetings with them. There were many such opportunities in the past to learn by watching our senior colleagues at work, which made it an environment where one could develop naturally. Right now the environment has changed greatly—there are limits on working hours, and directors finish the editing on their own computers, for example—so the old concept of learning by watching doesn't work any longer. That's why it will be crucial for veteran production staff, myself included, to have a strong mindset of actively nurturing their junior colleagues from now on. I'm sure that when those juniors who were taught become veterans themselves, they will feel the same sense of obligation to pass down the things they were taught to the next generation. I hope the culture of teaching and being taught takes permanent root in the TBS Group.

Expanding created productions into businesses

In light of TBS's current situation, I feel it is extremely important for us producers to think about how to expand the programs we have made into businesses. For one of the programs I'm in charge of, “COUNT DOWN TV LIVE!LIVE!,” we worked together with the Live Entertainment Department and started hosting the “COUNT DOWN TV LIVE!LIVE!” Fes event at an external venue from 2021 onwards. Once we started, I realized that the most important thing is that the program that is being broadcast must itself be high quality and it must be supported by the audience. As a producer, I have sworn to always remember the two parts of this process: first, making a popular program and secondly, expanding that into a business.

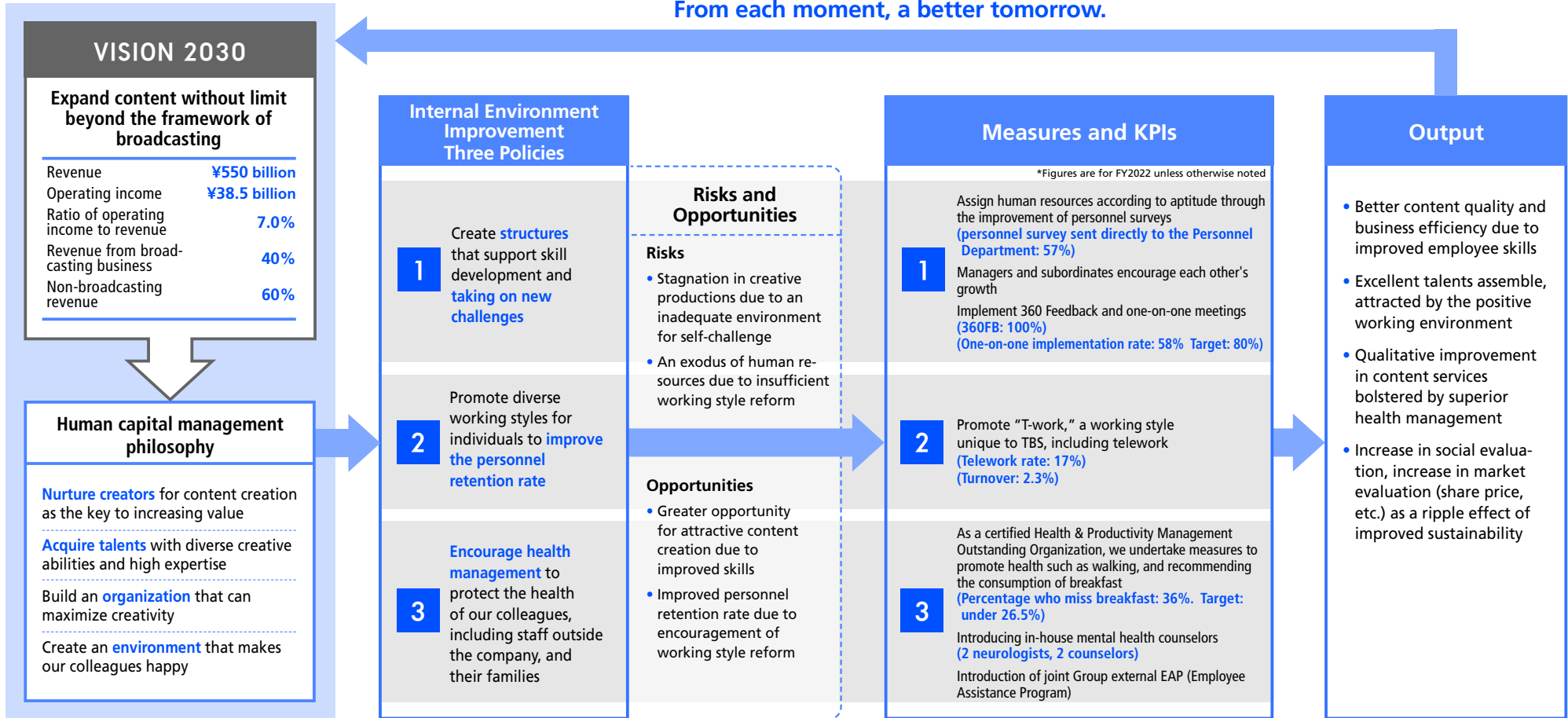
Furthermore, right now the company is recruiting an increasing number of experienced mid-career employees, so we have more personnel from diverse backgrounds running the business side of things. There are many deployable structures in place in the company such as broadcasting, streaming, business, and the sale of merchandise, but we are still very much a rookie organization when it comes to the question of “How can we make this business succeed?” That is why we should actively engage the new members who join us every day by, for example, creating a road map together for the things we can do to make our businesses succeed. I think it is important to expand TBS's businesses in the future through this interaction while also teaching others and being taught ourselves.



Human Capital Management Internal Environment Improvement Policy

Creating a Secure Environment through Skill Improvement Support, Respect for Diversity, and Health Management

From each moment, a better tomorrow.



Internal Environment Improvement Developing a Positive Work Environment

Creating a Workplace Where All Our Colleagues Can Flourish

At TBS, we are promoting “T-work,” a working style unique to TBS, where people with diverse ideas and values can work together to create new value. In March 2023, we were certified as Health & Productivity Management Outstanding Organizations for 2023.

Certified as Health & Productivity Management Outstanding Organizations for 2023

In March 2023, TBS Holdings, Inc. and TBS Television, Inc. were certified as Health & Productivity Management Outstanding Organizations for 2023 (large enterprise category) in the Certified Health & Productivity Management Outstanding Organizations Recognition Program jointly run by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. The program is a certification system that honors large and small-to-medium enterprises that carry out particularly excellent health management.

Based on the Sustainability Policy formulated in FY2021, TBS has put a variety of measures in place to create safe and fulfilling work environments where creativity can be displayed. We received this certification because three of our initiatives—“boosting communication between employees,” “returning to work after a leave of absence, and balancing work with medical treatment,” and “supporting women’s unique health issues”—were especially highly evaluated.

We measured the health issues (key indicators) we need to address under health management in order to create a positive workplace environment and have published them as ESG data.



Key indicators

Item	Scope	Unit	FY2021	FY2022	Target
Turnover	TBS HOLDINGS, INC.	%	1.39		1.39 or less
Absenteeism ^{*1}		Days		1.8	1 or less
Presenteeism ^{*2}	+ TBS TELEVISION, INC.	Points		70	70 or more
Work engagement (energy, enthusiasm, immersion) ^{*3}		Points		3.6	3.6 or more

^{*1} Number of days absent from work due to injury or illness

^{*2} A situation where employees come to work but cannot perform their tasks fully due to health problems. The results of an investigation using absolute presenteeism from the Single-Item Presenteeism Question (SPIQ)

^{*3} Measured by incorporating the three questions of the ultrashort version of the Utrecht Work Engagement Scale

Developing an employment environment where diverse human resources can flourish

TBS strives to create an environment where a diverse body of human resources can continue to work even as they go through life events like childcare, caregiving and medical treatment. We have provided an environment where it is easy to take childcare leave, and to increase the group-wide rate of men in particular taking it, in April 2022 we launched a website that provides information for employees taking childcare leave containing an explanation of the system and personal experiences on the company’s internal cloud. In October, we established a new system known as the “Leave of Absence for Childcare after Birth” system, also called the “Postnatal Papa Leave” for short. Four male employees have already taken Postnatal Papa Leave in FY2022. As a result, the rate of male employees taking childcare leave (childcare

66.7%

Rate of men taking childcare leave (TBS TV + Holdings) (FY2022 childcare leave + a leave of absence for childcare)

16.5%

Percentage of female line managers (As of July 1, 2023)

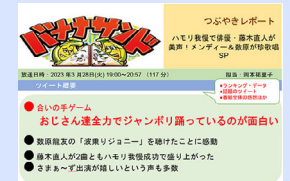
leave + a special leave of absence for childcare) in FY2022 at TBS rose to 66.7%, an increase of 23.8 points compared to the previous fiscal year.

TBS is also promoting women to management positions. There are 23 women among the line bureau chiefs, center chiefs, and line department heads that are responsible for core of the business, representing 16.5% of the total.

Employment of persons with disabilities — Supporting program production by writing reports

The employment rate of persons with disabilities at TBS Television, Inc., the core of the Group, was 2.9% as of April 1, 2023. Many of them work from home. Until now they have concentrated on tasks that can be completed individually, but as a result of rapid advancements in telework environments during the COVID-19 pandemic, they are now capable of working in groups and handling tasks that require close communication. One of those tasks is making “Tweet reports” for the Content Production Division. Employees with disabilities analyze reactions to programs in social media in real time while at home and submit the results to the company as feedback, incorporating their own impressions. As the production staff members closest to the viewers, they support program production and help to increase ratings.

The reports also make many employees aware of the team’s hard work, helping others understand that a disability is also part of one’s individuality, and fostering a culture of respecting diverse kinds of individuality throughout the company.



Internal Environment Improvement Initiatives

Creating Positive and Sustainable Creative Production Sites

To make program production sites even more positive and sustainable, TBS actively introduces the latest technology to reduce staff workload and develop the working environment.

Holding production company meetings about working styles

In October 2022, the Content Production Division, Infotainment Division, and TV Sports Division jointly held the first ever briefing session for production companies about working styles.

To the total of 147 production companies, we explained how the company is renovating its offices to make the workplace more positive for production staff, and we spoke about the compliance initiatives all TBS Group companies are undertaking. We also actively solicited opinions and ideas from the production companies and are engaged in dialogue on new issues. We intend to create more sustainable production sites while building positive partnerships with production companies.

Workload reduction using ICT

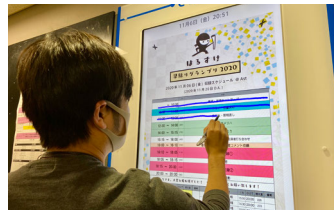
TBS has been developing, introducing and using the latest technology to reduce staff workload and is actively involved in workload reduction using ICT.

Mojiko is an audio transcription editor that uses AI voice recognition technology to minimize the immense time required to transcribe audio at program production sites. It is highly rated for significantly improving staff workloads. It has been introduced not only at TBS but also at 27 JNN affiliates, as well as at 24 external companies through an agent.

The Harusuke digital signage system is a system that makes it possible complete instructions for performers and studio schedules that were all previously created by hand online. Thanks to its introduction, we have successfully reduced staff working hours by approximately 330 hours per month (estimated) throughout the entire Broadcast Center.

Additionally, in October 2022 we introduced TBS Media Branch, a system capable of sending completed program data online. This has removed the need to transport and deliver XD-CAMs (physical media) directly.

Furthermore, in 2022 we started the high-speed transmission of materials after recording at drama production sites. Not only did this eliminate the need to transport material between the Midoriyama Studio and the editing rooms in Akasaka but it also made it possible to watch and correct edited footage in a short period of time after filming, leading to higher quality.



Harusuke digital signage system



メディアブランチ

Creating positive, sustainable office environments

The entire Broadcast Center has been renovated, giving it bright, open floors, and installing storage space for location filming equipment and video editing booths. We have prepared an office environment where all staff can work comfortably.

In January 2023, TBS Sparkle, Inc. renovated its office under the themes of "further oneness" and "SDGs." They installed LOUNGE18, a space for interaction that all employees and staff can use, encouraging communication across the boundaries of department and position.

They also took great care with the desk layout, creating solo work areas, group work areas, and other spaces in order to diversify working styles and allow employees to freely choose their working area based on their working style.

Furthermore, a shared equipment storage unit called the Share Dock was installed to reuse items left over on production sets and items which would have previously been thrown away. This is a measure to reduce waste by sharing the equipment owned by each program within the company.



LOUNGE18 is a space filled with the warmth of wood, inspiring ideas for fresh innovation



The Share Dock has over 50 types of equipment, including files and staplers

BS-TBS, INC. Drama Program Producer

Introducing an Intimacy Coordinator: Creating Production Sites That Value People

We hired an intimacy coordinator to protect the actors physically and mentally and to help realize the director's intentions as much as possible during the filming of the sex scenes in *"Sawako: Endless Revenge"*, a drama series broadcast on BS-TBS starting in October 2022. The producer discusses this trailblazing initiative in the world of Japanese TV dramas.



Takeshi Ariga

Content Production Department, TV Content Production Center, TV Content Programming Division, BS-TBS, INC.

profile

Joined an advertising company in 2007 where he participated in sales of advertising to newspapers and magazine media.

In 2013, he joined BS-TBS, INC. mid-career.

After working in the Sales and TV Programming Departments, he assumed his current position in 2022.

He is a content producer for multiple programs such as dramas, entertainment shows and travel shows.

Introducing an intimacy coordinator as a new move

BS-TBS produced drama series for the first time in 11 years in 2022. One of them was the dramatization of an original web-comic known as *"Sawako."* The original story has an original world view, containing romance, suspense and horror, and in my opinion, the occasional depictions of sex are important elements for defining Sawako, the female protagonist.

However, since there are many issues involving harassment in the film industry these days, we could imagine various issues cropping up while filming the sex scenes. As we considered how to effectively dramatize the original author's ideas, we met Chiho Asada, an intimacy coordinator, and were fortunate to have her join the team.

Once the screenplay was completed, the producer, director and Ms. Asada first read the script at the company and checked the parts that could be called "intimate scenes." After that, Ms. Asada spoke with the actors to check if they would have any issues with acting or if they had any concerns. Furthermore, when it was time to film the intimacy scenes on set, Ms. Asada conveyed the director's directional intent to the actors again and continued to communicate carefully with them. The staff also talked among themselves and considerably ensured that the minimum number of people were present on set and around the monitor during the filming of the scenes.

Since it was our first such attempt, there was some confusion on set as well, but gaining the understanding and cooperation of the director and the rest of the team and being able to work together on this effort was very meaningful.

Creating sustainable production structures at comfortable sets

For this drama, I had the relevant persons undergo "Respect Training" intended to help them stop harassment before it starts. The aim of the program was not to make blanket statements about what actions constitute harassment but to get participants to stop and think about what it means to respect someone and whether our words and actions respect the other person.

I feel there are many challenges to address if we want to create even better environments on drama production sets, including not only intimate scenes but also issues like irregular working styles, long working hours and the lack of days off.

In such circumstances, I want to keep the attitude of "valuing people" firmly in mind in the works I handle. It is people who make programs, and people who perform in them, so they naturally contain "emotions." That's why I feel it's important to create healthy set environments that are more fun and easier to focus in, even if it's just a little, so that the accumulation of these little improvements will have a highly positive effect on our works.

BS-TBS has been trying its hand at producing drama series since last year, and I believe making dramas is an extremely effective way of increasing BS-TBS's visibility and brand power. That makes it all the more crucial for us to create sustainable production structures and production environments.



Creating a Sustainable Society

Formulating a Human Rights Policy and Sustainable Procurement Guidelines

In March 2023, we formulated the TBS Group Human Rights Policy and the TBS Group Sustainable Procurement Guidelines. The Human Rights Policy forms the basis of our human capital management while the Sustainable Procurement Guidelines are positioned as guidelines to help us maintain and develop our partnerships with people and organizations throughout the world and fulfill the international duty of achieving a sustainable society.

