

Securities Code: 9401  
June 3, 2025

Dear Shareholders:

**TBS HOLDINGS, INC.** (the “Company”)  
Ryujiro Abe  
President and Chief Executive Officer  
5-3-6 Akasaka, Minato-ku, Tokyo

## **Notice of Convocation of the 98th Ordinary General Meeting of Shareholders**

We are pleased to announce the 98th Ordinary General Meeting of Shareholders of the Company, which will be held as described below.

**In convening this General Meeting of Shareholders, we have taken measures to provide the contents of the Reference Documents for the General Meeting of Shareholders in electronic format (matters to be provided in electronic format), which are posted on each of the following websites. Please access any of these websites to confirm the contents.**

[The Company’s website]  
<https://www.tbsholdings.co.jp/ir/stakeholders/meeting.html>

[Website for posting Materials for the General Meeting of Shareholders]  
<https://d.sokai.jp/9401/teiji/>

**If you do not attend the meeting, you may exercise your voting rights via the Internet or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders, and follow the procedures below to exercise your voting rights by 5:30 P.M. on Thursday, June 26, 2025 (JST).**

### **Exercise of voting rights via the Internet**

**Please access the website for exercising voting rights designated by the Company (<https://evote.tr.mufg.jp/> in Japanese only) and follow the instructions on the screen to enter your approval or disapproval of the proposals by the above-stated deadline for exercising your voting rights.**

### **Exercising Voting Rights in Writing (by Mail)**

**Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form and send it to the Company so that it arrives by the above-stated deadline for exercising your voting rights.**

## Details

- 1. Time and Date of the Meeting** 10:00 A.M. [Friday], June 27, 2025  
(the reception will start at 9:00 A.M.)
- 2. Place of the Meeting** TBS Akasaka BLITZ Studio  
5-3-2 Akasaka, Minato-ku, Tokyo, JAPAN
- 3. Purpose of the Meeting**

### Matters for Reporting:

1. Report on the business report, the consolidated financial statements and the audit results of the consolidated financial statements by the Accounting Auditors and the Audit & Supervisory Board for the 98th fiscal year (from April 1, 2024 to March 31, 2025)
2. Report on the non-consolidated financial statements for the 98th fiscal year (from April 1, 2024 to March 31, 2025)

### Matters for Resolution

#### <Company Proposals>

- First Item of Business:** Appropriation of Surplus
- Second Item of Business:** Partial Amendments to the Articles of Incorporation
- Third Item of Business:** Election of Ten (10) Directors
- Fourth Item of Business:** Determination of Amount and Content of Share-based Remuneration, etc. for Directors (Excluding Outside Directors)
- Fifth Item of Business:** Determination of Remuneration for Granting Restricted Shares to Outside Directors
- Sixth Item of Business:** Revision of the Amount of Remuneration for Audit & Supervisory Board Members
- Seventh Item of Business:** Disposal of Treasury Shares Through Third-Party Allotment to Support the Activities of Akasaka Creative Foundation

#### <Shareholder Proposals>

- Eighth Item of Business:** Appropriation of Surplus
- Ninth Item of Business:** Acquisition of Treasury Stock
- The outline of the Shareholder Proposals (Eighth Item of Business through Ninth Item of Business) is as described in the Reference Materials for the General Meeting of Shareholders.

### 4. Matters Determined for the Convocation of the Meeting

- (1) If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of the proposals on the voting form, it will be treated as an indication of approval for the Company proposals and disapproval for the shareholder proposal.
- (2) If you exercise your voting rights more than once via the Internet, the last vote will be treated as the valid vote.
- (3) If you exercise your voting rights both via the Internet and in writing (by mail), the vote exercised via the Internet will be treated as valid, regardless of the arrival date and time.
- (4) If you wish to exercise your voting rights by proxy, you may delegate your voting rights to one other shareholder who has voting rights in accordance with the provisions of the Articles of Incorporation of the Company. However, a written document evidencing the proxy's power of representation must be submitted in advance.

- End -

- If you plan to attend the meeting, please submit the Voting Rights Exercise Form to the reception desk on the day.
- In the event of any amendments to the matters to be provided in electronic format, a notice of such amendments will be posted on the Company's website and on the website for posting materials for the General Meeting of Shareholders, as well as items before and after such amendments.
- The following items are not included in the written documents provided to shareholders who have requested the delivery of such documents, pursuant to the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company.

Business Report	Consolidated Financial Statements
The Current Position of TBS Holdings, Inc. and its Subsidiaries	Consolidated Balance Sheets
Business Activities and Results	Consolidated Statements of Income
Priorities	Consolidated Statements of Changes in Equity
Assets and Profit/Loss	Notes to Consolidated Financial Statements
Main Business Activities	Financial Statements
Principal Sales Office	Non-Consolidated Balance Sheets
Work Force	Non-Consolidated Statements of Income
Main Lenders	Non-Consolidated Statements of Changes in Equity
Common Stock	Notes to Non-Consolidated Financial Statements
Accounting Auditors	Audit Reports
System for Ensuring the Appropriateness of Business Operations	Independent Auditors' Report (Consolidated Statutory Report)
Basic Policy Regarding Parties Deciding on Financial and Business Policies of TBS Holdings, Inc.	Independent Auditors' Report (Statutory Report)
	Audit & Supervisory Board's Report

The Auditors and the Accounting Auditor have audited the documents subject to audit, including the items above.

**Electronic Voting Platform**

Regarding the exercise of voting rights via electronic means at the Company's General Meeting of Shareholders, nominee shareholders such as trust and custody banks (including standing proxies) may, as an alternative to the voting via the Internet described above, use the Electronic Voting Platform organized by the Investor Communications Japan (ICJ) Inc., a joint venture company established by the Tokyo Stock Exchange, etc., provided that application for the use of the Electronic Voting Platform is made in advance.

**Inquiries on exercising voting rights via the Internet**

Stock Transfer Agency (Help Desk), Mitsubishi UFJ Trust and Banking Corporation  
0120-173-027 (toll free, only in Japan, from 9:00 A.M. to 9:00 P.M.)

**To Institutional Investors:**

Institutional investors may also exercise voting rights at this General Meeting electronically using the "Electronic Voting Rights Platform" operated by ICJ, Inc.

## Reference Materials for the General Meeting of Shareholders

### Company Proposals (First Item of Business through Seventh Item of Business)

#### **First Item of Business: Appropriation of Surplus**

Since returning the Company's profits to the shareholders is one of the significant managerial issues, under the "TBS Group Medium-Term Business Plan 2026," the Company takes basic policies to provide stable and continuous dividends with a target of a dividend payout ratio of 40% on a consolidated basis. Please note that if profit fluctuates significantly due to special factors, we will determine the dividend amount separately in awareness of the influence of those factors.

With respect to the year-end dividend for the fiscal year under review, taking elements of revenues for the fiscal year under review and the financial conditions, among other things into consideration comprehensively, it is proposed as follows:

#### **Matters related to year-end dividend:**

- (1) Type of dividend property: Cash
- (2) Matters related to distribution of cash and total amount:  
¥41 per share of common stock of the Company  
The total dividend amount: ¥6,712,493,473  
Including the interim dividend of ¥27, the annual dividend will be ¥68 per share.
- (3) Effective date for dividends from surplus to shareholders:  
June 30, 2025

## **Second Item of Business: Partial Amendments to the Articles of Incorporation**

### **1. Reasons for the proposal**

#### **(1) Exemption of Directors and Audit & Supervisory Board Members from liability**

In order to enable Directors and Audit & Supervisory Board Members to fully perform their expected roles and to facilitate the recruitment of capable and diverse talent, the Company proposes to newly establish a provision, pursuant to Article 426, Paragraph 1 of the Companies Act, that allows it to partially exempt Directors and Audit & Supervisory Board Members from liability by a resolution of the Board of Directors, within the scope permitted by laws and regulations.

The proposed establishment of Paragraph 1 of Article 29 (Exemption of Directors From Liability) has been consented to by all Audit & Supervisory Board Members.

#### **(2) Liability limitation agreement with non-executive Directors and Audit & Supervisory Board Members**

For the same purpose as (1) above, the Company proposes to amend the relevant provision to allow it to enter into a liability limitation agreement with Directors who are not executive Directors, etc. and Audit & Supervisory Board Members who are not Outside Audit & Supervisory Board Members.

The proposed amendment to Paragraph 2 of Article 29 (Exemption of Directors From Liability) has been consented to by all Audit & Supervisory Board Members.

#### **(3) Dividends on shares held by foreign nationals, etc. who are restricted from being recorded, etc. in the shareholder register**

This proposal would allow dividends of surplus to be distributed to shares held by foreign nationals, etc. who are restricted from being entered or recorded in the shareholder register pursuant to the provisions of the Broadcasting Act.