TBS Group Human Rights Policy

According to our previously announced TBS Group Code of Conduct and TBS Group Standards of Conduct, the TBS has sought to respect human rights through its business activities and to improve the environment for achieving that end. The TBS Group Human Rights Policy (hereafter "this policy") formulated this time spells out our human rights-related policies and initiatives based on the TBS Group Code of Conduct and TBS Group Standards of Conduct in detail and applies to all TBS Group corporate officers and employees.

As a member of society, the TBS Group once again recognizes the importance of respecting human rights and is committed to fulfilling its responsibility to respect the fundamental human rights of its executives, employees and all other stakeholders. We expect all suppliers to comply with this policy as well.

1. Scope of application All TBS Group corporate officers and employees
2. Commitment to respecting human rights The TBS Group respects human rights in all of its corporate activities.
3. Respect for individual workers and elimination of discrimination We do not accept discrimination for reasons such as race, tribe, nationality and place of origin, gender, age, religious or political ideology, economic or social relationships, presence or absence of disability, marriage history, having or not having children, sexual orientation, gender identity, etc., and we provide equal opportunities to all people.
4. Respect for workers' rights We do not accept forced labor, overwork, low wage work (labor paid for at rates below minimum wage), child labor, harassment, bullying, or unfair treatment. We obey the laws and ordinances of the region where employees work, and under fair working conditions, we provide a suitable labor environment without forced labor or overwork, take care to guarantee minimum wage and pay more than a living wage, and respect freedom of association and the right to collective bargaining.
5. Protection of human rights in the transmission and provision of content and services We are aware of our social responsibility and mission as a content group, and we respect fundamental human rights in all the content and services we transmit and provide, protect freedom of expression by guaranteeing autonomy and fairness, prevent human rights violations, and contribute to increased awareness of human rights in society.
6. Obedience to standards, laws and ordinances concerning respect for human rights We support and respect Japanese laws and regulations concerning respect for human rights as well as international standards about human rights such as the International Bill of Human Rights, which stipulates the fundamental human rights every person in the world should enjoy, and the ILO Declaration on Fundamental Principles and Rights at Work stipulated by the International Labour Organization, and we also endeavor to implement them based on the ideas behind the UN's Guiding Principles on Business and Human Rights. If there is a divergence between the laws and regulations and international standards, we will prioritize respecting the international standards as much as possible.

President and Representative Director, TBS HOLDINGS, INC. Takashi Sasaki

TBS Group Sustainable Procurement Guidelines

■ Key points of the Guidelines

- | | |
|-------------------------------------|---------------------------------------|
| 1. Comply with laws and regulations | 5. Engage in fair business activities |
| 2. Respect human rights | 6. Ensure quality |
| 3. Improve the working environment | 7. Ensure information security |
| 4. Show concern for the environment | 8. Co-exist with local communities |

The TBS Group Sustainable Procurement Guidelines are standards for the whole supply chain providing products and services, mainly broadcasts and content. The guidelines set out matters that TBS Group corporate officers and employees must follow and require suppliers to practice as they pursue sustainable procurement, based on which we will build positive partnerships founded on mutual trust with our suppliers.

Furthermore, by making sure that our suppliers and their supply chains understand and are thoroughly familiar with the guidelines, we will promote sustainable procurement initiatives in all supply chains related to the TBS Group's businesses.



TBS Group Sustainable Procurement Guidelines

https://www.tbs.co.jp/TBS_sustainability/pdf/sustainableprocurement.pdf

Environment



The Global Environment

"ONGAKUNOHI"

Addressing Global Environmental Issues

Making Full Use of Our Broadcasting Power to Become the "Starting Point for Influencing Society"



Delivering wonderful "moments" to all the lives on earth

Key issues for the TBS Group (as of May 2022)

From Materiality 04

- Setting and implementing targets to achieve **zero carbon emissions**
- Promoting environmentally-friendly **sustainable content production**
- Enhancing measures for **biodiversity preservation**

TBS has consistently communicated messages aimed at addressing social issues throughout its history. We consider solving environmental issues at the global level to be one of the key issues of the entire Group, and we are implementing various measures to that end.

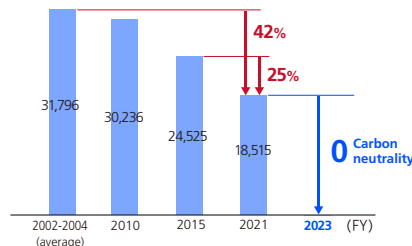
In 2021 we endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and in 2022 we disclosed a report analyzing and considering the risks and opportunities posed to our business by climate change in two scenarios (1.5°C and 4.0°C) according to the TCFD recommendations. In March 2023, we also formulated the TBS Group Water Resource Protection Policy to serve as a guideline to contributing to a sustainable global environment.

On biodiversity, in addition to continuing to share information in a way typical of a content company, such as "Amazing Animals/WAKUWAKU" YouTube channel, the whole Group is aware of our goal to be a "leading SDG station" even at ordinary times. This can be seen in our strengthening of continuous initiatives such as going paperless at content production sites and increasing recycling rates.

Target

Achieving **carbon neutrality** at the TBS Broadcast Center, buildings in the Akasaka Sacas Cultural Facility, and the Midoriyama Studio in FY2023

TBS Broadcast Center & Akasaka Sacas Cultural Facility
CO₂ emissions (t-CO₂)



Initiatives TBS should take



Prompting a change in awareness of climate change and becoming the "starting point for influencing society"



Actively working to make the company carbon-free



Coverage of disasters that is trusted by viewers

SDG project "Week to Make the Earth Smile"



During the spring 2023 campaign, we established "SDGs Day" and made all of our broadcasts carbon neutral. →P.38

Latest major topics

CO₂ emissions
(TBS Broadcast Center + Akasaka Sacas Cultural Facility)

FY2022

17,451 t-CO₂

(Standard emissions*
45.1% relative decrease)

Art set recycling rate

84%

(average of past 5 fiscal years)

Percentage reduction in paper use per live broadcast
(*"Hiruobi"* from January 2023)

64%

Subscribers to the "Amazing Animals/WAKUWAKU" YouTube channel:

488,000

(As of August 1, 2023)

Average value from FY2002-2004

Response to Climate Change

Achieving Carbon Neutrality for Major Facilities in FY2023



In a time when a response to climate change has become a pressing issue, TBS was the first news organization to announce its endorsement of TCFD recommendations in November 2021. In August 2022, we published “TBS’s Current and Future Efforts to Combat Climate Change,” our first report compiling the effects of climate change on our businesses, and other issues. We have also disclosed information according to the TCFD-recommended frameworks for “Governance,” “Strategy,” “Risk Management,” and “Indices and Targets.” A summary of “Strategy” and “Indices and Targets” will be presented here in this integrated report.

Indices and Targets

Plan for carbon neutrality

As a short-term target, we will achieve carbon neutrality at three major facilities in FY2023, namely the TBS Broadcast Center, buildings in the Akasaka Sacas Cultural Facility (Akasaka ACT Theater, BLITZ Studio, Akasaka Sacas Square), and the Midoriyama Studio. This is the first step toward “setting and implementing targets to achieve zero carbon emissions,” which is part of the TBS Group’s concept of materiality. This will be achieved by further reducing CO₂ emissions (Scope 1 and 2) and procuring renewable energy. Meeting this target means that nearly 70% of TBS TV’s regular programs will be recorded in the studio or broadcast live with zero CO₂ emissions.

In addition to working to further reduce emissions and use renewable energy at the TBS Broadcast Center, in FY2023 we will calculate the Scope 1 and 2 GHG emissions and also begin the study for calculating Scope 3 emissions.

FY2023

TBS Broadcast Center

Akasaka Sacas Cultural Facility

Midoriyama Studio

will achieve carbon neutrality

Reduction of energy consumption

TBS achieved a 42% reduction in CO₂ emissions by the Broadcast Center and buildings in the Akasaka Sacas Cultural Facility by FY2021, compared to the average emissions from 2002-2004, and a 25% reduction compared to FY2015. The TBS Broadcast Center also reduced its energy consumption by around 30% through means such as using LED lights for studio illumination. In addition, from the perspective of our business continuity plan (BCP), i.e. the responsibility of a news organization to continue broadcasting even during power outages and disasters, we have our own in-house power generation system (CGS) in the basement of our headquarters. By extending the duration of the shutdown at night from the current 2 and a half hours to 5 hours would reduce CO₂ emissions by approximately 200 tons per year.

Conversion to renewable energy

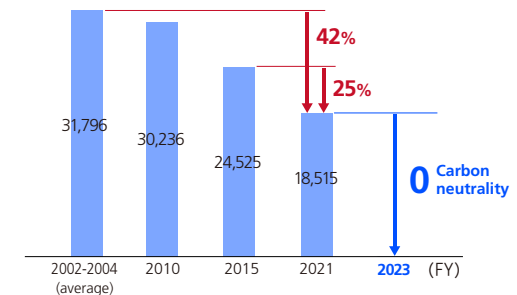
In 2018, the Group entered into a capital and business alliance with UPDATER Inc. (formerly Minna Denryoku [Everyone’s Power]), a venture company dealing with renewable energy, to promote the use of renewable energy.

In FY2021, the Midoriyama Studio became one of the largest studios in Japan to use 100% renewable energy, following the

Toda Transmitting Station, which is the main transmitting station for TBS Radio’s AM broadcasting, and the TBS Akasaka ACT Theater and two other buildings in the Akasaka Sacas Cultural Facility. In the future, the TBS Broadcast Center will also seek to convert to 100% renewable energy.

TBS will continue to implement various climate change measures, such as switching to high-efficiency equipment. And as a news organization and a content-producing group with varied media, it is TBS’s responsibility to use its ability to communicate and influence to serve as the “starting point for influencing society” toward the realization of a carbon-free society.

TBS Broadcast Center & Akasaka Sacas Cultural Facility CO₂ emissions (t-CO₂)



Response to Climate Change

Understanding the Risks and Opportunities of Climate Change and Establishing Suitable Business Strategies



Effect on TBS business by scenario

Classification	Item	What will be affected	Impact	
			1.5°C scenario	4°C scenario
Transition risks	Introduction and strengthening of carbon-free regulations	Costs	↓ ↓	—
	Establishment of advertising rules by entities such as the government and industry associations in terms of CO ₂	Sales	↓ ↓	—
	Greater external pressure to take environmental action (obtain environmental accreditation)	Costs	↓	—
	Greater external pressure to take environmental action (fewer ads placed by advertisers)	Sales	↓ ↓	—
Physical risks	Contraction of the advertising market in conjunction with weather-related disasters	Sales	↓ ↓	↓ ↓
	Damage to assets and equipment due to weather-related disasters	Costs	—	↓ ↓
	Diminished corporate reputation due to an inadequate BCP	Sales	↓ ↓	—
Opportunities	Advances in energy-saving technology	Costs	↑ ↑	—
	Greater government subsidies for environmental efforts	—	↑ ↑	—
	Reduced renewable energy procurement costs	Costs	↑ ↑	↑ ↑
	Advances in technologies to reuse materials and equipment	Costs	↑	—
	Greater need for environmental awareness campaigns (increase in ad placements)	Sales	↑	—
	Greater need for environmental awareness campaigns (increase in media revenue)	Sales	↑ ↑	—
	Increased need for information in relation to weather and disaster preparedness	Sales	—	↑
	Greater requirements to increase the resilience of our reporting capabilities	Sales	—	↑ ↑

1 arrow indicates a financial impact of less than ¥100 million, and 2 arrows indicate a financial impact of between ¥100 million and ¥1 billion. For risks and opportunities where the impact is difficult to estimate, the impact of the item is limited to a qualitative assessment and represented by “—”.

(*) Reference scenario 1.5°C scenario: RCP2.6/SDS(Sustainable Development Scenario)/IEA NZE2050(Net Zero Emissions by 2050)
4°C scenario: RCP8.5/STEPS(Stated Policies Scenario)

Future TBS Initiatives
(countermeasures)

Immediate

Prompt a change in awareness of climate change and becoming the “starting point for influencing society”



Actively conduct campaigns beyond programs and broadcasts such as SDGs WEEK, and creating a movement involving viewers and clients

Medium- and long-term

Actively work to make the company carbon-free



- Aim for the entire Group to be carbon neutral in future by physically reducing CO₂ emissions along with switching energy sources and using more efficient broadcasting equipment
- Actively promote research on and adoption of techniques for low-carbon program production and become an industry leader on that front

Immediate

Medium- and long-term

Coverage of disasters that is trusted by viewers



- TBS/JNN will further enhance its coverage of disasters through its nationwide network. We will earn the overwhelming trust of viewers by providing detailed information through terrestrial broadcasting as well as online broadcasting, such as TBS NEWS DIG Powered by JNN

Promote Environmentally-Friendly Sustainable Content Production

The World's First Hydrogen Broadcasting Van: the "Car that Makes the Earth Smile"

As part of its efforts to achieve a carbon-free society, the TBS Group has introduced the world's first hydrogen fuel cell broadcasting van. In light of TBS's SDG projects, we nicknamed this van, which does not emit CO₂ when running, the "Car that Makes the Earth Smile." It is in active use in a variety of fields, including live sports broadcasts.

In partnership with Toyota Motor Corporation

The "Car that Makes the Earth Smile" was jointly developed with Toyota Motor Corporation, which has been promoting the SDGs together with us as a partner company since the start of the "WEEK to Make the Earth Smile" SDG campaign. The vehicle has also been adopted by the Ministry of the Environment's project that promotes utilization of hydrogen towards the construction of a carbon-free society.

The base of the van is the Toyota Coaster minibus while the power source is the FC stack (fuel cells that generate energy using hydrogen) that the Toyota Mirai is equipped with. This gives it an environmental performance that does not emit CO₂ or other atmospheric pollutants when running while also being low-noise and low-vibration.

Since there are many opportunities for its use in live sports broadcasts such as road races, we expect it to reduce environmental stress on the participants and spectators as well.

The inside of the broadcasting van is designed so that equipment and layouts can be changed to meet the needs of different purposes or programs, and live coverage seats can also be installed. The body is designed in a vibrant blue with a motif of drops and bubbles that represent the clean energy of hydrogen.

Debuted at the 2023 New Year Ekiden relay

The "Car that Makes the Earth Smile" made its debut as the second mobile broadcasting van at the 67th All-Japan Men's Corporate Team Ekiden Championships (New Year Ekiden) held on January 1st, 2023, broadcasting the runners as they sprinted powerfully through the course.

For the event, the broadcasting van needed to run the entire 100km course over a period of about 5 hours. Although it was possible in theory, initially there were concerns about whether hydrogen fuel would suffice under conditions like the external temperature, but after several rehearsals, the van ran throughout the actual event without a hitch. Due to its low-noise and low-vibration nature, it provided a better working environment for staff and improved the quality of the broadcast by making it possible to clearly capture the sounds of cheering from the roadside.

Since then, the van has been widely used across Japan, mainly for live sports broadcasts such as "Stars On Ice" and "The Crowns" (CBC), contributing to the promotion of sustainable, environmentally-friendly content production.



Operating performance of a conventional marathon broadcasting van

Annual mileage (actual): approx. 7,000km

Power used by broadcast equipment: 9kW×300 hours

CO₂ emitted by conventional diesel vehicles

2,835.16 kg-CO₂
a year per car
(when running)

13.5 kg-CO₂
a year per car
(when generating power)

(from the Official Guidebook for Calculating the Effects of Global Warming Measures on Business)

Net zero

Promote Environmentally-Friendly Sustainable Content Production

Reducing CO₂ and Recycling Resources during Content Production

TBS is actively taking steps to reduce CO₂ at content production sites, such as going paperless and reusing art sets. We also broadcast Japan's first ever carbon-neutral "green commercial."

Broadcasting Japan's first "green commercial"

In line with the 5th "Week to Make the Earth Smile" in fall 2022, TBS broadcast "17 Goals: What We Can Do for the Future" (five episodes) and achieved both Japan's first ever carbon neutral program and commercial.

We used the albert Calculator*¹ to calculate the amount of CO₂ and other greenhouse gases emitted during the production of the program.

For commercials from sponsoring companies that were broadcast immediately after the program, we made separate calculations for the sponsor's Scope 3 emissions*² and emissions from the use of electricity at the broadcasting facility. We purchased carbon credits derived from renewable energy equivalent to the greenhouse gas emissions calculated in this way, thereby contributing to the spread of renewable energy. "Green commercial" is the name we have given to this kind

*1 albert Calculator:

A system developed by BAFTA albert for calculating greenhouse gases emitted during program production.

*2 A calculation of the Scope 3 (indirect) emissions of advertisements based on the GHG Protocol, an international standard for calculating and reporting greenhouse gas (GHG) emissions.

of commercial broadcast where the emissions of both the sponsor and the broadcasting station were carbon neutral.



Increasingly going paperless at production sites

TBS Television, Inc., is increasingly going paperless at its program production sites.

After introducing electronic tablets to its news program "News Studio" (Mon.-Fri. 15:49-19:00, Sun. 17:30-18:00) in May 2022, TBS News followed up by switching from paper printouts such as broadcast scripts and progress charts to electronic tablets for "news23" (Mon.-Thu. 23:00-0:01, Fri. 23:58-0:53) in October 2022. As a result, "news23" was able to reduce the amount of paper used by each broadcast by around 52.1%.

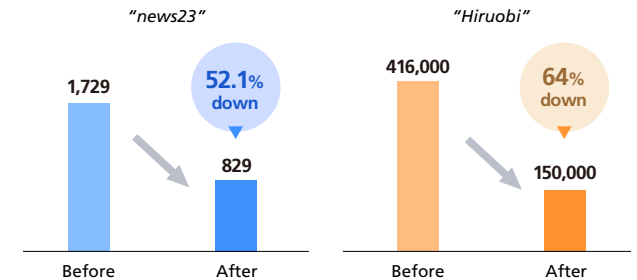
The Infotainment Division's information program, "Hiruobi" (Mon.-Fri. 10:25-13:55), also began using electronic tablets in January 2023. They previously used large volumes of copier paper for creating design drafts for boards and panels introduced in the show, reference material for technical staff and casts, meeting documents, and other items. By introducing electronic tablets, however, they were able to reduce the amount of paper used per broadcast by approximately 64%. The tablets also make it possible to share information like design draft corrections with all staff in real time, greatly increasing work efficiency.



Paperless program production at "news23" and "Hiruobi"



Effects of going paperless (rough estimate) (sheets)



Biodiversity Initiatives

Sharing the Unique Messages of a Content Company in Japan and Abroad

“Crazy Journey”

“Crazy Journey” is a program that shows the reality of the world by accompanying people who travel around the world with unique viewpoints or interests. The program has covered a variety of scenes to date, including danger zones and ethnic minorities, and many creatures have appeared along the way.

During the episode with safari guide Yuka Ota, the show went along on a patrol with rangers combating poaching in the African savanna. In the episode with ant master Taku Shimada, while searching for rare ants in the forests of Australia, they discovered animals, such as cassowaries and a possible new species of animal, that are not naturally encountered in Japan.

The program aims to provide opportunities for people to learn about biodiversity through themes such as co-existence between humans and wild animals, and showing the appeal of creatures that cannot be seen in Japan.



“Amazing Animals/WAKUWAKU” YouTube channel

The “Amazing Animals/WAKUWAKU” YouTube channel uses TBS’s best commercial wildlife footage to introduce viewers to the mysteries of living things, the vitality of wild animals, the links between nature, animals, human beings and all kinds of life, and the importance of biodiversity. The channel has grown into one of Japan’s premier animal YouTube channels and currently has 488,000 subscribers and a total of over 220 million views (as of August 1, 2023). Views of the English version targeting overseas audiences are also growing steadily, mainly in the USA and India.

Last year, the channel ventured out of the world of internet and participated in the GTF Green Challenge Day 2022. In co-operation with the Ministry of the Environment, the organizer of the event, we held a talk event on the issue of invasive alien species, titled “All Life is Connected! Dangerous Tokyo Animals 2022.”

What we at TBS are good at is “communicating.” Through streaming, broadcasting, events, and other means, we try to inform as many people as possible in Japan and beyond about nature, the environment, and biodiversity.



Akasaka Honeybee Project

The TBS Group launched the Honeybee Project in 2011 and keeps honeybees inside the TBS Broadcast Center. Through activities such as beekeeping with the residents of Akasaka, and hands-on lessons for children, we give the entire community opportunities to think about biodiversity and living in harmony with nature.

In FY2022, we cooperated with the local government and elementary schools to hold lessons about honeybees. We also planted honey plants that bees and other insects like. TBS’s bees fly to local flowers to collect nectar, help with pollination, and help bear fruit. The honey collected is offered free of charge to nearby restaurants and the Akasaka Festival for use in drinks and dishes, and tastings are held at honeybee classes.



Corporate Governance



Management Structure & Governance

"Swan Lake"

©Hidemi Seto

Corporate Governance

Our Fundamental Approach to Corporate Governance

In addition to bearing the responsibility of contributing to the development of the market economy as a listed company, TBS also has a high public role as a certified broadcasting holding company whose affiliates are broadcasters entrusted with the precious and finite resource of airwaves that form part of the radio spectrum. The fundamental approach of TBS to corporate governance is to improve the Group's management efficiency and maximize corporate value while fulfilling our social responsibility as a certified broadcasting holding company.

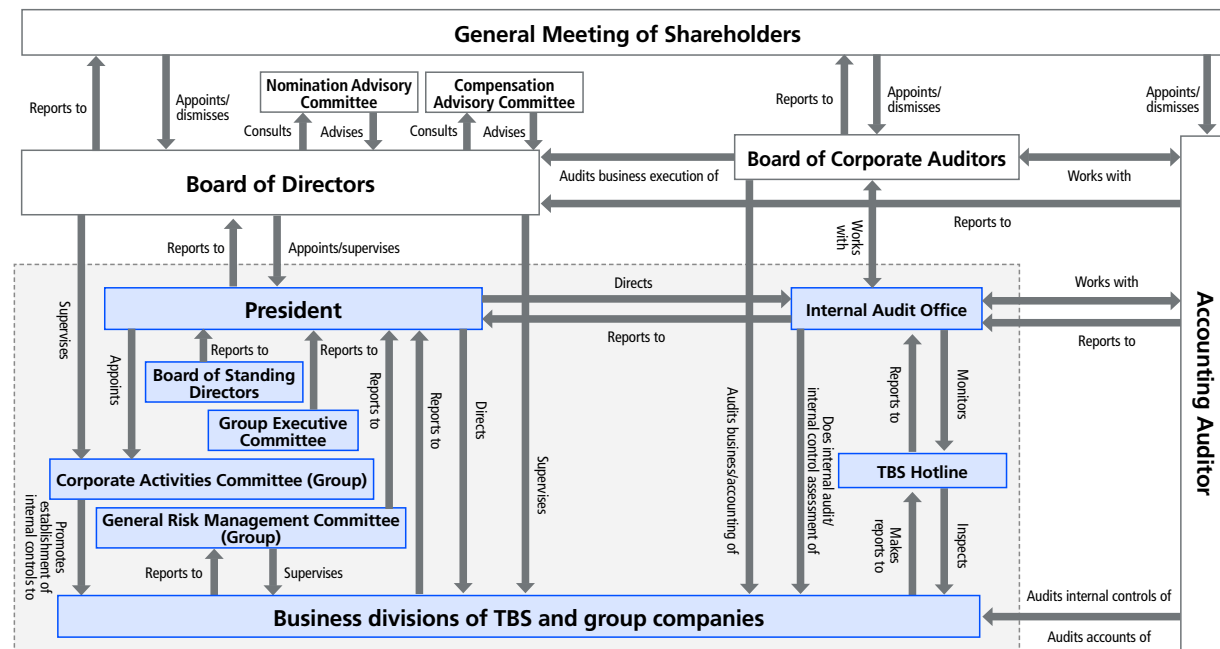
Corporate Organization

TBS employs a structure of governance by a Board of Directors and a Board of Corporate Auditors. Meetings of the Board of Directors are held on a monthly basis as a general rule, and at these meetings, decisions regarding the execution of important TBS business are made and reports on important matters are given. TBS has also established a Board of Standing Directors as a consultative body to assist with decision making by the president and the execution of business, and it conducts deliberations concerning such matters as administrative policy for general business management, including management of the Group. The Board of Standing Directors is currently composed of standing directors and executive officers, and meets once a week as a general rule. And for the purpose of specialist deliberations, the Board of Standing Directors also has subcommittees that handle matters such as budgets and investment and lending.



Strengthening governance as a responsible company

Corporate Governance Structure (as of June 29, 2023)



Composition of Board of Directors



40%

Composition of Board of Corporate Auditors



60%

Ratio of Independent Outside Directors and Auditors

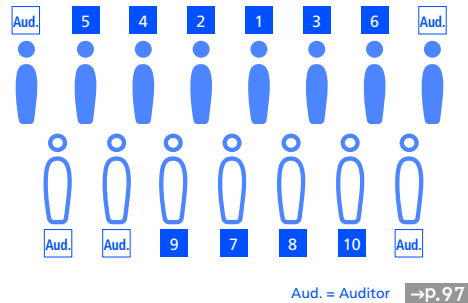
Board of Directors and Auditors

Board of Directors Skill Matrix

The skill set required for the Board of Directors of TBS Holdings and the skills of each individual director are as set out in the table below.

Under the TBS Group VISION 2030 (hereinafter, “VISION 2030”) that TBS has defined, we are currently working to transform TBS from a media group to a content group.

This is a breakdown of the skills required to achieve such aspects of VISION 2030 as enhanced broadcast value, implementation of the EDGE expansion strategy, solutions for materialities (key issues), and improved corporate value through ESG management.













No.	Name	Present Position at TBS HOLDINGS, INC.	Attendance at Board of Directors Meetings	Nomination Advisory Committee	Compensation Advisory Committee	Corporate Management	Finance and Accounting	ESG	Legal and Compliance	Human Resources Management	Competitive Strategy Media and Content	EDGE Growth Strategies		
			Digital Domain	Global Domain	Experience Domain									
1	Shinji Takeda	Chairman & Board Director	13/13 (100%)			○					○			
2	Takashi Sasaki	President & Representative Director	13/13 (100%)	○	○	○					○			
3	Toshiaki Kawai	Representative Director	13/13 (100%)	○	○	○	○				○	○		
4	Tatsuo Sugai	Board Director	13/13 (100%)								○	○	○	○
5	Shoichi Watanabe	Board Director	13/13 (100%)								○	○		○
6	Masaya Chisaki	Board Director	13/13 (100%)	○	○			○	○	○	○			
7	Hitoshi Kashiwaki	Outside Director <div>IndependentOutside</div>	13/13 (100%)	◎	◎	○							○	
8	Yosuke Yagi	Outside Director <div>IndependentOutside</div>	13/13 (100%)	○	○	○				○			○	
9	Makoto Haruta	Outside Director <div>IndependentOutside</div>	13/13 (100%)	○	○	○	○					○		○
10	Natsuko Takei	Outside Director <div>IndependentOutside</div>	—	○	○				○				○	

◎: Chair

Board of Directors and Auditors (as of June 29, 2023)

Directors

	 Shinji Takeda Chairman & Board Director	 Takashi Sasaki President & Representative Director	 Toshiaki Kawai Representative Director	 Tatsuo Sugai Board Director	 Shoichi Watanabe Board Director
Concurrent post	Chairman & Director, TBS TELEVISION, INC. Director, MBS Media Holdings, Inc.	President & Representative Director, TBS TELEVISION, INC.	Executive Vice President & Board Director, TBS TELEVISION, INC.	Senior Managing Director, TBS TELEVISION, INC.	Managing Director, TBS TELEVISION, INC.
Appointed	June 2007	June 2015	June 2014	June 2015	June 2018
Shares held	68,151	60,690	47,508	37,840	25,263
	 Masaya Chisaki Board Director	 Hitoshi Kashiwaki Independent Outside Director	 Yosuke Yagi Independent Outside Director	 Makoto Haruta Independent Outside Director	 Natsuko Takei Independent Outside Director
Concurrent post	Managing Director, TBS TELEVISION, INC.	Outside Director, ASICS Corporation Outside Director, Matsuya Co., Ltd. Outside Director, Kewpie Corporation	Representative Director, People First, Ltd. Director, ICMG Co., Ltd. Chairman & Director, IWNC Inc., Ltd. Auditor, GE Healthcare Japan Corporation	Representative Director and CEO, betaCatalyst Inc. Representative Director & President, ExaWizards Inc. Advisor, Money Forward, Inc. Director, Panasonic Corporation	Director, Sony Institute of Higher Education External Member of the Board, Tokyo Metro Co., Ltd.
Appointed	June 2018	June 2018	June 2020	June 2020	June 2023
Shares held	27,756	0	0	0	0

Message from Our New
Outside Director

Natsuko Takei,
Independent Outside Director

Just as society was navigating a major bend in the road presented by a range of technological innovations such as AI, quantum computing, and web3.0, the COVID-19 pandemic and changes in geopolitical balance resulted in accelerated change, and we have now entered an era in which the future of society is difficult to foresee. It is against this backdrop that I feel great appeal in the TBS brand promise of “From each moment, a better tomorrow.”



In my previous roles, I have overseen legal affairs, compliance, privacy, trade, and other such global operations. In addition to legal compliance in group company management, I have engaged in dialog with colleagues around the world to consider how companies should act in response to the changes in customer behavior, society, and markets that technological innovation and changes in geopolitical balance can result in, what represents opportunity and what represents risk, and what to do in order to do business in a legally compliant way, or ethically in areas where the relevant laws have not been put in place, and have taken on a range of challenges. I also firmly believe that a healthy corporate culture provides a rich and fertile foundation for everyone involved in corporate activities to work with vibrancy as they strive to create and innovate, and I have always worked to help create such a culture.

With this experience, I intend to contribute to the TBS Group as it goes about creating “a better tomorrow,” and to give my all to help increase the corporate value of the TBS Group.

I think that content has the power to bring shared enjoyment to people and to connect people. With content at the center of its growth strategy, I am very much looking forward to heading into a new era with the TBS Group.

Corporate Auditors



Tomohiko
Nishino
Standing Statutory
Auditor

Concurrent
post



Tetsuya
Ichikawa
Standing Statutory
Auditor



Teisuke
Kitayama
Outside Auditor

Advisor, Sumitomo Mitsui Banking
Corporation



Mie
Fujimoto
Outside Auditor

Concurrent
post

Lawyer
Partner (lawyer) TMI Associates



Somitsu
Takehara
Outside Auditor

Certified Public Accountant
Director & Chairman, ZECOO Partners Inc.