2. Details of the amendments are as follows.

Current Articles of Incorporation	(The underlined portions indicate the changes.) Proposed amendments
<p><u>(Liability Limitation Agreement With Outside Directors)</u></p> <p>Article 29.</p> <p>(Newly established)</p> <p>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>Outside Directors</u> that limits their liabilities as defined in the provisions of Article 423, Paragraph 1 of the same Act; provided, however, that the limit of liability pursuant to such agreement shall be the amount stipulated in laws and regulations.</p>	<p><u>(Exemption of Directors From Liability)</u></p> <p>Article 29.</p> <p>1. Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) from liability as specified in Article 423, Paragraph 1 of the same Act, to the extent permitted by laws and regulations.</p> <p>2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>Directors (excluding Directors who are executive Directors, etc.)</u> that limits their liabilities as defined in the provisions of Article 423, Paragraph 1 of the same Act; provided, however, that the limit of liability pursuant to such agreement shall be the amount stipulated in laws and regulations.</p>
<p><u>(Liability Limitation Agreement With Outside Audit &amp; Supervisory Board Members)</u></p> <p>Article 37.</p> <p>(Newly established)</p> <p>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>Outside Audit &amp; Supervisory Board Members</u> that limits their liabilities as defined in Article 423, Paragraph 1 of the same Act; provided, however, that the limit of liability pursuant to such agreement shall be the amount stipulated in laws and regulations.</p>	<p><u>(Exemption of Audit &amp; Supervisory Board Members From Liability)</u></p> <p>Article 37.</p> <p>1. Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt an Audit &amp; Supervisory Board Member (including a person who was formerly an Audit &amp; Supervisory Board Member) from liability for damages as specified in Article 423, Paragraph 1 of the same Act, to the extent permitted by laws and regulations.</p> <p>2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>Audit &amp; Supervisory Board Members</u> that limits their liabilities as defined in Article 423, Paragraph 1 of the same Act; provided, however, that the limit of liability pursuant to such agreement shall be the amount stipulated in laws and regulations.</p>
<p>(Year-End Dividend)</p> <p>Article 42. The Company shall, by a resolution of a General Meeting of Shareholders, pay a dividend of surplus (hereinafter referred to as “Year-End Dividend”) <u>to the shareholders and registered pledgees of shares whose names are entered or recorded in the last shareholder register as of March 31 each year.</u></p>	<p>(Year-End Dividend)</p> <p>Article 42. The Company shall, by a resolution of a General Meeting of Shareholders, pay a dividend of surplus (hereinafter referred to as “Year-End Dividend”) <u>to the persons listed in each item below.</u></p> <p>1. Shareholders or registered pledgees of shares <u>whose names are entered or recorded in the last shareholder register as of March 31 of each year</u></p>

Current Articles of Incorporation	Proposed amendments
<p>(Interim Dividend)</p> <p>Article 43. The Company may, by a resolution of the Board of Directors, pay a dividend of surplus prescribed in Article 454, Paragraph 5 of the Companies Act (hereinafter referred to as “Interim Dividend”) <u>to the shareholders and registered pledgees of shares who are entered or recorded in the last shareholder register as of September 30 each year.</u></p>	<p><u>2. Shareholders as of March 31 of each year who have been notified by the book-entry transfer institution pursuant to Article 151, Paragraph 1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares, of all or part of the shares they hold, who have not been entered or recorded in the shareholder register pursuant to the Broadcasting Act and Article 10 of these Articles of Incorporation, or who have been designated as pledgees of the shares held by the shareholder in the notice</u></p> <p>(Interim Dividend)</p> <p>Article 43. The Company may, by a resolution of the Board of Directors, pay a dividend of surplus prescribed in Article 454, Paragraph 5 of the Companies Act (hereinafter referred to as “Interim Dividend”) <u>to the persons listed in each item below.</u></p> <p><u>1. Shareholders or registered pledgees of shares who are entered or recorded in the last shareholder register as of September 30 of each year</u></p> <p><u>2. Shareholders as of September 30 each year who have been notified by the book-entry transfer institution pursuant to Article 151, Paragraph 1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares, of all or part of the shares they hold, who have not been entered or recorded in the shareholder register pursuant to the Broadcasting Act and Article 10 of these Articles of Incorporation, or who have been designated as pledgees of the shares held by the shareholder in the notice</u></p>



**Third Item of Business: Election of Ten (10) Directors**

The terms of all ten (10) Directors of the Company will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company would like to ask shareholders to elect ten (10) Directors at this General Meeting of Shareholders. If this item is approved as originally proposed, the Company will be a structure where four (4) of the Directors are independent Outside Directors, and where three (3) of the Directors are female. The candidates for Directors are as follows:

Candidate number	Name			Position in the Company after election	Attendance to meetings of Board of Directors	Nomination Advisory Committee	Remuneration Advisory Committee
1	Re-election	Takashi Sasaki	Male	Chairman and Director	100%		
2	Re-election	Ryujiro Abe	Male	President and Chief Executive Officer	100%	●	●
3	Re-election	Masamine Ryuho	Male	Vice President and Representative Director	100%	●	●
4	Re-election	Yasushi Gemba	Male	Senior Managing Director	100%	●	●
5	Re-election	Shigetoshi Ida	Male	Managing Director	100%		
6	Newly-appointed	Yayoi Nakatani	Female	Director			
7	Re-election Outside Independent	Yosuke Yagi	Male	Outside Director	100%	◎	◎
8	Re-election Outside Independent	Makoto Haruta	Male	Outside Director	100%	●	●
9	Re-election Outside Independent	Natsuko Takei	Female	Outside Director	100%	●	●
10	Newly-appointed Outside Independent	Noriko Makino-Villanti	Female	Outside Director		●	●

◎ Refers to chair of Advisory Committee.

## Board of Directors Skills Matrix

The skillsets necessary for the Company's Board of Directors and the skills of each Director candidate are as follows.

The Company has formulated "TBS Group VISION 2030" and is accelerating its transformation from a media group to a content group.

These are the skill categories needed to achieve that vision, such as improving the value of broadcasting, executing the growth strategy "EDGE," addressing materialities (priority issues), and enhancing corporate value through sustainability management, as described in the plan.

Name	Company Management	Finance & Accounting	Sustainability	Legal & Compliance	Human Resource Management	Competitive Strategy	Growth Strategy "EDGE"		
						Media Content	Digital Domain	Global Domain	Experience Domain
Takashi Sasaki	●	●				●			
Ryujiro Abe	●		●	●		●			●
Masamine Ryuho	●					●	●		
Yasushi Gemba		●				●			●
Shigetoshi Ida			●	●	●	●			
Yayoi Nakatani						●	●	●	●
Yosuke Yagi	●		●		●			●	
Makoto Haruta	●	●					●		●
Natsuko Takei				●			●	●	
Noriko Makino-Villanti			●		●			●	●

Candidate number <b>1</b>	<b>Takashi Sasaki</b> Date of birth Jul. 5, 1959	Re-election	Number of shares of the Company owned: 72,962 shares Attendance to meetings of Board of Directors: 12/12 (100%)
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Summary of career and position and areas of responsibility

Apr. 1982:	Joined the Company	Mar. 2015:	Director of Tokyo Broadcasting System Television, Inc.
Jun. 2009:	Division President of Finance Division of Tokyo Broadcasting System Television, Inc.	Jun. 2015:	Director of the Company
Nov. 2010:	Division President of Group Managerial Planning Division of the Company	Apr. 2016:	Managing Director of the Company
	Division President of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc.		Managing Director of Tokyo Broadcasting System Television, Inc.
Apr. 2012:	Division President of Programming Division of Tokyo Broadcasting System Television, Inc.	Jun. 2017:	Senior Managing Director of the Company
Apr. 2013:	Executive Officer, Division President of Programming Division of Tokyo Broadcasting System Television, Inc.		Senior Managing Director of Tokyo Broadcasting System Television, Inc.
Feb. 2014:	Executive Officer of the Company	Jun. 2018:	President and Chief Executive Officer of the Company
	Executive Officer of Tokyo Broadcasting System Television, Inc.		President and Representative Director of Tokyo Broadcasting System Television, Inc.
		Jun. 2024:	Chairman, Director, and Chair of Board of Directors of the Company (incumbent)
			Chairman and Director of Tokyo Broadcasting System Television, Inc. (incumbent)

Important concurrent position outside the Company

Chairman and Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as candidate for Director

Since his appointment as an Executive Officer of Tokyo Broadcasting System Television, Inc. in April 2013, Mr. Takashi Sasaki has been in charge of all corporate divisions at the Company and Tokyo Broadcasting System Television, Inc., and has been supervising the Group as President and Chief Executive Officer of the Company since June 2018. He currently serves as Chairman and Director of the Company and Tokyo Broadcasting System Television, Inc. In light of his extensive experience and achievements in corporate management, as well as his deep understanding and knowledge of the business environment, he is nominated as candidate for Director of the Company.

Candidate number <b>2</b>	<b>Ryujiro Abe</b> Date of birth May 11, 1964	Re-election	Number of shares of the Company owned: 21,782 shares Attendance to meetings of Board of Directors: 9/9 (100%)
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Summary of career and position and areas of responsibility

Apr. 1988:	Joined the Company	Jan. 2019:	President and Representative Director of TBS Sparkle, Inc.
Apr. 2016:	Division President of Group Managerial Planning Division of the Company	Jun. 2020:	Director of Tokyo Broadcasting System Television, Inc.
	Division President of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc.		
Jun. 2017:	President and Representative Director of TBS-VISION, Inc. (current TBS ACT, INC.)	Jun. 2022:	Executive Officer in charge of Growth Strategy of the Company
Jun. 2018:	Executive Officer of the Company	Jun. 2024:	President and Chief Executive Officer of the Company (incumbent)

Reason for nomination as candidate for Director

Since his appointment as President and Representative Director of TBS-VISION, Inc. (current TBS ACT, INC.) in June 2017, Mr. Ryujiro Abe has served as President and Representative Director of TBS Sparkle, Inc. and Director of Tokyo Broadcasting System Television, Inc. He has primarily been in charge of growth strategy at the Company and currently supervises the management of the Group as President and Chief Executive Officer. In light of his extensive experience and achievements in corporate management, as well as his deep understanding and knowledge of the business environment, he is nominated as candidate for Director of the Company.

Candidate number <b>3</b>	<b>Masamine Ryuho</b> Date of birth November 1, 1964	Re-election	Number of shares of the Company owned: 24,564 shares Attendance to meetings of Board of Directors: 9/9 (100%)
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Summary of career and position and areas of responsibility

Apr. 1987:	Joined the Company	Jun. 2020:	Project Executive Officer of the Company President and Representative Director of TVer INC.
Apr. 2016:	Division President of Office of Media strategy of the Company Division President of Office of Media strategy of Tokyo Broadcasting System Television, Inc.	Jun. 2022:	Director of Tokyo Broadcasting System Television, Inc.
Jun. 2018:	Director of the Company Director of Tokyo Broadcasting System Television, Inc.	Jun. 2024:	Vice President and Representative Director of the Company (incumbent) President and Representative Director of Tokyo Broadcasting System Television, Inc. (incumbent)

Important concurrent position outside the Company

President and Representative Director of Tokyo Broadcasting System Television, Inc.

Reason for nomination as candidate for Director

Since his appointment as Director of Tokyo Broadcasting System Television, Inc. in June 2018, Mr. Masamine Ryuho has primarily been responsible for sales, programming, and marketing, as well as serving as President and Representative Director of TVer INC. He currently supervises the management of Tokyo Broadcasting System Television, Inc. as President and Representative Director, and he is also in charge of management of the Group as Vice President and Representative Director of the Company. In light of his extensive experience and achievements in corporate management, as well as his deep understanding and knowledge of the business environment, he is nominated as candidate for Director of the Company.

Candidate number <b>4</b>	<b>Yasushi Gemba</b> Date of birth Jul. 14, 1965	Re-election	Number of shares of the Company owned: 20,515 shares Attendance to meetings of Board of Directors: 9/9 (100%)
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Summary of career and position and areas of responsibility

Apr. 1989:	Joined the Company	Jun. 2020:	Executive Officer in charge of Growth Strategy of the Company
Jul. 2018:	Division President of Group Design Division of the Company	Jun. 2021:	Executive Officer in charge of Financial Strategy Director of Tokyo Broadcasting System Television, Inc.
Jul. 2019:	Division President of Group Design Division of Tokyo Broadcasting System Television, Inc.	Jun. 2024:	Managing Director and Chief Financial Officer of the Company (incumbent)

Reason for nomination as candidate for Director

Since his appointment as Executive Officer of the Company in June 2020, Mr. Yasushi Gemba has primarily been in charge of the finance division at the Company and Tokyo Broadcasting System Television, Inc., and currently supervises and promotes the financial strategy of the Group as Managing Director and Chief Financial Officer of the Company. In light of his experience and achievements at the Group, he is nominated as candidate for Director of the Company.

Candidate number <b>5</b>	<b>Shigetoshi Ida</b> Date of birth Nov. 30, 1965	Re-election	Number of shares of the Company owned: 10,741 shares Attendance to meetings of Board of Directors: 9/9 (100%)
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Summary of career and position and areas of responsibility

Apr. 1991:	Joined the Company	Jun. 2022:	Executive Officer in charge of ESG Strategy of the Company
Jul. 2020:	Division President of Division of Human Resources and Labor of the Company		Director of Tokyo Broadcasting System Television, Inc.
	Division President of Division of Human Resources and Labor of Tokyo Broadcasting System Television, Inc.	Jun. 2024:	Managing Director and Chief Sustainability Officer of the Company (incumbent)

Reason for nomination as candidate for Director

Since his appointment as Executive Officer of the Company and Director of Tokyo Broadcasting System Television, Inc. in June 2022, Mr. Shigetoshi Ida has primarily been in charge of the non-finance division. He currently supervises and promotes ESG and human resource strategies and is working on the appropriate development of corporate governance and compliance systems at the Group as Managing Director and Chief Sustainability Officer of the Company. In light of his experience and achievements at the Group, he is nominated as candidate for Director of the Company.

Candidate number <b>6</b>	<b>Yayoi Nakatani</b> Date of birth Jan. 19, 1969	Newly-appointed	Number of shares of the Company owned: 8,613 shares
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Summary of career and position and areas of responsibility

Apr. 1992:	Joined the Company	Jun. 2022:	Director of Tokyo Broadcasting System Television, Inc.
Jul. 2019:	Division President of DX Business Division of Tokyo Broadcasting System Television, Inc.	Jun. 2024:	Executive Officer of the Company (incumbent)

Reason for nomination as candidate for Director

Since her appointment as Director of Tokyo Broadcasting System Television, Inc. in June 2022, Ms. Yayoi Nakatani has primarily been in charge of sales, live entertainment, media business, etc. She is currently working on the promotion of growth strategy, etc. as Executive Officer of the Company. In light of her experience and achievements at the Group, she is nominated as candidate for Director of the Company.

Candidate number <b>7</b>	<b>Yosuke Yagi</b> Date of birth Aug. 12, 1955	Re-election Outside Independent	Number of shares of the Company owned: 0 shares Attendance to meetings of Board of Directors: 12/12 (100%)
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Summary of career and position and areas of responsibility

Apr. 1980:	Joined Nippon Kokan K.K. (current JFE Steel Corporation)	Jan. 2017:	Representative Director of People First, Ltd. (incumbent)
Jan. 1999:	General Manager of Human Resource Department of GE Yokogawa Medical Systems Ltd. (current GE Healthcare Japan Corporation)		Board Member of ICMG Co., Ltd. Chairman and Representative Director of IWNC Inc., Ltd.
Jun. 1999:	Director and General Manager of Human Resource Department of GE Healthcare Japan Corporation	Jun. 2017:	Chairman and Director of IWNC Inc., Ltd.
Dec. 2002:	Director of GE Japan Inc.	Jun. 2020:	Outside Director of the Company (incumbent)
Apr. 2012:	Executive Officer and Executive Vice President of JS Group Corporation (current LIXIL Corporation)	Apr. 2021:	Audit & Supervisory Board Member of GE Healthcare Japan Corporation (incumbent)

Important concurrent position outside the Company

Representative Director of People First, Ltd.  
Director of IWNC Inc., Ltd.

Audit & Supervisory Board Member of GE Healthcare Japan Corporation

Reason for nomination as candidate for Outside Director and outline of expected role

Mr. Yosuke Yagi has considerable experience and a high degree of knowledge as the head of human resources strategy and a member of top management of operating companies in Japan and abroad. As he is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, he is nominated as candidate for Outside Director of the Company.