Executive Officers

Executive Officers

Ryujiro Abe	Yasushi Gemba	New Yuji Yoshida (Oversees the TBS Group’s anime business)
Jin Yokoi	Shigetoshi Ida	
Mei Takeuchi	Susumu Okuda	New Yukari Aoki (Oversees TBS Group design)

TBS Group Senior Executive Officers

Ken Sonoda	Hideki Isano	Kunio Tokui	Kazumo Inoue
TBS Group Executive Officers			
Keishi Takahashi	Shintaro Hayashi		
Jun Yasuda			

Strengthening of the Supervisory Function of the Board of Directors

Initiatives to Strengthen the Supervisory Function of the Board of Directors

In order to ensure promptness, transparency, and fairness in decision making, TBS amended the number of members of its Board of Directors from 17 to nine in June 2020, and the ratio of independent outside directors sitting on the Board of Directors is set at a minimum of one third. Furthermore, in order to further strengthen the supervisory function of the Board of Directors, an extra outside director was added in June 2023 to bring the number of members to 10.

For the Nomination and Compensation Advisory Committees, TBS changed and strengthened the composition in January 2021 so that in addition to both committees being chaired by outside directors, outside directors would also constitute half of the members of the committees. The composition was further amended in June 2023 so that outside directors constitute a majority of committee members.

TBS will improve the effectiveness of its corporate governance going forward by clearly setting out the roles of its supervisory and executive functions.

■ Nomination Advisory Committee

TBS has established a Nomination Advisory Committee to deliberate the appointment and dismissal of directors and the president and representative director. As of June 2023, outside directors constitute a majority of the Committee's members and it is also chaired by an outside director, and this ensures the independence and objectivity of the Committee.

The Committee discusses the succession plan for the president and representative director and the mentoring of candidates for succession, and reports the results to the Board of Directors within an appropriate scope.

The Committee met four times in FY2022 (having met three times in FY2021), and all members attended all meetings.

Main Content of Deliberations

- Directorial candidates to be suggested to the General Meeting of Shareholders and candidates for executive officers to be appointed at the meeting of the Board of Directors after the general meeting
- The skill set required for the Board of Directors, and the skills of each directorial candidate
- Progress status of the succession plan for the president and representative director
- The status of diversity initiatives (mainly the promotion of women to higher positions)

Diversity in the Board of Directors

The four outside directors all have experience in corporate management at a company engaged in business or as the head of a division, and excel in the fields of finance and accounting, organizational human resources, and legal affairs and compliance. Having such persons who possess a wealth of experience and knowledge ensures the Board of Directors has diversity and is multifaceted in nature.

And having appointed one female director and one female executive officer in June 2023, TBS is working toward even greater diversity in aspects including the gender, experience, and age of employees. It should be noted that in accordance with the Japan's Broadcasting Act, no foreign nationals can be appointed as directors.

■ Compensation Advisory Committee

TBS has established a Compensation Advisory Committee to deliberate the compensation structure and level of compensation for directors. As of June 2023, outside directors constitute a majority of the Committee's members and it is also chaired by an outside director, and this ensures the independence and objectivity of the Committee.

On the basis of policy set by the Board of Directors, the Committee holds deliberations on the compensation structure and level of compensation for directors from a standpoint of objectivity and fairness, and reports to the Board of Directors.

The Committee met three times in FY2022 (having met four times in FY2021), and all members attended all meetings.

Main Content of Deliberations

- Appraisals for performance-related evaluation and compensation of directors on the basis of performance (consolidated operating income) in the previous business year
- Appraisals for qualitative evaluation and compensation of each director
- Total amount of directorial compensation for submission to the Board of Directors (base compensation/performance-based compensation/stock-based compensation)
- Review of the design of the stock-based compensation system

Specific Matters Addressed by the Board of Directors

Business Strategy	<ul style="list-style-type: none"> • Updating of the 2023 Medium-Term Management Plan and implementation of EDGE strategy • Identification of materialities for the TBS Group • Planning for Akasaka Entertainment City • Investment in companies • Status of VISION 2030 initiatives at group companies • Budget compilation policy and budget formulation • Verification and selling of cross-shareholdings based on capital costs
Governance	<ul style="list-style-type: none"> • General risk management status of the Group • Operational status of the internal reporting system • Assessment of Board of Directors' effectiveness • Status of dialog with institutional investors (engagement) • Sustainability Committee reports (TCFD, human capital, etc.) • Implementation status of the Corporate Governance Code • Approval of annual/quarterly financial statements, accounting documentation, etc.

■ TBS Group Executive Officer System

TBS has introduced a group executive officer system for group companies, with the aim of ensuring agile implementation of business strategy and improved effectiveness of business execution. In FY2022, the presidents and representative directors of six group companies took up their posts.

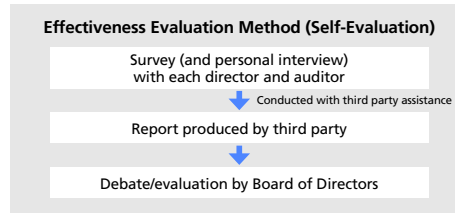
The Group Executive Committee is comprised of directors from TBS Holdings, executive officers with responsibility for the Group, and executive officers from within the Group. It serves as a body for liaising and consulting among companies in order to complement the business execution of the president of TBS Holdings, and as a general rule, it meets on a weekly basis. This Committee has been incorporated as part of the corporate governance system.

TBS Group Corporate Activities Committee

Role:	To achieve proper and efficient execution of business, and to maintain and increase the corporate value of TBS as a corporate group.
Members:	TBS and TBS Group directors, and outside members
Jurisdiction:	<ol style="list-style-type: none"> 1. Development, evaluation, and improvement of internal controls systems 2. Establishment of corporate ethics 3. Risk management and promotion of proper and effective business 4. Matters concerning information disclosure systems 5. Matters concerning advice to the Board of Directors of each group company

Evaluation of Effectiveness of Board of Directors

In order to obtain a more objective view, since FY2020 we have implemented an evaluation of the effectiveness of the Board of Directors with the assistance of Japan Board Review Co., Ltd as a third party. The Board of Directors discussed and evaluated its effectiveness in FY2020 on the basis of a report produced by a third party institution after the implementation of a survey and personal interviews with each director and auditor, and in FY2021 and FY2022 after the implementation of a survey with each director and auditor.



Overview of FY2022 Evaluation

1. Size and Composition of the Board of Directors

The size and composition of the Board of Directors received an even better evaluation than in the previous year, and it was deemed to be largely appropriate. Ensuring diversity that includes female directors is recognized as an issue to be addressed.

2. Operation of the Board of Directors

Under the appropriate administration of proceedings by the chair of the Board of Directors, each director and auditor expresses their opinion in a frank manner, and appropriate decision making is performed on the basis of timely and appropriate information for corporate management. The most important management issue is the achievement of the TBS Group VISION 2030, and it was recognized that in addition to fully leveraging its role and functions and continuously undertaking lively discussions toward the achievement of the TBS Group 2023 Medium-Term Management Plan, the Board of Directors performs appropriate supervision.

3. State of the Nomination Advisory Committee and Compensation Advisory Committee

The Nomination Advisory Committee and the Compensation Advisory Committee are of a size and composition that make them dependable, and it is considered that communication between both advisory committees and the Board of Directors is sufficient. However, while it is deemed that both advisory committees undertake open and lively discussions, it is also recognized that there are still issues to be addressed in terms of the provision of information for holding fully rounded discussions.

4. Relations with Investors and Shareholders

While voices from the capital market are appropriately reported to the Board of Directors and this information is used in discussions by the Board of Directors, this needs to continue in order for long-term competitive superiority to be fully conveyed to the capital market.

Recognized Issues and Approach to Tackling Them

	Management Issues	Board of Directors Role/Operation	Composition of Board of Directors	Nomination and Compensation Advisory Committee	Support for Outside Directors
Initiatives after previous evaluation (FY2021)	<ul style="list-style-type: none"> For important management issues and agenda items, ensure a full discussion spanning several sessions is held by providing prior explanations and raising them as matters for deliberation. Define a philosophy for human capital management, and establish a Human Resource Development Policy and an Internal Environment Improvement Policy. A discussion on specific human resources strategy continues to be an issue to be addressed. Proactive explanations to be continued through IR briefings and engagement with institutional investors. 	<ul style="list-style-type: none"> Reports on implementation and progress of TBS Group VISION 2030 initiatives by group companies to be given. Major investments to be raised as matters for deliberation in multiple agenda items to ensure sufficient time for consideration. Hold discussions with the objectives of increasing corporate value by means such as achieving the TBS Group VISION 2030, and increasing share price as a result. 	<ul style="list-style-type: none"> Ensuring diversity and board succession is deliberated mainly by the Nomination Advisory Committee. 	<ul style="list-style-type: none"> Regularly report content deliberated by advisory committees to the Board of Directors, and share information. 	<ul style="list-style-type: none"> Holding of social gatherings for outside directors and auditors.
Issues after this evaluation (FY2022)	<ul style="list-style-type: none"> While the seeds of growth have been sown toward the achievement of the TBS Group VISION 2030, a specific consideration of measures to increase corporate value is required. Specific considerations concerning human resources strategy, including ensuring diversity, grouped together as human capital management, and have just got underway. While information dissemination to shareholders and investors has been enhanced, this needs to be continued to obtain the full confidence of investors. 	<ul style="list-style-type: none"> Deeper discussion required regarding monitoring of progress of TBS Group VISION 2030 and review of the business portfolio for achievement of Phase 2, Development and Growth. Enhanced administration of group management and follow up by the Board of Directors is required to achieve a drastic increase in corporate value. 	<ul style="list-style-type: none"> In order to ensure effectiveness in important strategic decision making for achievement of the TBS Group VISION 2030 and management supervision, consideration needs to be given to the best form for the Board of Directors and the skills demanded of directors. 	<ul style="list-style-type: none"> The Nomination Advisory Committee and Compensation Advisory Committee undertake lively discussions, but the prior sharing of information required for deliberations is an issue that needs to be addressed. 	<ul style="list-style-type: none"> Meetings and other gatherings comprised of outside directors and auditors held to provide careful prior explanations and other information, and this has had a degree of effect on enhancing deliberations by the Board of Directors. Support to be continued to nurture a deeper understanding among outside directors.
Approach going forward	<ul style="list-style-type: none"> Regarding business strategy taking capital cost and share price into account in order to increase corporate value, analyze the current situation, create a plan, and implement and monitor the progress of initiatives. Human capital strategy required to achieve the 2023 Medium-Term Management Plan and create the 2026 Medium-Term Management Plan to be discussed and reviewed by the Board of Directors. Further strengthen information dissemination on the EDGE strategy and other long-term growth strategies, and work to deepen business strategy and ensure latent growth potential is understood by the market. 	<ul style="list-style-type: none"> Decisive decision making for "sowing seeds" in the final year of Phase 1 of the TBS Group VISION 2030, and strengthened management supervision function for selection, concentration, and other activities ahead of Phase 2, Development and Growth. Accurate perception of changes in the global market, risk, and other such things, strengthening of risk management at group companies, and enhanced progress checking and follow up of the TBS Group VISION 2030. 	<ul style="list-style-type: none"> Share the content of discussions by the Nomination Advisory Committee, such as board succession and the skills demanded of directors, with the Board of Directors, bring depth to discussions, and further ensure diversity. 	<ul style="list-style-type: none"> Enhancement of information sharing concerning board succession, including the CEO (president), and sharing with the Board of Directors. Continued information sharing by means of regular reports of deliberation content to the Board of Directors. 	<ul style="list-style-type: none"> Continued provision of opportunities for information sharing among outside directors, while also exploring opportunities for further understanding of the situation in-house, such as business execution.

Officers' Compensation

Policies and Procedures Concerning Officers' Compensation

Through a resolution of the General Meeting of Shareholders held on June 27, 2014, TBS set the maximum total annual compensation for all directors and auditors to a maximum of ¥900 million (excluding the employee salary paid to directors who are also employees) and ¥100 million, respectively.

A restricted stock-based compensation scheme was introduced at a General Meeting of Shareholders held on June 27, 2019, and it was determined that for directors other than outside directors, the maximum total compensation of the aforementioned amount for grants of restricted stock shall not exceed ¥180 million annually.

Basic Policy for Officers' Compensation, etc.

- Compensation shall be the foundation for recruiting and maintaining highly-talented human resources to achieve increased corporate value and accomplish our mission of public service, and for stable management.
- The compensation system shall have a focus on the shareholder's perspective, and shall build value sharing with shareholders.
- The process of determining compensation shall be objective and highly transparent, and based on deliberations by the Compensation Advisory Committee.

A basic policy for compensation of directors has been established on the basis of reports from the Compensation Advisory Committee, which advises the Board of Directors. Aspects of directorial compensation including the system, level, and composition are deliberated by the Compensation Advisory Committee on the basis of consultations from the Board of Directors and in consideration of the basic policy for compensation, and are set based on the response of the Committee.

Compensation for directors is composed of base compensation, performance-based compensation, and stock-based compensation. However, outside directors receive only base compensation as they are independent of business execution. Compensation for auditors is less than the maximum total annual compensation and is determined through discussions among auditors.

At the General Meeting of Shareholders and the meeting of the Board of Directors held on June 29, 2023, a scheme for the granting of restricted stock (RS) in TBS as share-based compensation to the directors and executive officers of TBS subsidiaries in the same way as TBS directors and executive officers was introduced with the objective of further heightening desire to make a contribution to the sustainable growth of the corporate value of the TBS Group.

And with the objective of making clear the link with TBS share prices and providing an incentive, a share-based compensation scheme has been introduced for directors of TBS subsidiaries that grants shares in TBS using a trust.

Composition of Directorial Compensation

Compensation Type	Form of Payment	Overview
Base Compensation	Fixed, Cash	Monthly Compensation (paid every month) Determined for each director in consideration of factors including position, strategic division overseen, and changes in the business environment
Performance-Based Compensation	Variable, Cash	Annual Incentive Compensation With the objective of providing an incentive to achieve results in a given fiscal year, qualitative evaluations examine (i) the degree of achievement of numerical targets for consolidated operating income, and (ii) the status of achievement in the strategic division that the relevant director is responsible for
Stock-Based Compensation	Variable, Shares	Long-Term Incentive Compensation With the objective of providing an incentive to increase shareholder value over the medium-to-long term and sharing value with shareholders, restricted stock-based compensation (RS) is provided on an annual basis

Cross-Shareholdings and Anti-Takeover Policy

Cross-Shareholdings

TBS is aware that, in order to maximize the common interests of shareholders, it is incumbent upon us to both strive for improved corporate value and to fulfill our high public role as a certified broadcasting holding company. From these perspectives, we hold shares in corporations that, upon general consideration of factors such as cooperative relations, transactions, and business partnerships, we determine to be a necessary part of our business strategy.

TBS sells off cross-shareholdings where we determine, in light of the conditions at the end of the most recent business year, that it is not meaningful to hold such shares. For individual cross-shareholdings, the Board of Directors gives general consideration each year to factors that include the objectives, relevance, and economic rationality of holding the shares, and examines whether continuing to hold the shares is the best choice or not.

With regards to economic rationality, the benefits and risks of cross-shareholdings are examined in reference to TBS capital costs.

In terms of the exercise of voting rights, the TBS scrutinizes the content of agenda items, and exercises these rights judiciously from the perspective of whether or not such action will contribute to medium-to-long-term improvement of corporate value, while also respecting the management policies of the companies in which we invest. However, in situations such as where there is reason to believe that the corporate value of TBS may be harmed or where serious violations of the law are seen, TBS will, where necessary, confirm the intent of agenda items and take any other such action to fully engage with the companies in which we invest before carefully reaching a determination.

¥116.1 billion in sales of stock since FY2018

FY2021 sales of stock: ¥20.1 billion (eight brands, all or in part)

FY2022 sales of stock: ¥24.1 billion (six brands, all or in part)

Overview of Policy for Responding to Takeover Attempts (Anti-takeover Policy)

A TBS Board of Directors meeting held on February 28, 2007 formulated a Policy for Responding to Takeover Attempts. At the Ordinary General Meeting of Shareholders held on June 28, 2007, this policy and its continued application were approved by a majority of shareholders who were entitled to exercise their voting rights.