Candidate number <b>8</b>	<b>Makoto Haruta</b> Date of birth Jan. 5, 1969	Re-election Outside Independent	Number of shares of the Company owned: 0 shares Attendance to meetings of Board of Directors: 12/12 (100%)
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Summary of career and position and areas of responsibility

Apr. 1992:	Joined Sumitomo Bank Co., Ltd. (current Sumitomo Mitsui Banking Corporation)	Mar. 2017:	Adviser of Money Forward, Inc.
Feb. 2000:	Joined DeNA Co., Ltd.	Oct. 2017:	Representative Director & Chairman of ExaWizards Inc.
Sep. 2000:	Director and Head of Corporate Planning Division of DeNA Co., Ltd.	Nov. 2018:	Director & Chairman of ExaWizards Inc.
Jun. 2011:	Director, Executive Chairman and Executive Officer of DeNA Co., Ltd.	Jun. 2020:	Outside Director of the Company (incumbent)
Apr. 2015:	Representative Director and CEO of betaCatalyst Inc. (incumbent)	Apr. 2022:	Outside Director of Panasonic Corporation
		Apr. 2023:	Representative Director & President of ExaWizards Inc. (incumbent)

Important concurrent position outside the Company

Representative Director & President of ExaWizards Inc.

Representative Director and CEO of betaCatalyst Inc.

Reason for nomination as candidate for Outside Director and outline of expected role

Mr. Makoto Haruta has considerable experience and a high degree of knowledge as the head of financial strategy and a member of top management of operating companies in the IT and entertainment sectors. As he is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, he is nominated as candidate for Outside Director of the Company.

Candidate number <b>9</b>	<b>Natsuko Takei</b> Date of birth Feb. 10, 1961	Re-election Outside Independent	Number of shares of the Company owned: 0 shares Attendance to meetings of Board of Directors: 12/12 (100%)
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Summary of career and position and areas of responsibility

Apr. 1983:	Joined Sony Corporation (current Sony Group Corporation)	Jun. 2023:	Outside Director of the Company (incumbent) External Member of the Board of Tokyo Metro Co., Ltd. (incumbent)
Jun. 2013:	Senior Vice President, Corporate Executive of Sony Group Corporation		
Jun. 2021:	Executive Vice President Officer in charge of Legal, Compliance, and Privacy Senior General Manager, Legal Department of Sony Group Corporation	Jun. 2024:	Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (incumbent)

Important concurrent position outside the Company

External Member of the Board of Tokyo Metro Co., Ltd.	Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
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Reason for nomination as candidate for Outside Director and outline of expected role

Ms. Natsuko Takei has considerable experience and a high degree of knowledge as the head of legal affairs and compliance at a global operating company. As she is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, she is nominated as candidate for Outside Director of the Company.

Candidate number <b>10</b>	<b>Noriko Makino-Villanti</b> Date of birth Dec. 29, 1972	Newly-appointed Outside Independent	Number of shares of the Company owned: 0 shares
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Summary of career and position and areas of responsibility

Jun. 1996:	Joined Monitor Group Inc. (Tokyo office)	Oct. 2012:	Business Director of Trendy International Group Co. Ltd.
Apr. 1997:	Joined Bain & Company Japan Inc. (Tokyo office)	Mar. 2014:	Guest Experience Director of Value Retail Limited
Jun. 1998:	Joined NIHON L'ORÉAL K.K.	Mar. 2022:	Representative Director of Global Career Design Inc. (incumbent)
Apr. 2002:	Operation Director of Diageo Plc		

Important concurrent position outside the Company

Representative Director of Global Career Design Inc.

Reason for nomination as candidate for Outside Director and outline of expected role

Ms. Noriko Makino-Villanti has considerable experience and a high degree of knowledge in global business and human resources development. As she is expected to offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, she is nominated as candidate for Outside Director of the Company.

- Note 1: Each of candidates has no special interest in the Company.
- Note 2: The dates of the Company's regular Board of Directors' meetings for FY2025 after the date of this Ordinary General Meeting of Shareholders have already been arranged with each of the candidates to ensure their attendance at the meetings.
- Note 3: Mr. Yosuke Yagi, Mr. Makoto Haruta, Ms. Natsuko Takei, and Ms. Noriko Makino-Villanti are candidates for Outside Directors.
- Note 4: The following are matters regarding candidates for Outside Directors:
- (1) Independent Directors  
The Company has registered Mr. Yosuke Yagi, Mr. Makoto Haruta, and Ms. Natsuko Takei as independent directors with the Tokyo Stock Exchange. In addition, Ms. Noriko Makino-Villanti meets the requirements for independent directors as stipulated by the Tokyo Stock Exchange, and she will be newly registered as an independent director.
  - (2) Number of years since assuming the office of Outside Director (until the conclusion of this General Meeting of Shareholders):  
Yosuke Yagi: 5 years  
Makoto Haruta: 5 years  
Natsuko Takei: 2 years

Note 5:      Liability Limitation Agreement:

The Company has entered into an agreement with Mr. Yosuke Yagi, Mr. Makoto Haruta, and Ms. Natsuko Takei that limits their liabilities as defined in the provisions of Article 427, Paragraph 1 of the Companies Act, responsibility as specified in Article 423, Paragraph 1 of that Act. The Company will also extend such agreement with them provided they are reappointed. If Ms. Noriko Makino-Villanti is appointed, the Company will enter into such agreement with her.

Additionally, subject to the approval of “Second Item of Business: Partial Amendments to the Articles of Incorporation” as originally proposed, if Mr. Takashi Sasaki, a candidate for non-executive Director, is reappointed, the Company will enter into such agreement with him.

Note 6:      Directors and Officers Liability Insurance Policy:

The Company has entered into a directors and officers liability insurance policy between an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. A summary of the contents of the said insurance policy is as stated in “Summary of Contents of a Directors and Officers Liability Insurance Policy, etc.” of the Business Report. If the nomination of each candidate is approved and they are appointed as Directors, they will continue to be included as the insureds under the said insurance. The insurance policy will be renewed with the contents unchanged on its next renewal.



**Fourth Item of Business: Determination of Amount and Content of Share-based Remuneration, etc. for Directors (Excluding Outside Directors)**

1. Reasons for the proposal and reasons that the remuneration system is deemed reasonable

Remuneration for Directors of the Company (excluding Outside Directors) consists of “base remuneration,” “performance-linked remuneration,” and “share-based remuneration (non-performance-linked restricted shares).” The Company proposes to newly introduce a performance-linked share-based remuneration system (hereinafter, the “System”) using a trust for Directors of the Company (excluding Outside Directors as described below). The Company requests that shareholders delegate the determination of the specific details within the scope outlined below to the Board of Directors.

The Company is implementing measures to enhance the medium- to long-term corporate value of the TBS Group as outlined in the long-term management vision, “TBS Group VISION 2030,” announced in May 2021 and the “TBS Group Medium-Term Business Plan 2026,” announced in May 2024. We have decided to partially revise our officer remuneration system in order to further clarify the link between Directors’ remuneration and the corporate value of the Group, with the aim of enhancing awareness of the need to contribute to medium- to long-term corporate value enhancement and deepening the sharing of values with stakeholders. The introduction of this System is part of the revisions to our officer remuneration system.

This item is separate from the upper limit of monetary remuneration for Directors resolved at the 87th Ordinary General Meeting of Shareholders held on June 27, 2014 (not more than ¥900 million per year (of which remuneration for Outside Directors to be not more than ¥60 million per year (subsequently revised to ¥80 million per year at the 96th Ordinary General Meeting of Shareholders held on June 29, 2023)); not including any employee salary portion payable to Directors who also serve as employees), and the upper limit of share-based remuneration (restricted shares) for Directors resolved at the 92nd Ordinary General Meeting of Shareholders held on June 27, 2019 (not more than ¥180 million per year (Outside Directors not subject to granting)). Under this System, remuneration will be granted to Directors (excluding Outside Directors, and the same applies hereinafter) who are in office during the two fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2027 (hereinafter, the “Applicable Period,” which may be extended as described in 2. (2) below).

The content of the Company’s determination policy in regard to details of remuneration, etc. for each individual Director is as described in the Business Report. Subject to the approval of this item, the Company has resolved at a meeting of the Board of Directors held on May 14, 2025, based on the report from the Remuneration Advisory Committee (chaired by an Outside Director and composed of a majority of Outside Directors, and the same applies hereinafter) to revise the policy as described in the “Reference” section below. The Company believes that the content of this item is appropriate, as it is necessary and reasonable to achieve the purpose of the revised policy and the introduction of the System.

If “Third Item of Business: Election of Ten (10) Directors” is approved as originally proposed, the number of Directors eligible for the System will be six.

\* If this item is approved as originally proposed, the Company also plans to introduce a similar share-based remuneration system for Executive Officers who have entered into delegation agreements with the Company.

## 2. Amount and content of remuneration, etc. under the System

### (1) Outline of the System

The System is a share-based remuneration system in which a trust established by the Company (hereinafter, the “Trust”) by contributing money (on July 21, 2023, the Company established a share-based remuneration system for Directors of certain subsidiaries of the Company) acquires the Company’s common shares (hereinafter, the “Company’s Shares”), and the Company’s shares in a number equivalent to the number of points granted by the Company to each Director are granted to each Director through the Trust (however, as described in 3. below, such shares are subject to restrictions on transfer by entering into a transfer restriction agreement between the Company and each Director).

In principle, the timing at which the Directors receive the Company’s Shares is a specified time after the end of applicable evaluation period <sup>(Note 1)</sup>.

Note 1: The period of the Company’s Medium-Term Business Plan is the “applicable evaluation period” (however, the first “applicable evaluation period” will be the fiscal year beginning on April 1, 2025 and ending March 31, 2027). The same applies hereinafter. If the Applicable Period is extended, a new “applicable evaluation period” will be set from April 2027 onward, corresponding to the period of the relevant Medium-Term Business Plan. The same applies hereinafter.

(i) Persons eligible for the System	Directors of the Company (excluding Outside Directors)
(ii) Applicable Period	From the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2027
(iii) Maximum amount of money to be contributed by the Company as funds to acquire the Company’s Shares necessary to be granted to the persons eligible in (i) during two fiscal years of the Applicable Period in (ii)	Total of ¥608 million
(iv) Method of acquiring the Company’s Shares	By receiving disposal of treasury shares or by purchasing shares on the stock market (including off-hours trading)
(v) Upper limit on the total number of points to be granted to the persons eligible in (i)	Number of points calculated by multiplying 51,500 points by the number of fiscal years in the relevant applicable evaluation period, as consideration for the execution of duties during that period
(vi) Criteria for granting points	Points will be granted based on recipient’s position and achievement of performance targets, etc.
(vii) Timing of granting of the Company’s Shares to the persons eligible in (i)	Specified time after the end of the applicable evaluation period
(viii) Period of restrictions on transfer under the transfer restriction agreement set forth in 3.	From the date of delivery of the Company’s Shares until the date of resignation from office (meaning the date on which the individual no longer holds the position of Director or Executive Officer of the Company, Director or Executive Officer of certain subsidiaries of the Company, or any other equivalent position, and the same applies hereinafter)

(2) Maximum amount of money to be contributed by the Company

The Company has established the Trust for a period of approximately five years, from July 2023 to August 2028 (tentative) <sup>(Note 2)</sup>.

Note 2: As described in (1) above, the Trust has already been established with the Company as the trustor for the operation of a share-based remuneration system for certain subsidiaries of the Company. The Trust acquires the Company's shares using funds contributed by those subsidiaries (entrusted by the Company acting as trustor), which are required for the delivery of shares to Directors of those subsidiaries.

The Company will make an additional monetary contribution (as an additional contribution to the Trust) of not more than ¥608 million in total as remuneration for Directors in office during the Applicable Period as funds for the acquisition of the Company's Shares necessary to be granted to Directors under the System. The Trust will additionally acquire the Company's Shares either by receiving disposal of the Company's treasury shares or by purchasing shares on the stock market (including off-hours trading) using money additionally entrusted by the Company as the source of funds <sup>(Note 3)</sup>.

Note 3: The monetary amount to actually be entrusted to the Trust by the Company shall include the estimated necessary expenses such as trust fees and compensation for the trust administrator, etc., in addition to the above-stated funds for the acquisition of the Company's Shares. If a similar share-based remuneration system for Executive Officers of the Company is introduced, as described above, funds necessary for the acquisition of the Company's Shares to be granted to Executive Officers under such system will also be entrusted to the Trust. In addition, funds contributed by certain subsidiaries may be additionally entrusted as supplemental funds necessary for the delivery of shares of the Company to Directors of those subsidiaries.

The Company may, by a resolution of the Board of Directors, extend the Applicable Period by setting a period of up to five fiscal years each time and accordingly extend the trust period of the Trust (including effectively extending the trust period by transferring the trust assets of the Trust to another trust established by the Company for the same purpose, and the same applies hereinafter), and continue the System. In such case, during the extended Applicable Period, the Company shall make an additional contribution to the Trust of an amount not exceeding ¥304 million multiplied by the number of fiscal years during the extended Applicable Period, as funds necessary for the additional acquisition of the Company's Shares to be granted to Directors under the System, and will continue the granting of points and the delivery of the Company's Shares as described in (3) below. (The same applies hereinafter.)

(3) Method for calculating the number and upper limit of Company's Shares to be granted to Directors  
(i) Method, etc. for granting points to Directors

The Company grants a certain number of points to each Director based on their position and the degree of achievement of performance targets, etc., on a point granting date (in principle, after the applicable evaluation period) as stipulated in the Share Granting Regulations established by the Board of Directors of the Company during the trust period <sup>(Note 4)</sup>.

Note 4: The number of points will be calculated by multiplying the number determined based on position, etc., by a performance-linked coefficient that varies depending on the achievement rate of the performance indicators during the applicable evaluation period.

However, the total number of points granted by the Company to Directors will be capped at the number calculated by multiplying 51,500 points by the number of fiscal years in the relevant applicable evaluation period, as consideration for the execution of duties during that period.

The performance-linked indicators and the range of the performance-linked coefficient will be deliberated by the Remuneration Advisory Committee and determined by the Board of Directors based on the Committee's report. For the initial applicable evaluation period, the performance-linked indicators will consist of a total of six items adopted mainly from financial and non-financial targets set forth in the "TBS Group Medium-Term Business Plan 2026," and the range of the performance-

linked coefficient is expected to be from 0% to 100% (if the total number of points calculated based on this method exceeds the aforementioned upper limit, adjustments such as prorating will be made).

(ii) Delivery of the Company's Shares in accordance with the points granted

Directors receive the Company's Shares in accordance with the number of points granted as described in (i) above, following the procedures in (iii) below. However, if a Director resigns due to reasons other than justifiable grounds, any points granted up to that point will expire and no Company's Shares corresponding to the expired points will be granted.

One point is equivalent to one share of the Company's Shares. However, if events occur, including a share split or share consolidation, which rationally require adjustment to the number of the Company's Shares per point, adjustment will be made in accordance with the split ratio or consolidation ratio, etc. to the number of the Company's Shares per point.

(iii) Delivery of the Company's Shares to Directors

After the applicable evaluation period ends, each Director will, in principle, subject to the conclusion of a transfer restriction agreement with the Company as described in 3. below and the completion of other prescribed procedures, acquire beneficial interests in the Trust and receive the Company's Shares as set forth in (ii) above from the Trust as a beneficiary of the Trust <sup>(Note 5)</sup>.

However, if the Company's Shares held in the Trust are monetized, such as through settlement following participation in a tender offer, the delivery may be made in cash (in the amount of the proceeds) instead of in Company's Shares.

Note 5: However, if a Director resigns in the middle of an applicable evaluation period, points may be granted prior to the end of such period, and the Company's common shares may be delivered from the Trust. In such cases, the execution of a transfer restriction agreement will not be required.

(4) Exercise of voting rights

Voting rights associated with the Company's Shares held in the Trust shall not be exercised altogether, based on instructions from the trust administrator, who is independent of the Company and its officers. This method is intended to ensure neutrality with respect to the Company's management in connection with the exercise of voting rights relating to the Company's Shares held in the Trust.

(5) Treatment of dividends

Dividends from the Company's Shares held in the Trust will be received by the Trust and used to fund the acquisition of the Company's Shares and to pay trust fees, etc. to be paid to the trustee with respect to the Trust.

3. Transfer restriction agreement for the Company's Shares granted to Directors

When the Company's Shares are delivered as provided for in 2. (3) (ii) above, the Company will enter into a transfer restriction agreement (hereinafter, the "Transfer Restriction Agreement") with each Director, which includes the provisions outlined below (Directors will only receive the Company's Shares upon execution of the Transfer Restriction Agreement).

However, no transfer restrictions shall apply to Company's Shares (if any) delivered after a Director's resignation.

(1) Transfer restriction period

Directors must not transfer, create security interests on, or otherwise dispose of the Company's Shares (hereinafter, "Transfer Restrictions") granted under the System (hereinafter, "Granted Shares") during the period from the date of delivery (or each date of delivery if granted multiple times) until the date of resignation (hereinafter, the "Transfer Restriction Period").

During the Transfer Restriction Period, Directors shall manage the Granted Shares in an account at a securities firm designated by the Company for the purpose of managing the Granted Shares separately from shares already held by Directors.