This policy complies with Japan's Companies Act and other corporate laws and regulations, governmental guidelines issued by the Ministry of Economy, Trade and Industry and the Ministry of Justice, and rules and regulations issued by the Tokyo Stock Exchange, and was put in place after thorough consideration of the impact on shareholders' rights and the exercising of these rights, and the impact of TBS shares on the market. As a listed company, the TBS Group bears the responsibility to contribute to the development of the market economy, and in addition to this, we believe it is necessary to maintain both our public nature as a broadcasting station entrusted with the precious and finite resource of airwaves that form part of the radio spectrum, and our autonomy, diversity, and independence in order to uphold our impartiality as a news organization.

An important feature of our anti-takeover policy is that as long as a purchasing group which has the intent to acquire shares representing 20% or more of the voting rights complies with the policy, a General Meeting of Shareholders shall, in principle, be held prior to the implementation of any measures in our anti-takeover policy (measures to counter takeover bids), and the decision as to whether or not to implement such measures shall be left up to the shareholders. The objectives of this are to enable the securing of sufficient information and time for our shareholders to reach an appropriate decision, and for the TBS Group management team to carry out an evaluation, inves-

tigation, negotiation, and other such activities, including making alternative proposals, regarding matters such as proposals pertaining to the large-scale takeover action of the purchasing group or other such issues.

However, if the Special Committee for Corporate Value Evaluation, an advisory body independent of the Board of Directors, evaluates and examines the takeover proposal and recommends that the takeover defense measures not be exercised, then, without waiting for the Ordinary General Meeting of Shareholders to be convened, the countermeasures shall not be implemented. This serves as a means to prevent these measures from being used for management's own protection.

In May 2021, we enacted the TBS Group VISION 2030 that focuses on a decade in the future, as well as the TBS Group Medium-Term Management Plan 2023 that aims to achieve VISION 2030, and we are now undertaking a bold reform of management with the goal of generating medium-to-long-term growth. We believe that a certain period of time will be required before these bear fruit and the results manifest themselves as an appropriate share price, and so in this sense, it is necessary that we maintain the present policy of response. In October 2021, we held a dialog between our outside directors and our outside auditors concerning the retention of our present policy of response.

Following these processes, we resolved to maintain and update the present policy of response at the May 2022 meeting of the Board of Directors.

Details of the Policy for Responding to Takeover Attempts are available on the TBS website.



Policy for Responding to Takeover Attempts
(Basic Policy on the Stance of Persons who Control Decisions on
Corporate Financial Affairs and Business)

<https://www.tbsholdings.co.jp/about/governance/pdf/decision.pdf?20230629>

Enhancement of Sustainability Promotion

Establishment of a Sustainability Committee and Creation of a Sustainability Policy

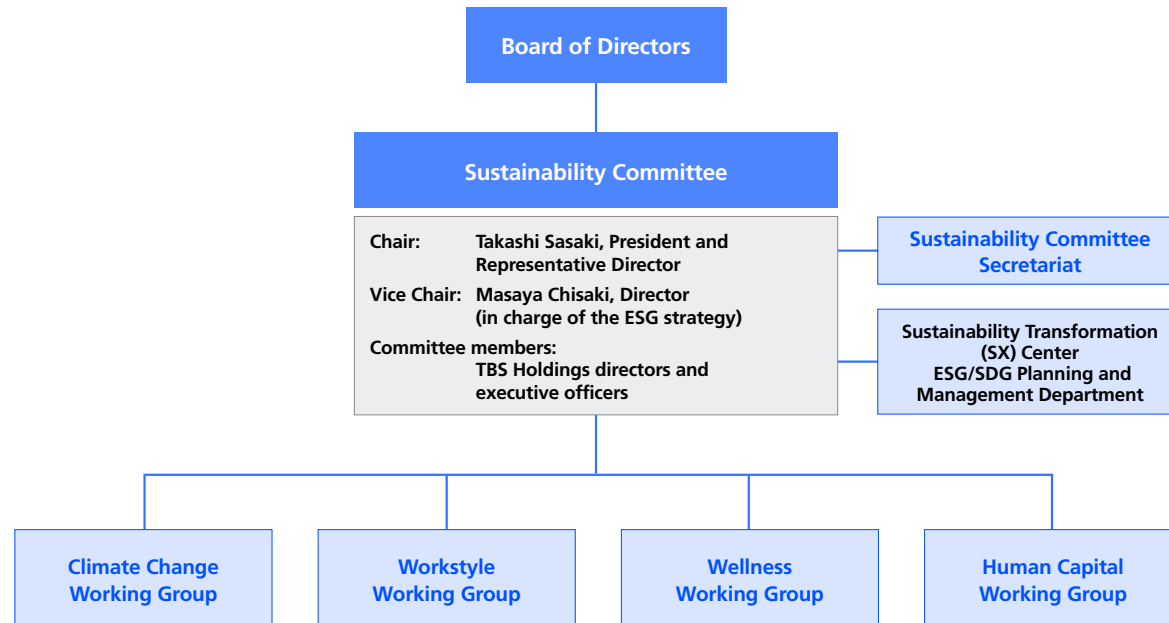
In order to further enhance and accelerate group-wide efforts toward the realization of a sustainable society, on October 1, 2021, TBS Holdings established the Sustainability Committee, chaired by the president and representative director and vice-chaired by the director with responsibility for ESG strategy. In November of the same year, the Committee formulated a sustainability policy, and this was approved by the Board of Directors.

The Sustainability Committee examines and implements specific measures for issues related to ESG and the SDGs, such as climate change measures, human rights, labor, the environment, and governance.

In addition to the existing working groups, each looking into one of the three areas of climate change, work style, and wellness, a Human Capital Working Group was established in November 2022.

TBS Holdings has worked, mainly through the Wellness Working Group, to build a safe and rewarding workplace environment that enables the exercise of creativity, and along with TBS Television, was certified by Japan's Ministry of Economy, Trade and Industry as a Health and Productivity Enterprise in 2023 (in the large corporation category).

In addition, the Human Capital Working Group has worked on the creation of drafts for TBS Group Human Capital Management and a TBS Group Human Rights Policy that codifies the previous Human Resource Development Policy and Internal Environment Improvement Policy.



Sustainability Policy

As a media group with a social mission, the TBS Group will build broad partnerships with all stakeholders in order to help create a society of contentment and sustainability.

- We will work on resolving environmental and social issues through the fair and accurate dissemination of information and the provision of content and services.
- We will respect human rights and diverse values, and contribute to the realization of a society full of hope.
- We will comply with laws and social norms, and undertake our corporate activities in a fair and transparent manner.
- We will accommodate a wide range of working styles, and create a safe and rewarding workplace in which employees can exercise their creativity.

Contribution to SDG achievement

Aiming for achievement of the SDGs by 2030, the TBS Group will form the starting point of influencing society through the provision of a wide range of content and services, and, through broad-based partnerships, contribute to the realization of a society full of hope in which no one is left behind.

Compliance

Compliance System

As a core aspect of promoting compliance within the TBS Group, a Compliance Office has been established under the Compliance Division to provide employees and staff with guidance on how to prevent compliance problems such as harassment and violations of laws and regulations, internal rules, and ethics. We have put in place a system where, in the event of a compliance problem, we work with the department in charge and with the Division of Human Resources and Labor to promptly investigate the problem, seeking advice from outside lawyers if necessary, and take measures as appropriate, including internal disciplinary action, investigation of the causes, and formulation of measures to prevent recurrence.

Internal Reporting Systems

The TBS Hotline was established with the goal of eliminating any fraudulent behavior within the TBS Group. This can be used not only by employees and staff of the TBS Group, but also former employees and business partners to report any wrongdoing that they may become aware of. Whistleblower confidentiality is strictly maintained, and the subjecting of whistleblowers to any kind of disadvantageous treatment whatsoever is prohibited. Points of contact are available internally and also at an external lawyer's office.

Furthermore, in addition to the TBS Hotline, a separate Harassment Desk has been established in HR departments, and can respond to inquiries at any time regarding sexual harassment and power harassment. If instances of harassment are discovered, action will be taken in accordance with employment regulations.

Program Improvement Initiatives

TBS strives to improve programs while applying the **TBS Broadcasting Standards**, which TBS defined on its own initiative when the company first went on air in 1951 and revises as is required, and the broadcasting standards of the Japan Commercial Broadcasters Association.

We have formulated a plan called the **TBS Television Citizens' Protection Operating Plan** with the goal of protecting citizens through the dissemination of information on warnings and the declaration and cancellation of evacuation orders in the event of armed aggression against Japan or in other such situations, and ensure soundness in our program production with our **Guidelines for the Rejection of Antisocial Forces**.

Council of Program Practice that we are obliged to establish by the Broadcasting Act makes reports and gives opinions in response to consultations from TBS, and TBS then takes the necessary steps in respect thereof.

We also air **TBS Review, an examination program** that serves as a point of contact between TBS and our viewers, twice monthly in the morning of the second and fourth Sunday of the month. This program takes on and examines the wide range of issues facing TBS and broadcasting as a whole.

In terms of transactions for the outsourcing of program production from TBS to external production companies, we have defined **Independent Standards Pertaining to Program Production Outsourcing Transactions** and ensure that we always treat such companies as equal partners in upholding broadcast culture. Our fundamental approach is one of maintaining and cultivating close, mutually cooperative relations and proactively undertaking transactions that are fair and transparent.

Given the seriousness of the public nature and social impact of the broadcasting business, the Japan Commercial Broadcasters Association and the Japan Broadcasting Corporation (NHK) launched the Broadcasting Ethics and Program Improvement Organization (BPO) with the objective of contributing to accurate broadcasts and improved broadcasting ethics, and the BPO responds to complaints about broadcasts and problems in terms of broadcasting ethics from an autonomous, independent third-party stance to protect the basic human rights of viewers while ensuring freedom of speech and expression.

 [TBS Broadcasting Standards \(revised as required\)](https://www.tbsholdings.co.jp/tbstv/regulation/regulation.html)

<https://www.tbsholdings.co.jp/tbstv/regulation/regulation.html>

 [TBS Television Citizens' Protection Operating Plan](https://www.tbsholdings.co.jp/tbstv/regulation/protection.html)

<https://www.tbsholdings.co.jp/tbstv/regulation/protection.html>

 [Guidelines for the Rejection of Antisocial Forces](https://www.tbsholdings.co.jp/tbstv/regulation/antisocial.html)

<https://www.tbsholdings.co.jp/tbstv/regulation/antisocial.html>

 [TBS Review Examination Program](https://www.tbsholdings.co.jp/tbstv/regulation/tbsreview.html)

<https://www.tbsholdings.co.jp/tbstv/regulation/tbsreview.html>

 [Independent Standards Pertaining to Program Production Outsourcing Transactions](https://www.tbsholdings.co.jp/tbstv/regulation/production.html)

<https://www.tbsholdings.co.jp/tbstv/regulation/production.html>

TBS Group Code of Conduct

Providing Content, Information, and Services that Enrich the Mind

- Our pledge to our customers -

■ A great time for every individual

We will continually strive to be inventive and go beyond time and place to provide high-quality, captivating content, events, products, and services that enrich the mind.

■ Fair, just, and accurate information dissemination

We will thoroughly respect freedom of expression, strive to disseminate fair, just, and accurate information, and fulfill our mission as a media organization.

■ Respect for the views of our viewers, listeners, and customers

We will listen closely to the views of our viewers, listeners, and customers, and continually work to ensure as many people as possible can find value in the time they spend on consuming our content.

Respecting Diverse Values and Striving to Make a Positive Contribution to Society

- Our pledge to society -

■ Respect for human rights and diversity

We uphold human rights, respect diverse values, and reject all forms of discrimination and prejudice.

■ Social contribution and environmental preservation

We value our bonds with society and harmony with nature, and will work toward the achievement of a sustainable society and a better environment.

■ Legal compliance

As a member of a media group, we shall have a strong sense of ethics, uphold laws and social norms, respect all faiths, and conduct our business with fairness and transparency.

Aiming to Realize Our Philosophy with an Ethos of Freedom

- Our pledge to our colleagues -

■ Development of outstanding talent

We will develop outstanding talent with rich sensibilities and the capacity to help build the future. While accommodating diverse working styles, we will continue to take on challenges with a focus on the future and on the world.

■ Building free-spirited workplaces

We will work to build workplaces in which people accept each other and value freedom, and where each and every individual can leverage their creativity to the maximum possible extent.

■ As a group member

With an awareness of our status as a member of the TBS Group and toward the realization of our corporate philosophy, we will seek to work with all of our colleagues to be a media group that is second to none.

TBS Group Anti-Bribery and Corruption Policy

The TBS Group has always worked to prevent acts of bribery and corruption in business activities through the TBS Group Code of Conduct and TBS Group Conduct Standards. But on the basis of an awareness that corruption presents a major obstacle to the achievement of a sustainable society and with a further heightened sense of ethics and even stricter standards, we defined the TBS Group Anti-Bribery and Corruption Policy in March 2023 to provide a set of fundamental points that must be adhered to and to ensure a thorough implementation of our policy of zero tolerance for bribery or any other acts of corruption.



TBS Group Anti-Bribery and Corruption Policy

https://www.tbs.co.jp/TBS_sustainability/pdf/anti-bribery.pdf

April 1, 2020

Information Security and Protection of Personal Information

One key pillar of our EDGE expansion strategy is an expansion into the digital field through enhanced content streaming to a diverse range of devices and the development of digital content. With advances in data-driven content streaming utilizing user data and content production utilizing digital technologies come an increased risk of cyberattacks and personal information leaks. In response to these heightened risks, TBS is undertaking to strengthen its structure for information security and the protection of personal information.

Information Security

As cyberattacks become increasingly advanced and sophisticated, cyber security has become an extremely important element of modern broadcasting infrastructure. TBS is a member of the ICT Information Sharing And Analysis Center Japan (ICT-ISAC), a general incorporated association whose members include communications companies and broadcasters, and strives to ensure cyber security in broadcasting infrastructure in accordance with ICT-ISAC guidelines.

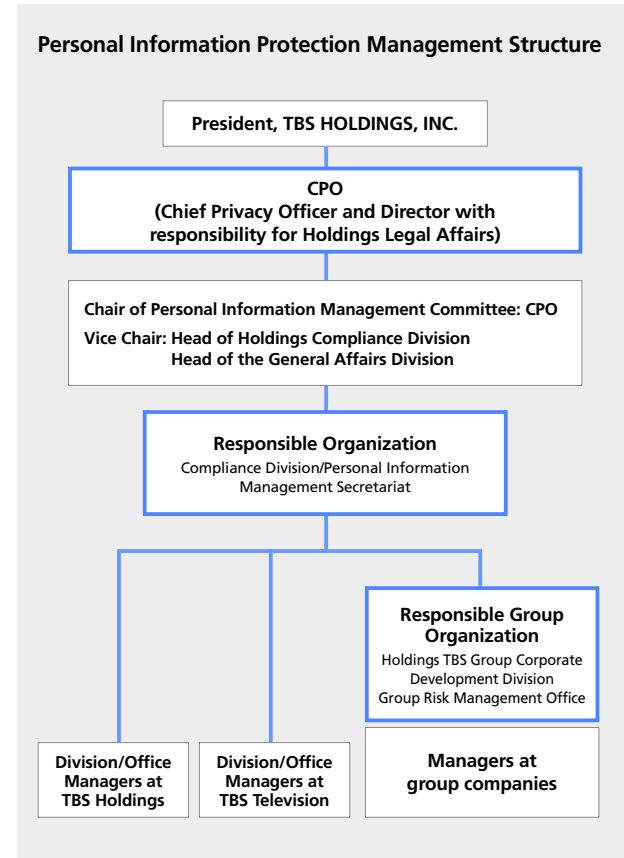
As an independent initiative, TBS founded TBS CSIRT, an organization dedicated to security, which has enacted a range of security measures.