(2) Acquisition of Granted Shares without contribution

- (i) If a Director breaches (1) above and attempts to transfer, provide as collateral, or otherwise dispose of all or part of the Granted Shares, the Company shall, by rights, acquire all of the Granted Shares without contribution.
- (ii) If a Director falls under any of items below during the Transfer Restriction Period, the Company shall, by rights, acquire all of the Granted Shares without contribution at the time the Director falls under such item.
  - i) If a Director is sentenced to imprisonment or a heavier punishment
  - ii) If a petition for commencement of bankruptcy proceedings, civil rehabilitation proceedings or other similar proceedings is filed against a Director
  - iii) If a Director is subject to a petition for seizure, provisional seizure, provisional disposition, compulsory execution or auction, or is subject to a disposition for delinquency of taxes and public charges
  - iv) If a Director resigns due to the expiration of term of office, mandatory retirement age, death, or for reasons other than justifiable reasons
- (iii) If a Director falls under any of the following items during the Transfer Restriction Period, the Company shall, by rights, acquire all of the Granted Shares without contribution, by providing written notice to the Director stating that it will acquire the Granted Shares without contribution, effective upon delivery of such notice.
  - i) If the Board of Directors of the Company determines that a Director has engaged in a business that competes with the business of the Company or the TBS Group, or has been appointed as an officer or employee of a corporation or other organization that competes with the business of the Company or the TBS Group (except when prior written consent has been obtained from the Company)
  - ii) If the Board of Directors of the Company determines that a Director has materially violated laws and regulations, internal rules of the Company or the TBS Group, or the Transfer Restriction Agreement, or otherwise determines that it is appropriate for the Company to acquire the Granted Shares without contribution

(3) Handling in case of reorganization, etc.

If any of the matters listed in any of the following items are approved by a General Meeting of Shareholders of the Company (provided, however, at a meeting of the Board of Directors of the Company if approval of a General Meeting of Shareholders is not required) during the Transfer Restriction Period (limited to when the date set forth in each of the following items (hereinafter, the “Effective Date of the Reorganization, etc.”) falls prior to the expiration of the Transfer Restriction Period), then, notwithstanding (1) above, the Transfer Restrictions on the Granted Shares will be lifted at the time immediately preceding the business day prior to the Effective Date of Reorganization, etc.

- i) Merger agreement in which the Company becomes the disappearing company  
Effective date of merger
- ii) Absorption-type company split agreement or incorporation-type company split plan under which the Company is the splitting company (limited to when the Company delivers all or some of the split consideration to be delivered following the company split to the Company’s shareholders on the effective date of the company split)  
Effective date of the company split
- iii) Share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary  
Effective date of share exchange or share transfer

- iv) Share consolidation (limited to when the Granted Shares held by Directors following the consolidation of shares is only a fraction of less than one share)

Effective date of share consolidation

- v) Acquisition of all of the Company's common shares by attaching to the Company's common shares a class-wide call for acquisition provision provided for in Article 108, Paragraph 1, Item 7 of the Companies Act

Acquisition date stipulated in Article 171, Paragraph 1, Item 3 of the Companies Act

- vi) Demand for cash-out targeting the Company's common shares (meaning a demand for cash-out set forth in Article 179, Paragraph 2 of the Companies Act)

Acquisition date stipulated in Article 179-2, Paragraph 1, Item 5 of the Companies Act

(4) Other matters determined by the Board of Directors

In addition to the above, the Transfer Restriction Agreement will include the method of manifestation of intention and notification, the method of revising the Transfer Restriction Agreement, and other matters determined by the Board of Directors.

**Fifth Item of Business: Determination of Remuneration for Granting Restricted Shares to Outside Directors**

The maximum amount of monetary remuneration for Directors of the Company was approved to be not more than ¥900 million per year (including not more than ¥60 million per year (subsequently revised to ¥80 million per year at the 96th Ordinary General Meeting of Shareholders held on June 29, 2023) for Outside Directors, and not including the salary portion payable to Directors who also serve as employees of the Company) at the 87th Ordinary General Meeting of Shareholders held on June 27, 2014.

Furthermore, the introduction of a Restricted Share-based Remuneration System (hereinafter, the “System”) for Directors of the Company (excluding Outside Directors) was approved at the 92nd Ordinary General Meeting of Shareholders held on June 27, 2019. Under this System, the total amount of monetary receivables to be paid to Directors (excluding Outside Directors) of the Company for granting restricted shares and the total number of Company’s common shares to be issued or disposed of by the Company was resolved to be not more than ¥180 million per year and 90,000 shares per year, respectively.

The Company is implementing measures to enhance the medium- to long-term corporate value of the Group as outlined in the long-term management vision, “TBS Group VISION 2030,” announced in May 2021 and the “TBS Group Medium-Term Business Plan 2026,” announced in May 2024. We have decided to partially revise our officer remuneration system in order to further clarify the linkage between remuneration for Directors and the Company’s corporate value, with the aim of enhancing awareness of the need to contribute to medium- to long-term corporate value enhancement and deepening the sharing of values with stakeholders.

The introduction of this System is part of the revisions to our officer remuneration system. In order to introduce this System for Outside Directors of the Company (hereinafter, “Eligible Directors”), the Company proposes to newly pay remuneration for granting of restricted shares, within the above-mentioned remuneration limit for Outside Directors.

The remuneration to be paid for granting restricted shares to the Eligible Directors pursuant to this item will be monetary receivables (hereinafter, “Monetary Remuneration Receivables”), the total amount of which shall be not more than ¥16 million per year, which is as an amount considered reasonable in light of the above-stated purpose of the System. The specific timing of granting remuneration and allocation to each Eligible Director will be determined by the Board of Directors.

If this item is approved, the total amount of remuneration for the Eligible Directors after the revision, including the amount of remuneration for granting restricted shares, will remain the same as the current amount of remuneration, not exceeding ¥80 million per year. If “Third Item of Business: Election of Ten (10) Directors,” is approved as originally proposed, the number of Directors eligible for the System will be four.

In addition, based on the resolution of the Company’s Board of Directors, the Eligible Directors shall pay the Monetary Remuneration Receivables provided under this item in full amount as property contributed in kind, in exchange for the issuance or disposal of common shares of the Company. The total number of common shares of the Company to be issued or disposed as a result shall not exceed 8,000 shares per year (however, in the event of a share split (including gratis allotment of common shares of the Company) or a share consolidation of common shares of the Company, or any other circumstance necessitating an adjustment to the total number of common shares of the Company issued or disposed of as restricted shares after the date of approval of this item, such total number of shares shall be reasonably adjusted). The subscription price per share shall be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors’ resolution (or, if there was no trade on that day, the most recent prior trading day). The price will be set within a range that is not particularly favorable to the Eligible Directors who subscribe for such common shares. In addition, the issuance or disposal of the Company’s common shares and payment of monetary receivables in the form of property contributed in kind, shall be conditioned upon the execution of a

restricted shares allotment agreement (hereinafter, the “Allotment Agreement”) between the Company and each Eligible Director, which shall include the following terms.

Furthermore, the content of the Company’s determination policy in regard to details of remuneration, etc. for each individual Director is as described in the Business Report. Subject to the approval of this item, the Company resolved at a meeting of the Board of Directors held on May 14, 2025, based on the report of the Remuneration Advisory Committee (chaired by an Outside Director and composed of a majority of Outside Directors) to revise the policy as described in the “Reference” section below. The conditions set out in this item including the maximum amount of remuneration, the total number of common shares of the Company to be issued or disposed, and other matters for granting restricted shares to the Eligible Directors based on this item are deemed to be appropriate, as they have been formulated in consideration of the above-mentioned objectives, business conditions of the Company, policy for determining details of remuneration, etc. for each individual Director, and other various circumstances.

(1) Transfer Restriction Period

Eligible Directors shall not transfer, create security interests, or otherwise dispose of the Company’s common shares (hereinafter, “Transfer Restrictions”) allotted (hereinafter, “Allotted Shares”) during a period predetermined in advance by the Company’s Board of Directors, which shall be between three years and 30 years from the date the allotment of shares is received under the Allotment Agreement (hereinafter, the “Transfer Restriction Period”).

(2) Handling in the case of resignation or retirement from office

If an Eligible Director resigns or retires from office as an officer or employee of the Company or its subsidiary with specific position designated in advance by the Board of Directors of the Company prior to the expiration of the Transfer Restriction Period, the Company shall, by rights, acquire the Allotted Shares without contribution, with the exception of expiration of term of office, death, or other justifiable reasons.

(3) Lifting of Transfer Restrictions

Notwithstanding the provisions in (1) above, the Company shall lift Transfer Restrictions on all Allotted Shares at the expiration of the Transfer Restriction Period on the condition that an Eligible Director remained in office as an officer or employee of the Company or its subsidiary with specific position designated in advance by the Board of Directors of the Company continuously during the Transfer Restriction Period. However, if said Eligible Director resigns or retires the position specified in (2) above prior to the expiration of the Transfer Restriction Period due to the expiration of term of office, death, or other justifiable reason specified in (2) above, the Company shall adjust to a reasonable extent as necessary the number of Allotted Shares on which Transfer Restrictions are lifted and the timing of lifting of Transfer Restrictions. Moreover, the Company shall, by rights, acquire the Allotted Shares without contribution on which Transfer Restrictions have not been lifted immediately after Transfer Restrictions have been lifted in accordance with the above provisions.