Protection of Personal Information

With the Revised Act on the Protection of Personal Information taking effect in Japan in April 2022 and an ever-increasing awareness of rights regarding personal information, TBS is working to enhance the way it manages personal information, from its pre-existing broadcasting business-centric management structure to dealing with legal restrictions concerning privacy protections online, in order to achieve a balance between the protection and use of personal information and to respond to risks associated with increased data flows between Japan and the rest of the world.

As part of these efforts, we have overhauled our management structure based on a Personal Information Management Committee and newly appointed a Chief Privacy Officer (CPO) as the director with responsibility for privacy. We have also established an internal control structure and established a Personal Information Management Secretariat as a standing organization with responsibility for practical business operations.

Furthermore, we have consolidated the handling rules from each of the primary companies of the TBS Group and enacted Personal Information Handling Rules for the Group as a whole. By establishing a structure that allows appropriate personal information management on the basis of uniform standards for the entire Group, we will strive for proper protection in our handling of personal information.



Group Internal Controls and Risk Management

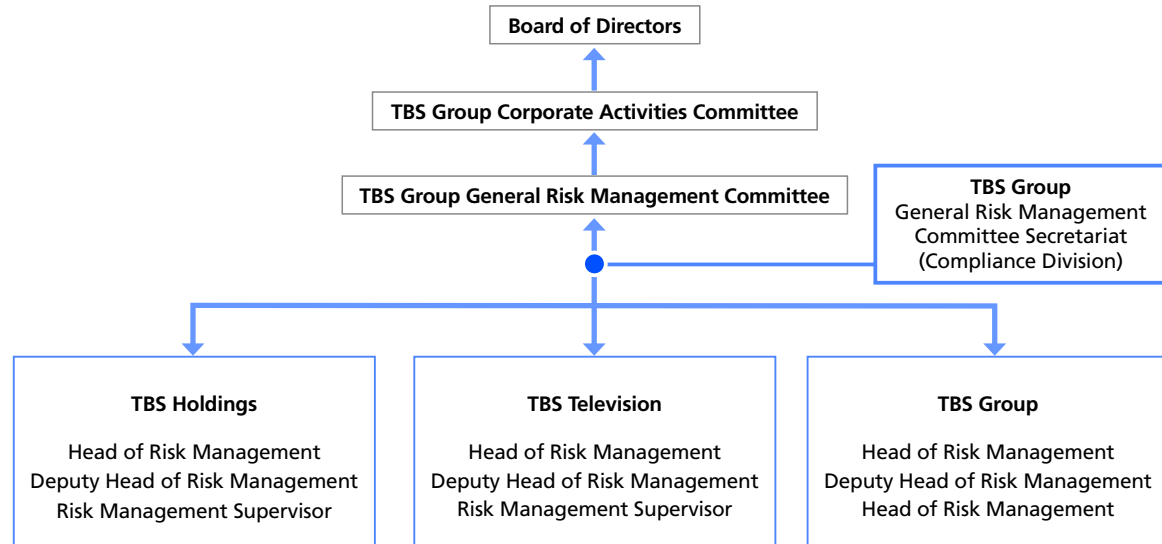
Risk Management Structure

In order to construct and ensure the functioning of an internal control structure within the TBS Group, the TBS Group Corporate Activities Committee chaired by the president has been put in place to achieve appropriate and efficient business execution and to maintain and increase corporate value as a corporate group. The Committee is comprised of directors from TBS Holdings and the Group as well as outside committee members (lawyers), and is responsible for the following matters.

1. Development, evaluation, and improvement of the internal control structure
2. Establishment of corporate ethics
3. Risk management and promotion of proper and effective business
4. Matters concerning information disclosure systems
5. Matters concerning advice to the Board of Directors of each group company

Specific techniques for risk management are overseen and promoted by the TBS Group General Risk Management Committee, which was established as a subcommittee overseen by the TBS Group Corporate Activities Committee. The General Risk Management Committee meets, in principle, twice a year in April and November, and receives reports for the relevant period concerning the state of risk management.

General Risk Management Structure



Specific Techniques for Risk Management

The Committee works to gain an understanding of individual potential risks reported from TBS Holdings and group companies, and aggregates these risks based upon their degree of impact and the frequency with which they materialize. As well as working to visualize risks, if a risk materializes, the Committee

works to control the risk by analyzing why it happened and putting in place improvement measures within each department to prevent its recurrence. Through the steady and iterative implementation of these efforts, the Group as a whole fully addresses these risks, and aims to become an organization that is trusted by customers, stakeholders, society, and its employees.

Main Risks (Included in Securities Report) and Responses

Main Risks (Included in Securities Report)

Risks for the Media and Content Business

Dependence on advertising income from terrestrial television broadcasting and domestic economic fluctuations

Revenue from terrestrial television broadcasting, which makes up a significant proportion of TBS Group sales, is closely linked to advertiser performance and the psychology of the consumers who buy from advertisers. FY2022 also saw a year-on-year fall in commercial placements on terrestrial television due to factors including a decrease after the heights of the Tokyo Olympics in the previous fiscal year and clients looking to reduce advertising and promotion expenses due to increased costs resulting from Russia's invasion of Ukraine and inflation, among other factors.

With the spread of COVID-19 among other triggers, companies who advertise on television are increasingly shifting away from handling advertising expenses as fixed costs (half-year deals for program sponsorship), and instead handling them as variable costs (one-off program sponsorship/spot sales). Thus there is a risk that time sales will perform even more sluggishly than the advertising market as a whole, and this presents the issue of attracting companies to spend money on this variable cost. And ever since the amount of money spent on internet advertising surpassed terrestrial TV advertising in 2019, the shift of advertisers toward digital media has been accelerating.

With factors such as the destabilization of international order by Russia's invasion of Ukraine, soaring resource prices, and the collapse of financial institutions for reasons including central banks around the world increasing interest rates, the economic outlook is becoming opaque at an increasingly rapid pace, and should the advertising market drastically shrink due to future economic developments or other such factors, then this would have the potential to impact the business performance and financial situation of the TBS Group.

TBS Action

Terrestrial TV's strengths are its broad reach and its good cost performance. We are continuing to review advertising value through utilization of audience data, and are working on both a qualitative (i.e. unit price) improvement and a quantitative (i.e. commercial placement amount) expansion in terms of television commercial placement.

To respond to environmental changes, we are developing products that include Smart Ad Sales, or SAS, in which the date and position can be designated for the placement of individual commercials, allowing more flexible commercial placement. In addition to this, in order to enable us to attract the variable costs of our clients, we have also adopted a sales method for flexible time sales that are not bound by the conventional sales technique of specifying half a year as the contract period.

We are also working to forge new relations with companies through initiatives including SDGs WEEK, in which we work in unison with corporate partners to nurture, among other things, social awareness of SDGs.

Inter-media competition and content acquisition

Television and other audio-video propagation media are expected to diversify through things such as the further adoption of online streaming in addition to conventional broadcasting that consists of terrestrial, satellite (BS and CS), and cable, leading to full-scale competition between media companies and an ever more intense scramble over the "disposable time" of viewers.

Conversely, as demand for content increases and streaming platforms rapidly diversify, investment is accelerating, but it is expected that conditions in the streaming market will become more severe, and there is a risk of sudden changes in the content procurement policy of overseas platforms. In addition, the cost of broadcasting rights for sports content is in a rapid upward trend, and competition between media companies to secure quality content is intensifying.

TBS Action

We provide a free catch-up streaming service on platforms such as TVer. Due to a merger with U-NEXT, the subscription streaming service Paravi is to be transferred and continued from within U-NEXT. This merger will result in the creation of the largest streaming platform in Japan, with revenue of more than ¥80 billion and in excess of 3.85 million paying subscribers. We will also continue to provide content to major overseas platforms such as Netflix. By providing numerous offerings on which the many viewers in this wide variety of outlets can spend time, we will seek to achieve the ultimate reach while accelerating investment into content itself.

Main Risks (Included in Securities Report)

Technology, systems, and security

Recent technological innovation and changes in consumer demand have been very rapid, and should supplementary investment over and above what initial plans call for become necessary, such as when technologies and systems that have been invested in and developed become obsolete faster than initially forecast, and when either greater revenue or business process efficiency in line with the amount of investment cannot be expected, there is a possibility that the TBS Group business results and financial position may be affected, with effects including impairment losses on fixed assets and an increase in depreciation.

And while business systems are being increasingly connected to the internet or moved into the cloud, the security risk faced by all systems grows with each passing year due to increasingly advanced and sophisticated cyber attacks. This leads to the risk of the discovery of new threats from ransomware and cutting-edge technology that go beyond what had been previously imagined.

TBS Action

With regards to technological innovation, in addition to working on the further enhancement and strengthening of human resources through actions such as the recruitment of talent in the field of ICT and allocation to priority areas, we will encourage further business streamlining in production and administration departments. In terms of security, we have strengthened our dedicated response team (TBS-CSIRT) and implemented a range of measures in addition to other actions such as purchasing cybersecurity insurance.

Lifestyle Business Risks

Consumer lifestyle changes and cost structures

In addition to shifting consumer preferences and purchasing behavior, the soaring cost of logistics and production, and other such impacts, the lifestyle business is at risk of significant impact from missed earning opportunities due to factors such as the ongoing suspension of business at stores and reduced business hours, reduced footfall in stores resulting from restrictions on movement, the loss of inbound demand, and instability and disruption in the supply chain as a result of the spread of infectious disease and other such situations.

TBS Action

It was initially thought that recovery from the COVID-19 pandemic would take a great deal of time, but many industries have adapted more swiftly than had been expected. Going forward, we will work to minimize the impact on business performance of new outbreaks and other such situations through expanded online sales from the increased demand resulting from people staying at home.

Real Estate and Other Business Risks

Real estate and the lease market

The TBS Group is undertaking real estate development with a focus on Akasaka in Tokyo's Minato ward, and owns real estate including properties for lease. While the harsh circumstances created by the spread of COVID-19 are easing, the slump in demand for offices is ongoing due to working at home having taken root for a certain subset of workers among other factors. In addition, a long-term spike in fuel costs due to Russia's invasion of Ukraine may have an impact on the business performance and financial situation of the TBS Group.

TBS Action

There is a trend among consumers of shifting from consumption of things to consumption of experiences, in which consumers are finding value in the experiences that can be obtained with the purchase of goods and services. In light of this phenomenon, the TBS Group established a Realty Strategy Division in FY2022 (this was integrated into the Akasaka Entertainment City Project Division in July 2023). Instead of the conventional approach of leaving everything up to a major developer and ultimately only undertaking management, this division will take the lead and we will work as a media and entertainment company on unified development of the vicinity of our properties and thus increase value.

Main Risks (Included in Securities Report)

Talent acquisition

The environment in which the content industry finds itself is undergoing continued, rapid change, and as well as the dominant platform constantly changing, the preferences of consumers are also diversifying. It goes without saying that in such circumstances, competition is intensifying over the acquisition of the human resources required for the future growth of the Group, such as specialists in the DX business. Furthermore, there are increasing concerns over the hemorrhaging of talent and accumulated skills and knowhow from the TBS Group, and in the event that competition further intensifies, the business performance and financial situation of the TBS Group may be impacted.

TBS Action

In FY2022, we defined a new human capital management philosophy and strategy. As major pillars, we incorporated the formation of a portfolio of human resources to develop Original IP that contributes to society and to enhance creativity, and the creation of a portfolio of human resources for business in order to support the EDGE strategy as a strategy for the Human Resource Development Policy. We also put together a strategy for our Internal Environment Improvement Policy with the aim of increasing our talent retention rate through measures such as support for skill building and promotion of a diverse range of working styles.

Impact of widespread infections, etc.

The economy in Japan in FY2022 saw an ongoing mild recovery led by personal consumption due to the fact that pre-emergency measures and other restrictions on activity were removed with the aim of balancing infection prevention and economic activity. However, the TBS Group continues to be aware of the business risk of large-scale infection outbreaks, and will continue to work to minimize the impact of any outbreaks through thorough infection prevention measures, but in the event of a new outbreak with an impact that continues for longer or is greater than imagined, this may have an adverse impact on the TBS Group's financial situation and business performance.

TBS Action

The spread of COVID-19 resulted in changes in the way money is used in the production process through an overhaul in direction and other such actions. This provided a spur for the elimination of waste in the conventional practices, and we are in the process of establishing a structure for sustainably holding down costs. In response to audience size restrictions for stage shows and concerts, we have established alternative methods for obtaining revenue, including a live streaming business incorporating ideas such as ticket pricing depending on the number of cameras and their position, and are working to diversify income sources by providing several products from a single piece of content.

Impact of climate change and disasters, etc.

The Broadcasting Act obliges broadcasters to broadcast content for disaster prevention and damage mitigation in the event of the occurrence or potential occurrence of a disaster. In the event of disasters such as a large-scale disaster resulting from the feared impact of climate change, revenue may decrease as a result of factors such as the broadcasting of commercials being halted due to the broadcasting of special emergency news programs. In addition to this, in the event of a natural disaster or large-scale disaster, or other such disaster, revenue may decline markedly due to impacts such as a medium-to-long-term reduction in advertising revenue and damage to broadcast and other facilities, and this may have an impact on the business performance and financial situation of the TBS Group.

TBS Action

TBS endorses the TCFD recommendations, and in August 2022, published its first TCFD report entitled "Information Disclosure for 2022 in line with the TCFD Recommendations". This report compiled the results of analysis concerning the business risks and opportunities of climate change in both the 1.5°C and 4°C scenarios. **→P.88** While the enhancement of coverage of disasters incurs costs, we believe that fully meeting the demands of society will increase corporate value, and we will work to provide information across all devices in order to protect lives and daily life.

A movie poster for the film "From Siberia With Love". The background is a snowy field with several men in military uniforms. In the foreground, two men are crouching. The man on the left is wearing a brown cap, round glasses, and a light-colored quilted jacket. The man on the right is wearing a similar quilted jacket and has a surprised expression. The title "Financial and Corporate Information" is overlaid in large white text on the right side.

Financial and Corporate Information

Performance and Corporate Information

"From Siberia With Love"

©2022 "From Siberia With Love" Movie Production Committee
©1989 Kyoko Shimizu

Management Discussion and Analysis (MD&A)

[Business Performance]

Overview of Business Performance

Against a backdrop of caution over the potential for COVID-19 infections to increase, the economy in Japan in FY2022 saw an ongoing mild recovery led by personal consumption due to the fact that pre-emergency measures and other restrictions on activity were removed with the aim of balancing infection prevention and economic activity. However, caution was required throughout the year regarding the risk of an economic downturn overseas due to monetary tightening around the world and the impact on households of price hikes resulting from soaring energy and raw material prices.

In the television advertising market, expenditures in Japan's Kanto region in terms of spot advertising are projected to be 95.7% of the previous year.

In such circumstances, despite a decrease in time (program sponsorship) income in television, **consolidated revenue** [Figure 1] for the TBS Group in this consolidated fiscal year reached ¥368.1 billion (up 2.8% year-on-year) through a significant increase in income in Live Entertainment and Media Business division.