(4) Handling in case of reorganization, etc.

Notwithstanding the provision in (1) above, if a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary of another company, or any other matters related to reorganization, etc. is approved at a General Meeting of Shareholders of the Company (provided, however, at a meeting of the Board of Directors of the Company if approval of the General Meeting of Shareholders for the relevant reorganization, etc. is not required) during the Transfer Restriction Period, the Company shall, prior to the effective date of said reorganization, etc., lift Transfer Restrictions on a number of Allotted Shares determined in a reasonable manner by resolution of the Board of Directors of the Company based on the period from the date of commencement of the



Transfer Restriction Period until the date of approval of said reorganization, etc. In addition, for the case specified above, the Company shall, by rights, acquire the Allotted Shares without contribution on which Transfer Restrictions have not been lifted immediately after Transfer Restrictions have been lifted.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.

(Reference) Matters Related to Determination Policy on Details of Remuneration, etc. for Each Individual Director

If Fourth Item of Business and Fifth Item of Business are approved as originally proposed, “Matters Related to Determination Policy on Details of Remuneration, etc. for Each Individual Director” will be as follows.

The Company’s Board of Directors has established a determination policy on details of remuneration, etc. for each individual Director, and an outline of which is as follows.

<Basic remuneration policy>

With regard to Directors’ remuneration of the Company, the following basic policy is adopted based on the report from the Remuneration Advisory Committee at the request of the Board of Directors.

- The remuneration system shall secure and maintain talented human resources so as to enhance corporate value and fulfill our public mission, and serve as a stable business foundation.
- The remuneration system shall focus on the shareholders’ point of view and further share value with shareholders.
- The determination process shall be objective and highly transparent through deliberation of the Remuneration Advisory Committee.

Based on the above-stated basic remuneration policy, Directors’ remuneration of the Company consists of a. base remuneration, b. performance-linked remuneration, c. non-performance-linked share-based remuneration, and d. medium- to long-term incentive share-based remuneration. The Company does not provide b. performance-linked remuneration and d. medium- to long-term incentive share-based remuneration to Outside Directors.

The details of each type of remuneration are described below.

a. Base remuneration

Base remuneration shall be determined for each Director as a monthly remuneration with matters such as title, strategic division they are responsible for, and change in business environment taken into account. The remuneration is paid on a monthly basis.

b. Performance-linked remuneration

Performance-linked remuneration is intended to motivate Directors to achieve good single-fiscal-year performance. It consists of (i) “performance-linked assessment remuneration,” which varies across eight levels from 0% and 200%, based on the ratio of actual results to the “consolidated operating income” forecast disclosed in the summary of consolidated financial results at the end of the previous fiscal year, and (ii) “qualitative assessment remuneration,” which varies across seven levels from 0% to 200%, based on the qualitative assessment of the performance of the strategic divisions for which each Director is responsible. These components shall be determined based on the standard remuneration amounts set for each position and role, deliberated by the Remuneration Advisory Committee, and approved by the Board of Directors before being paid.

c. Non-performance-linked share-based remuneration

Non-performance-linked share-based remuneration is intended to motivate Directors to enhance the medium- to long-term shareholder value and to share the value with shareholders. Each year, restricted shares are granted to Directors, with the grant amount determined individually, with matters such as title, strategic division they are responsible for, and change in business environment taken into account.

d. Medium- to long-term incentive share-based remuneration

Medium- to long-term incentive share-based remuneration is intended to deepen the sharing of value with stakeholders and motivate Directors to contribute to the enhancement of corporate value over the medium to long term. The level of achievement of the target values, etc., outlined in the Medium-Term Business Plan is evaluated at the end of each period of the Medium-Term Business Plan and following deliberations by the Remuneration Advisory Committee, the Board of Directors determines and grants restricted shares. The number of shares to be granted is calculated by multiplying the standard number of points determined for each role and position by an evaluation coefficient (0% to 100%) based on the level of achievement of the targets and other factors.

<Composition of Directors' remuneration, etc.>

The composition of Directors' remuneration, etc. is deliberated by the Remuneration Advisory Committee at the request of the Board of Directors in accordance with the basic remuneration policy, and determined based on the report therefrom. The specific composition, etc. is as follows.

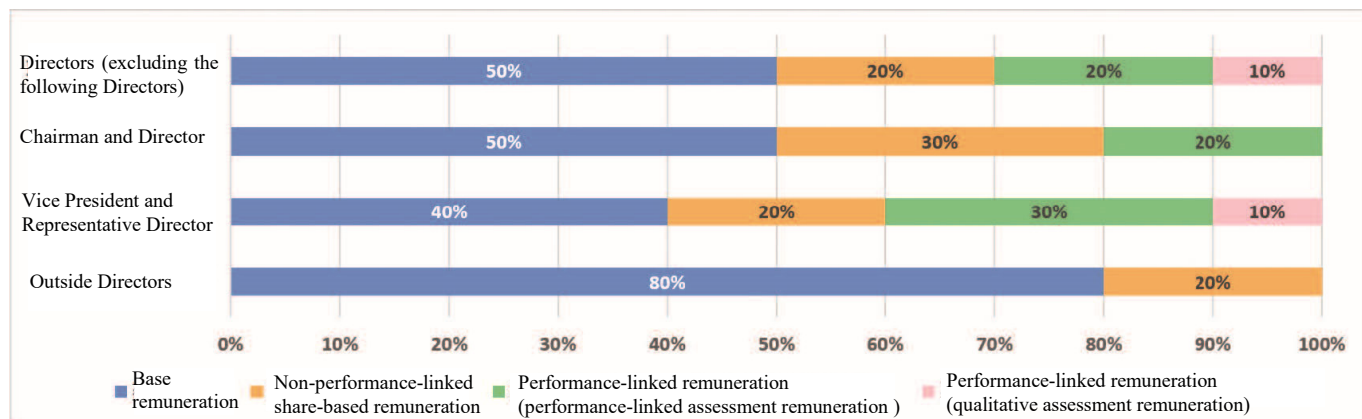
(i) Medium- to long-term incentive share-based remuneration and the ratio of other remuneration

As described above, the number of shares to be granted under medium- to long-term incentive share-based remuneration is calculated by multiplying an evaluation coefficient (ranging from 0% to 100%) based on the level of achievement of the target values, etc. outlined in the Medium-Term Business Plan and other factors. When the annual total amount of other remuneration (base remuneration, performance-linked remuneration, and non-performance-linked share-based remuneration) is set to 1.0, the annual amount of the medium- to long-term incentive share-based remuneration is designed to be approximately 0.3 to 0.5 times that amount (\*).

(\*) This calculation assumes a 100% payment rate for both the performance-linked remuneration, and the medium- to long-term incentive share-based remuneration, and the number of shares granted for one year of the medium- to long-term incentive share-based remuneration is converted into monetary terms using the closing price of the Company's Shares on the Tokyo Stock Exchange market of ¥4,264 on March 31, 2025.

(ii) Composition of other remuneration (base remuneration, performance-linked remuneration, and non-performance-linked share-based remuneration)

The composition ratio for other remuneration (base remuneration, performance-linked remuneration, and non-performance-linked share-based remuneration), excluding medium- to long-term incentive share-based remuneration is shown below.



Note: This ratio assumes the standard amount of remuneration for Directors is set at 100%.

The total individual remuneration for Directors, excluding Outside Directors, and excluding medium- to long-term incentive share-based remuneration, fluctuates within the range of 60% to 140% when the standard is set at 100%, depending on evaluations of the performance-linked remuneration (performance-linked assessment remuneration and qualitative assessment remuneration).

**Sixth Item of Business:            Revision of the Amount of Remuneration for Audit & Supervisory Board Members**

The amount of remuneration for Audit & Supervisory Board Members of the Company was approved to be not more than ¥100 million per year at the 87th Ordinary General Meeting of Shareholders held on June 27, 2014 and this amount has remained unchanged.

Given the number of years since the last revision of the amount of remuneration, changes in the economic environment, the diversification of duties of Audit & Supervisory Board Members and the corresponding increase in responsibilities, the Company would like to ask shareholders to revise the amount of remuneration for Audit & Supervisory Board Members to an amount not exceeding ¥150 million per year to ensure an effective remuneration level to secure and retain talented human resources.

Currently, the number of Audit & Supervisory Board Members is five (5) (including three (3) Outside Audit & Supervisory Board Members).