Operating expenses (the sum of the cost of sales and selling and general and administrative expenses) stood at ¥347.347 billion (up 2.8% year-on-year) due to increased expenses such as program production costs and event implementation costs.

As a result, **operating income profit** [Figure 2] reached ¥20.782 billion (up 2.1% year-on-year). Ordinary income totaled ¥35.086 billion (up 14.3%), and **net income attributable** to owners of the parent [Figure 3] was ¥35.182 billion (up 9.9% year-on-year).

Figure 1 Revenue

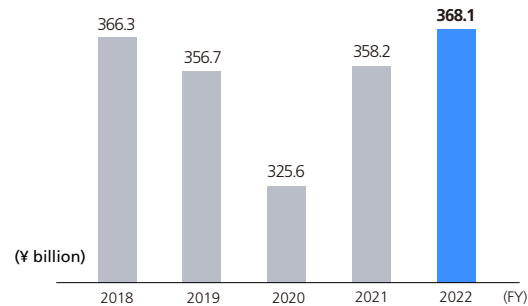


Figure 2 Operating Income/Income Margin

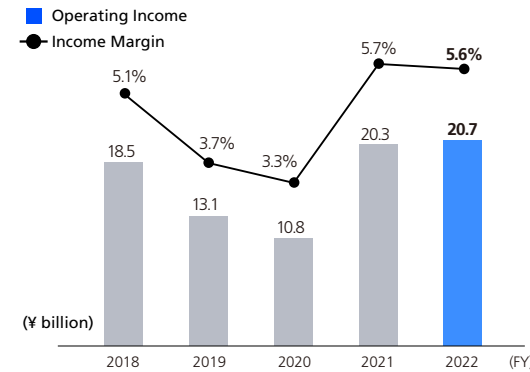
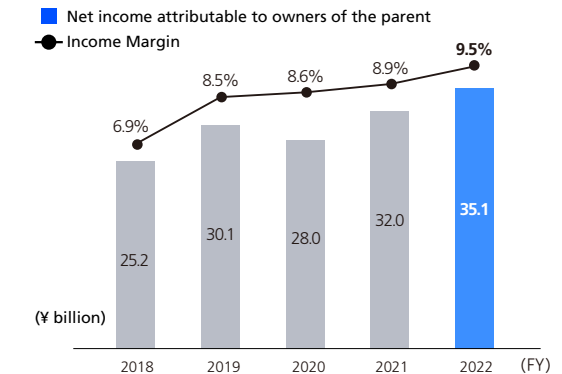


Figure 3 Net Income Attributable to Owners of the Parent/Income Margin



[Performance by Segment]

■ Media and Content Business Segment

The Media and Content business segment reported revenue [Figure 4](#) of ¥285.23 billion (up 1.4% year-on-year) and operating income of ¥10.911 billion (down 0.2% year-on-year) at the end of FY2022.

Revenue in the television divisions of TBS Television, Inc. for FY2022 increased ¥675 million to ¥193.292 billion (up 0.4% year-on-year). Of these, sales were strong for the World Athletics Championships 2022 in Oregon - the first championships to be held in three years - and for WBC2023, but they were unable to make up for the decrease after the heights of the Tokyo Olympics in the previous year and the total figure was ¥79.916 billion (down 2.3% year-on-year). Spot advertising income saw lower year-on-year expenditure in the Kanto region resulting in extremely harsh market conditions, and stood at ¥82.969 billion (down 1.9% year-on-year) despite an improvement in the five-station share of 0.5 points year-on-year to 20.6%. Advertising income from streaming, however, stood at ¥5.668 billion (up 16.4% year-on-year) thanks to continued strong performance of free video streaming in Japan. In addition, the strong performance of fee-based video streaming in Japan and overseas resulted in increased income for the television divisions as a whole.

Revenue in the Live Entertainment and Media Business division of TBS Television, Inc. for this consolidated fiscal year increased ¥5.996 billion to ¥27.817 billion (up 27.5% year-on-year). In events and shows, on top of a rebound from the previous year in which there was a major impact from COVID-19, the curtain came up in July on the long-run stage adaptation of “*Harry Potter and the Cursed Child*” to commemorate 70 years since the

establishment of TBS and, in addition to the success of the Japan tour of the Paris Saint-Germain soccer team in 2022, contributed greatly to a drastic increase in income over the previous year. As well as this, movies and anime also saw many hit productions, including “*99.9 Criminal Lawyer: THE MOVIE*”, the movie “*The Quintessential Quintuplets*,” and “*From Siberia With Love*,” and enjoyed an increase in income. Thanks to strong performance from products related to “*The Black Swindler*” and “*I Will Be Your Bloom*” as well as other dramas in the fall in addition to the rollout of IP in the form of the character Lappy from the “*Love It!*” regular morning show, the Merchandising Center saw an increase in income and was able to cover the fall from the high demand that had been generated the previous year due to people staying at home. In terms of global business, revenue

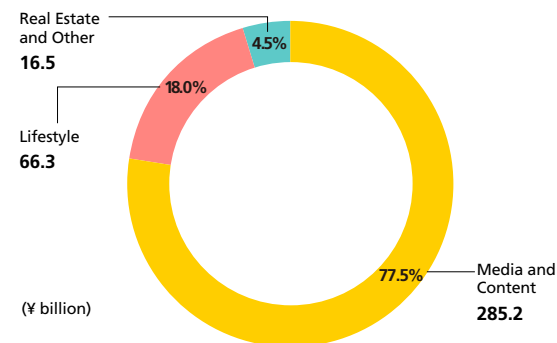
from “*the Ninja Warrior*” format continued to be strong.

While TBS Radio, Inc. saw a robust increase in event income, both time (program sponsorship) and spot ad income fell and resulted in an overall income down ¥253 million to ¥8.49 billion (down 2.9% year-on-year).

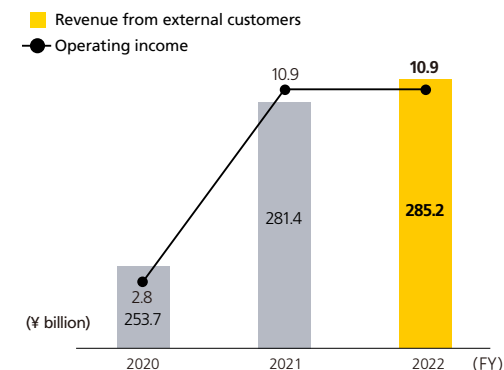
In addition to increased time (program sponsorship) income and spot income, BS-TBS, Inc. also saw continued strong income from its businesses including streaming, and total income increased ¥794 million to ¥17.218 billion (up 4.8% year-on-year).

TBS Glowdia, Inc. saw an increase of ¥50 million that resulted in an income of ¥28.089 billion (up 2.0% year-on-year) due to factors such as a recovery in the number of visitors to special exhibitions and events and despite a fall in shopping division sales and DVD income.

Share of Consolidated Revenue by Segment (FY2022)



[Figure 4](#) Revenue/Operating Income by Segment (Media and Content)



Nichion, Inc. achieved an increase in income of ¥190 million to ¥8.574 billion (up 2.3% year-on-year) due to an increase in outsourcing income.

TC Entertainment Incorporated saw a decrease in income of ¥1.06 billion to ¥7.122 billion (down 13.0% year-on-year) due to a decrease in DVD sales.

Expenses were higher than the previous year due to an increase in program production costs, in addition to other factors such as the implementation of large-scale events by Live Entertainment and Media Business division. As a result, operating income in this segment fell by ¥22 million to ¥10.911 billion (down 0.2% year-on-year).

■ Lifestyle Business Segment

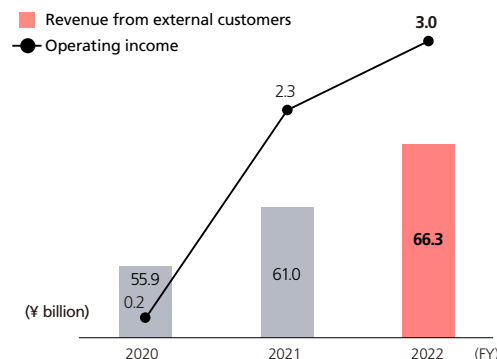
The lifestyle business segment reported increased revenue and income at the end of FY2022, with revenue [Figure 5](#) of ¥66.391 billion (up 8.8% year-on-year) and operating income of ¥3.064 billion (up 29.7% year-on-year).

The StylingLife Group reported a fall in revenue and income due to a reduction in the number of orders received by Light-Up Shopping Club Inc., which is engaged in the home shopping business and had enjoyed strong orders in the previous year.

In the beauty and wellness business, the BCL Company, which develops, manufactures, and sells cosmetics, continued to face harsh circumstances, but overall revenue and income increased due to factors including an increase in sales of cosmetics by CP Cosmetics Inc.

The Plazastyle Company, which is engaged in the StylingLife Group's core business of general merchandise retailing, reported a major increase in both revenue and income. This was due to the Japanese government's withdrawal of a request for people to curtail their activities, which had been issued in response to COVID-19, and the resulting recovery of customers in-store that led to a drastic increase in revenue and income and contributed to an increase in revenue and income for the StylingLife Group as a whole.

Figure 5 Revenue/Operating Income by Segment (Lifestyle)

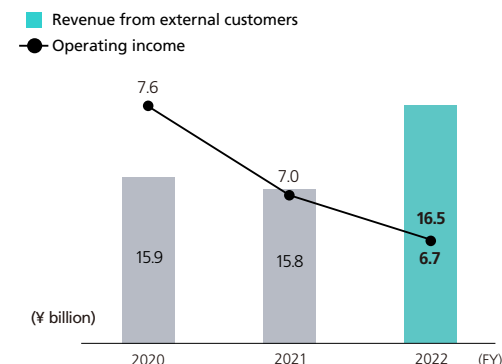


■ Real Estate and Other Business Segments

The real estate and other business segments reported revenue [Figure 6](#) of ¥16.508 billion (up 4.3% year-on-year) and operating income of ¥6.798 billion (down 3.7% year-on-year) for this consolidated fiscal year.

While revenue increased due to a recovery in rental revenue, income fell due to factors including increased utility costs.

Figure 6 Revenue/Operating Income by Segment (Real Estate and Other)



[Financial Position]

Total assets [Figure 7](#) at the end of FY2022 stood at ¥1.67865 trillion, marking a fall of ¥133.766 billion compared to the end of the previous consolidated fiscal year. While tangible fixed assets increased by ¥13.604 billion due to factors including the acquisition of land, reasons for this fall include a decrease in investment securities of ¥154.51 billion due to factors including a decrease in unrealized gains on shares.

Total liabilities were ¥271.681 billion, marking a fall of ¥46.948 billion compared to the end of the previous consolidated fiscal year. Factors involved in this include a decrease in deferred tax liabilities of ¥49.409 billion due to a decrease in the fair value of shares held.

Total net assets [Figure 7](#) were ¥796.184 billion, marking a decrease of ¥86.818 billion compared to the end of the previous consolidated fiscal year. Factors included retained earnings increasing by ¥28.049 billion because of the recording of net income attributable to owners of the parent and payment of dividends, while the valuation difference on available-for-sale securities decreased by ¥105.997 billion.

As a result, the equity ratio [Figure 8](#) reached 73.1%, and net assets per share equaled ¥4,726.87.

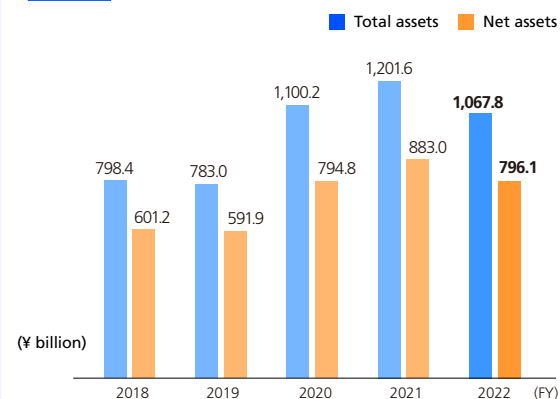
[Cash Flows]

Cash and cash equivalents at the end of FY2022 stood at ¥97.589 billion, marking a fall of ¥1.118 billion compared to the end of the previous consolidated fiscal year. Cash flows and the factors behind them are as described below.

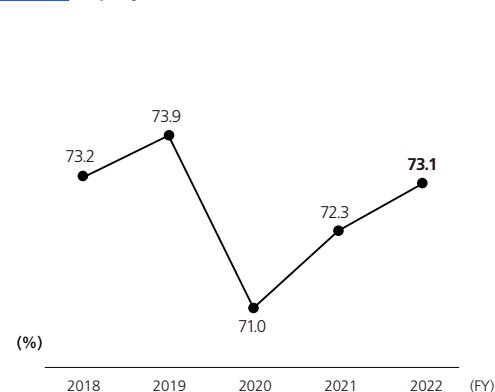
■ Cash flow from operating activities

Cash flow from operating activities [Figure 9](#) resulted in an income of ¥30.632 billion (the same period in the previous year resulted in an expenditure of ¥2.853 billion). The main positive factors included net income before tax for the period of ¥53.984 billion and depreciation of ¥13.407 billion, while the main negative factors included gain on sales of investment securities of ¥20.101

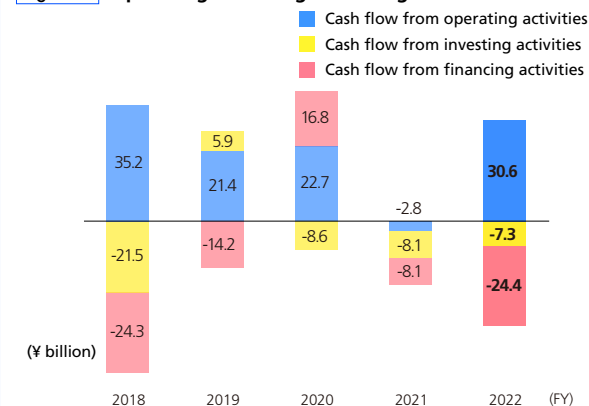
[Figure 7](#) Total Assets/Net Assets



[Figure 8](#) Equity Ratio



[Figure 9](#) Operating/Investing/Financing Cash Flows



billion and ¥20.908 billion for corporation tax and other such payments.

■ Cash flow from investing activities

Cash flow from investing activities [Figure 9] resulted in an expenditure of ¥7.346 billion (the same period in the previous year resulted in an expenditure of ¥8.154 billion). The main factors included income from sales of investment securities of ¥24.263 billion, expenditure on the acquisition of tangible fixed assets of ¥26.114 billion, expenditure on the acquisition of shares in affiliates of ¥3.764 billion, and expenditure on the acquisition of intangible fixed assets of ¥2.124 billion.

■ Cash flow from financing activities

Cash flow from financing activities [Figure 9] resulted in an expenditure of ¥24.491 billion (the same period in the previous year resulted in an expenditure of ¥8.164 billion). Major factors included repayment of long-term loans payable of ¥6 billion, purchase of treasury stock of ¥10.904 billion, and cash dividend payments of ¥7.132 billion.

[Source of Funds]

In this consolidated fiscal year, the cash flow from operating activities exceeded that of the previous fiscal year by ¥33.485 billion. While incomes including ¥24.263 billion from the sale

of investment securities were recorded, cash on hand declined by ¥1.118 billion due, among other things, to the acquisition of tangible fixed assets amounting to ¥26.114 billion. It is currently expected that short-term capital investments and strategic investments can be financed by cash on hand and full-year operating cash flow.

[Capital Expenditure]

Capital expenditure [Figure 10] for this consolidated fiscal year (including intangible fixed assets but excluding asset retirement obligations) was ¥26.923 billion. Capital expenditure by reportable segment was as described below.

■ Media and Content Business

Capital expenditure totaled ¥6.725 billion.

The main investments included ¥3.875 billion on facilities for TBS Television's BLITZ Studio, and the updating of general facilities.

There was no disposal or sale of important facilities in FY2022.

■ Lifestyle Business

Capital expenditure totaled ¥634 million.

The main investments included updating of general facilities.

There was no disposal or sale of important facilities in FY2022.

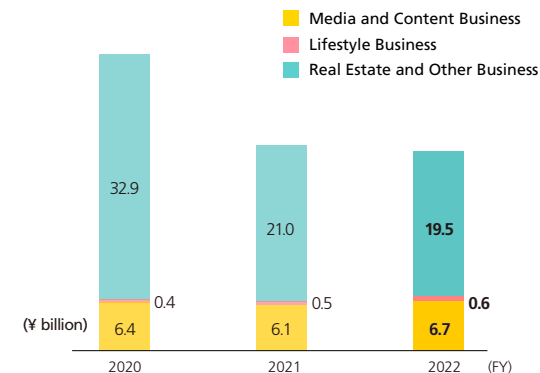
■ Real Estate and Other Business

Capital expenditure totaled ¥19.563 billion.

The main investments included ¥14.668 billion related to plans for Akasaka Entertainment City and the updating of general facilities.

There was no disposal or sale of important facilities in FY2022.

Figure 10 Capital Expenditure by Segment



[Research and Development]

The TBS Group works to provide high-quality and diverse services to citizens over public airwaves, while at the same time, researching and developing new program production, transmission, and broadcasting technologies to contribute to the commercialization of next-generation digital broadcasting.

R&D activities by reportable segment were as described below.

■ Media and Content Business

The main R&D activities in this segment included (1) the development of a system for the live streaming and recording of images from information cameras using the cloud, (2) the development of a platform to add metadata to broadcast images using AI for facial recognition, voice recognition, and text recognition, and (3) the development of an online delivery system for content using high-speed file transfer technology. With regards to (1) in particular, this system performs cloud-based centralized management of images from information cameras around Japan, and was used in coverage of disasters, elections, and other such situations. In the event of a disaster, images from on the ground can be obtained immediately before and after a disaster hits, and this system is planned to be used to increase the speed of reporting on disasters and to improve the accuracy of information.

R&D expenditure was ¥78 million.

■ Lifestyle Business

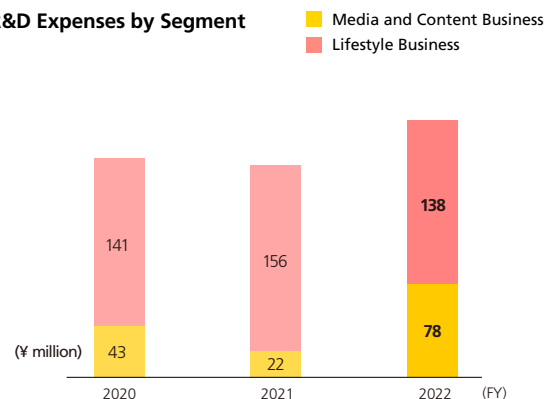
We are working on research into the ideal skincare for women in the modern age, and from the perspective of differentiation from our competitors, we create new product concepts that take into consideration aspects such as consumer needs and marketability. We then develop products on the basis of planned product concepts. In basic research, we are primarily working on the development of new raw materials. We also conduct research with external research organizations to ensure the effective application of cutting-edge research.

R&D expenditure was ¥138 million.

■ Real Estate and Other Business

No R&D activities of note are undertaken in this area.

R&D Expenses by Segment



Financial Data from Past 10 Years

	¥ million									
	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Fiscal Year										
Revenue	354,338	347,817	348,539	355,363	361,954	366,353	356,796	325,682	358,269	368,130
Gross income	108,839	106,665	107,072	113,296	113,750	115,728	107,008	95,418	114,818	116,419
Selling, general and administrative expenses	93,142	90,936	89,893	93,417	94,949	97,156	93,904	84,576	94,472	95,636
Operating income	15,696	15,728	17,179	19,878	18,800	18,572	13,103	10,841	20,346	20,782
Ordinary income	18,096	18,915	22,678	26,207	26,923	28,835	21,274	19,233	30,707	35,086
Net income attributable to owners of the parent	9,644	12,811	14,497	16,136	17,182	25,205	30,174	28,072	32,008	35,182
Cash flow from operating activities	23,038	27,851	32,337	36,485	35,536	35,215	21,406	22,713	(2,853)	30,632
Cash flow from investing activities	(11,326)	(2,326)	(8,956)	(10,078)	(14,028)	(21,588)	5,962	(8,618)	(8,154)	(7,346)
Cash flow from financing activities	(23,567)	(25,242)	(5,326)	(36,718)	(7,730)	(24,387)	(14,202)	16,898	(8,164)	(24,491)
Free cash flow	11,712	25,525	23,381	26,407	21,508	13,627	27,368	14,095	(11,007)	23,286
At Year End										
Total assets	579,039	653,732	649,970	707,063	821,737	798,481	783,024	1,100,223	1,201,632	1,067,865
Current assets	130,262	131,127	149,478	145,479	155,660	144,192	158,800	190,053	198,692	209,058
Cash and cash equivalents at end of period	56,312	56,728	74,734	67,391	81,129	72,033	85,059	116,061	98,767	97,649
Fixed assets	448,777	522,604	500,492	561,583	666,076	654,289	624,223	910,170	1,002,939	858,807
Liabilities	193,068	197,613	191,762	189,633	220,786	197,189	191,093	305,338	318,629	271,681
Current liabilities	83,117	63,072	95,278	77,231	93,382	80,099	81,021	86,176	75,592	104,059
Fixed liabilities	109,951	134,541	96,483	112,402	127,403	117,090	110,072	219,162	243,037	167,621
Net assets	385,971	456,118	458,208	517,430	600,950	601,291	591,931	794,884	883,002	796,184
Key Performance Indicators (%)										
Revenue growth rate	0.6	(1.8)	0.2	2.0	1.9	1.2	(2.6)	(8.7)	10.0	2.8
Operating income growth rate	(3.0)	0.2	9.2	15.7	(5.4)	(1.2)	(29.4)	(17.3)	87.7	2.1
Operating income margin	4.4	4.5	4.9	5.6	5.2	5.1	3.7	3.3	5.7	5.6
Net income attributable to owners of the parent	2.7	3.7	4.2	4.5	4.7	6.9	8.5	8.6	8.9	9.6
ROE	2.8	3.2	3.3	3.4	3.2	4.3	5.2	4.1	3.9	4.3
ROA	3.2	3.1	3.5	3.9	3.5	3.6	2.7	2.0	2.8	3.1
Equity ratio	63.3	66.7	68.3	71.1	71.2	73.2	73.9	71.0	72.3	73.1
Total asset turnover	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.3	0.3
PER	19.5	19.2	21.0	21.5	22.9	14.0	8.7	13.2	9.5	9.1
Payout ratio	31.0	27.8	30.1	30.3	30.5	22.9	17.2	18.3	19.7	20.1
Per Share Data (¥)										
Annual dividend per share	19.00	22.00	25.00	28.00	30.00	33.00	30.00	30.00	37.00	42.00
EPS	61.22	79.12	83.12	92.46	98.38	144.31	173.28	164.32	187.35	208.76
BPS	2,263.65	2,689.56	2,545.60	2,878.29	3,349.52	3,347.03	3,356.30	4,575.61	5,087.12	4,726.87

Non-Financial Data

Environment

	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Number of employees at end of year	5,634	5,585	5,641	5,610	5,552	6,090	6,155	6,134	6,454	6,586
CO ₂ emissions (tons)*	26,019	25,336	24,525	24,123	23,235	21,916	20,054	18,267	18,513	17,451
CO ₂ reduction (tons)*	5,777	6,460	7,271	7,673	8,561	9,880	11,742	13,529	13,283	14,345
CO ₂ reduction rate (%)*	18.2	20.3	22.9	24.1	26.9	31.1	36.9	42.5	41.8	45.1
Recycling rate (%)*	72.7	72.2	67.5	67.8	70.7	68.4	71.3	72.3	69.2	65.5
Tap water usage (m ³)*	103,508	98,972	97,322	80,258	73,558	73,840	74,759	53,855	74,549	73,616
Groundwater usage (m ³)*	115,897	102,169	106,967	102,376	96,064	99,032	96,254	75,526	94,668	92,984

*Figures only for TBS Broadcast Center (Broadcast Center + Cultural Facilities Building)

Social

	2019/3	2020/3	2021/3	2022/3	2023/3
Percentage of male employees taking childcare leave (%)**	—	—	54.3	42.9	66.7
Percentage of female employees taking childcare leave (%)**	—	—	100.0	100.0	100.0
Ratio of female employees (%)**	21.1	21.8	22.4	23.0	23.4
Ratio of female manager (%)***	12.3	13.2	13.2	14.3	14.3
Ratio of persons with disabilities employed (%)***	2.0	2.1	2.7	3.1	3.1
Employee turnover rate (%)**	1.3	1.3	2.1	1.8	2.3

TBS HOLDINGS, INC. + TBS TELEVISION, INC. *TBS TELEVISION, INC.

Note: In accordance with the revision of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, from FY2022 the percentage of employees taking childcare leave is calculated using childcare leave and special leave taken for the purpose of childcare

Governance

	2021/3	2022/3	2023/3
Number of female board directors****	0	0	1
Number of male board directors****	9	9	9
Total board directors****	9	9	10
Violations of anti-corruption laws****	0	0	0
Fines relating to corruption*****	0	0	0
Dismissals relating to corruption*****	0	0	0
Political donations*****	0	0	0

****TBS HOLDINGS, INC. *****TBS Group

Company and Investor Information

Company Profile (as of March 31, 2023 unless indicated)

Name	TBS HOLDINGS, INC.
Date Established	May 1951
Head Office	107-8006 5-3-6 Akasaka, Minato-ku, Tokyo (+81) 03-3746-1111
Employees (consolidated)	7,984 (as of June 30, 2023)
Total shares issued	171,591,065 (including treasury stock)
Minimum Purchasing Unit	100 shares
Shareholders	19,457
Listing	Prime Market of the Tokyo Stock Exchange
Closing Date	March 31
Ordinary General Meeting of Shareholders	June
Administrator of Shareholders' Registry	Mitsubishi UFJ Trust and Banking Corporation
Capital	¥54,986,892,896
Securities Code	9401
URL	https://www.tbsholdings.co.jp/
Accounting Auditor	KPMG AZSA LLC

Main Awards

Content/Creator/Technology	Name of Award
Stage performance of <i>"Harry Potter and the Cursed Child"</i>	48th Kazuo Kikuta Theatre Awards, Kikuta Kazuo Theatre Grand Prize 30th Yomiuri Theater Awards, Selection Committee Special Award
<i>"TOKYO MER: Mobile Emergency Room"</i>	ContentAsia Awards 2022: Best Asian Drama for a Regional/International Market
BS-TBS <i>"Looking for the Girl in the Report Card - The Little Returnee You Now, 77 Years After the War"</i>	2022 Agency for Cultural Affairs National Arts Festival, TV Documentary Category, Excellence Award 39th ATP Awards, Documentary Category, Award for Excellence JPPA AWARDS 2023, Minister for Economy, Trade and Industry's Award
<i>"Any Theory Goes"</i>	TVer Award for Best Entertainment Program
Beijing Olympics XR Stage	Japan Commercial Broadcasters Association Awards, Technology Category, Award of Excellence
World Athletics Championships Oregon XR Studios	The Digital Content of the Year '22/28th AMD Annual Content Awards Award of Excellence
Mojiko text generation editor	Japan DX Promotion Association Awards, Grand Prix ITreview Grid Award 2023 Spring, Voice Recognition Category, Leader
BS-TBS Report 1930 <i>"Seismic Shock: The Former Unification Church and Japanese Politics: What is the Distance Between Politics and the Church?"</i>	60th Galaxy Awards, Television Category, Awards for outstanding programs
TBS Radio <i>"Ukraine as seen by Chiki Ogiue - Listen to voices that are overlooked"</i>	60th Galaxy Awards, Radio Category, Awards for outstanding programs
Shinichiro Azumi (TBS Radio <i>"Shinichiro Azumi's Sunday Heaven"</i> personality)	60th Galaxy Awards, Radio Category, DJ Personality Award

External Assessments

Corporate Bond Issuer Rating

A (single A)
(R&I)

Health and Productivity Enterprise

2023 (Large Corporation
Category) Certified



CDP (ESG Evaluation Organization)

First response to
questionnaire on
climate change
Rank C

2022 Integrated Report

Selected as a Highly Improved
Integrated Report as chosen by
domestic stock management
body of the GPIF

Stock Information

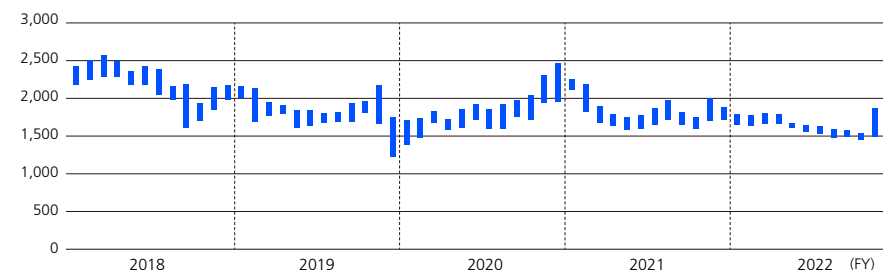
Major Shareholders (March 31, 2023)

Shareholder Name	Shares Held (thousand)	Percentage (%)*
The Master Trust Bank of Japan, Ltd. (trust account)	13,966	8.29
The Master Trust Bank of Japan, Ltd. (Retirement benefit trust account/Dentsu Inc. account)	9,311	5.52
MBS Media Holdings, Inc.	8,848	5.25
Mitsui Fudosan Co., Ltd.	5,714	3.39
NTT DOCOMO, INC.	5,713	3.39
Nippon Life Insurance Company (Standing agent: The Master Trust Bank of Japan, Ltd.)	5,006	2.97
STATE STREET BANK AND TRUST COMPANY 505001 (Standing agent: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	4,479	2.65
MITSUI & CO., LTD. (Standing agent: Custody Bank of Japan, Ltd.)	4,288	2.54
BIC CAMERA INC.	4,190	2.48
Kodansha Ltd.	3,771	2.23

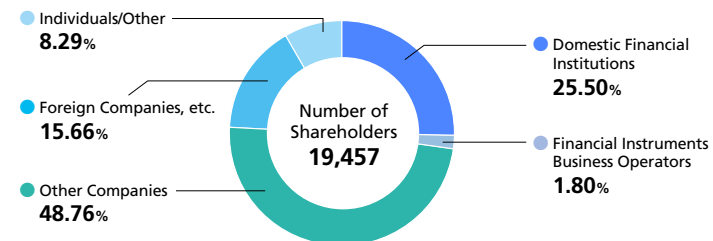
*Shares held as a percentage of the total number of shares issued (excluding treasury stock)

In the calculation of shares held as a percentage of the total number of shares issued (excluding treasury stock), the treasury stock that is excluded from the total number of shares issued does not include TBS shares held by the ESOP trust.

Trend in Share Price (¥)



	2018	2019	2020	2021	2022
Total shareholder return (%)	92.6	70.8	101.7	86.3	92.0
High (¥)	2,573	2,183	2,470	2,255	1,974
Low (¥)	1,612	1,232	1,390	1,590	1,456

Percentage of
Shares Held

TBS

www.tbsholdings.co.jp