## **Seventh Item of Business: Disposal of Treasury Shares Through Third-Party Allotment to Support the Activities of Akasaka Creative Foundation**

Here in Akasaka, the TBS Group has provided radio and television broadcasting services since 1951 and 1955 respectively. Our mission as a broadcaster is to deliver accurate news and inspiring, exciting, and joyful content throughout Japan, reaching all generations and genders equally.

We are also working to produce creative content and deliver it not only in Japan but also internationally through a variety of platforms, in line with our Medium-Term Business Plan 2024–2026, which outlines the vision “to pursue and provide Timeless Value.” This reflects our core philosophy: “The TBS Group aims to deliver timeless content and services that move hearts and minds around the world, respecting diverse values and striving to make a positive contribution to society.”

In line with this philosophy, we believe it is essential to foster an environment where people are inspired by creative content and come to recognize the meaning and value of creating and sharing it so that more people can cherish their wonderful “moments” with greater emotional fulfillment.

Therefore, we have decided to establish Akasaka Creative Foundation (hereinafter, the “Foundation”) to support the long-term development of Akasaka, our place of origin. The Foundation will promote Japanese creativity and deliver emotionally resonant content that inspires and connects with audiences around the world.

In order for the Foundation to carry out its activities in a continuous and stable manner in accordance with its purpose, the Company will establish a third-party-benefit trust (hereinafter, the “Trust”) with Mizuho Trust & Banking Co., Ltd. as the trustee and the Foundation as the beneficiary, and the Trust will purchase the shares of the Company. The Trust will provide trust proceeds from dividends on the Company’s shares, etc. to the Foundation, which will carry out activities funded by the trust proceeds. The disposal of treasury shares will be made to the Trust, which will be established to contribute to the funding of the Foundation’s activities. In addition, the voting rights of the shares held by the Trust as a result of the disposal of treasury shares shall not be exercised throughout the trust period.

In carrying out the Foundation’s business in a continuous and stable manner, we believe that the number of shares to be disposed of is of a reasonable size to finance the support of the Foundation’s activities. Moreover, since the impact on the secondary market triggered by the disposal of the treasury shares will be small, as it is not currently expected, under the scheme of the Trust, that the treasury shares would be sold into the market after the disposition, we believe that the number of shares to be disposed of is a reasonable amount. As the extent of dilution of shares of the Company’s shares resulting from the disposal of the treasury shares is small, representing 0.99% (rounded to the second decimal place) of the total shares outstanding of 165,591,065 shares, we believe that the impact on the shares price will be small.

In light of the above purpose and objectives, we consider the payment amount of ¥1 per share to be reasonable. In accordance with Articles 199 and 200 of the Companies Act, we hereby request approval to delegate to the Company’s Board of Directors the authority to determine the offering terms in connection with the disposal of treasury shares through a third-party allotment.

### **Details of treasury shares to be disposed**

1. Class and maximum number of shares to be disposed	1,640,000 common shares (0.99% of the total number of issued shares)
2. Minimum amount to be paid in	¥1 per share
3. Total amount to be paid in	¥1,640,000
4. Method of disposal	Disposal through third-party allotment
5. Disposal destination (planned)	Mizuho Trust & Banking Co. Ltd.
6. Due date of disposal	Undecided
7. Delegation of authority	In addition to the matters listed above, all other necessary matters related to the disposal of treasury shares shall be decided by resolution of the Board of Directors of the Company.

\* Calculated based on the total number of shares issued (165,591,065 shares) as of March 31, 2025.

## Outline of the Foundation

1. Name	Akasaka Creative Foundation
2. Address	5-3-6 Akasaka, Minato-ku, Tokyo (planned)
3. Administrative Director	Takashi Sasaki
4. Activities	<p>&lt;Direct Support for the Development of Creative Talent and Industries&gt;</p> <ul style="list-style-type: none"> <li>- Grant programs aimed at addressing disparities in access to creative experiences</li> <li>- Scholarship programs and contests, etc. to support the development of emerging creators</li> </ul> <p>&lt;Support for Establishing Akasaka as a Hub for Creative Activity&gt;</p> <ul style="list-style-type: none"> <li>- Support for preserving and promoting a diverse range of creative expression, including traditional culture</li> <li>- Organizing events that also help stimulate inbound demand</li> <li>- Initiatives to attract creative enterprises to the area</li> </ul>
5. Estimated funding for the activities	<p>Approximately ¥90 million on an annual basis (planned)</p> <p>At the time of establishment, the Company plans to make a donation of ¥3 million. In addition, the Foundation's activities will be funded by monetary distributions received as the beneficiary of the Trust to which the treasury stock will be disposed, as well as other donations and contributions.</p>
6. Date of incorporation	July 2025 (planned)

### **Shareholder Proposals (Eighth Item of Business through Ninth Item of Business)**

The eighth and ninth items of business are proposals made by one shareholder.

The outline of each item of business and reasons for the proposal included here are unchanged from the original text of the shareholder proposal.

#### **Eighth Item of Business: Appropriation of Surplus**

##### **(1) Summary of the Proposal:**

We propose that retained earnings be appropriated as follows so that the total amount of annual dividends corresponds to the amount equivalent to a 60% payout ratio.

This proposal is made independently of any proposal for appropriation of surplus that may be submitted by the Company's Board of Directors at the Annual General Meeting.

**(a) Type of dividend asset:**

Cash

**(b) Amount of dividend per share:**

The amount shall be ¥124 minus the amount of dividend per share proposed by the Board of Directors and approved at the Annual General Meeting.

If the amount obtained by multiplying the net income per share for the 98th fiscal year ending March 2025 by 0.6 (rounded down to the nearest yen) and subtracting ¥27 differs from ¥124, then ¥124 shall be replaced with the amount equivalent to a 60% payout ratio.

**(c) Method of allocation and total amount:**

A dividend of the per-share amount described in item (b) shall be paid for each share of the Company's common stock. The total amount of dividends shall be calculated by multiplying the per-share dividend by the total number of issued shares as of March 31, 2025, excluding treasury shares.

**(d) Effective date of dividend distribution:**

The date of the Annual General Meeting.

**(e) Commencement date of dividend payment:**

Three weeks after the business day following the date of the Annual General Meeting.

##### **(2) Reason for the Proposal:**

This proposal is not intended to call for asset sales or excessive short-term shareholder returns. Instead, it seeks an appropriate capital allocation aimed at achieving a sustained improvement in ROE.

Excluding extraordinary gains such as proceeds from the sale of investment securities, the Company's ROE has not exceeded 3% in any of the past five years, and is expected to fall below 2% for the fiscal year ending March 2025.

Given these circumstances, it is difficult to conclude that the Company has made sufficient progress toward implementing "management with consciousness of cost of capital and stock price", as called for by the Tokyo Stock Exchange.

Therefore, we believe the Company should adopt a capital discipline framework under which the combined amount of dividends and share buybacks equals or exceeds 8% of shareholders' equity until an ROE of 8% is achieved. As part of this framework, we propose setting a minimum dividend payout ratio of 60%.

While enhancing the profitability of the Media and Content business is essential, we believe that achieving an ROE of 8% will be difficult without implementing a disciplined capital policy.



## **Ninth Item of Business: Acquisition of Treasury Stock**

### **(1) Summary of the Proposal:**

Pursuant to Article 156, Paragraph 1 of the Companies Act, we propose that the Company be authorized to acquire up to 15 million shares of its common stock for a total acquisition amount not exceeding ¥54 billion, by means of monetary payment, within one year from the conclusion of this Annual General Meeting.

### **(2) Reason for the Proposal:**

This proposal, together with the above dividend proposal, aims to achieve a total shareholder return comprising dividends and share buybacks, equal to or greater than 8% of shareholders' equity.

The Company's net assets exceed ¥1 trillion. Taking into account the value of its investment securities and real estate holdings, we believe that a shareholder return of several tens of billions of yen is unlikely to impair the Company's capacity to invest in content and that such an approach will enhance capital efficiency and contribute to maximizing long-term corporate value.

### Opinion of the Company's Board of Directors

#### **The Company's Board of Directors is opposed to the Shareholder Proposals (Eighth and Ninth Items of Business).**

The Shareholder Proposals request that the Company provide shareholder returns until it achieves an ROE of 8% so that the sum of dividends and acquired treasury shares becomes 8% of shareholders' equity, and as a result, total shareholder returns are expected to reach the level of ¥74 billion on a FY2025 cash-out basis. As stated below, the Company is striving to enhance its corporate value and improve capital efficiency in a sustainable manner by steadily promoting the capital allocation announced in the "TBS Group Medium-Term Business Plan 2026" ("Medium-Term Business Plan 2026"). The Company believes that the Shareholder Proposal, which significantly exceeds the Company's current forecast, would prevent appropriate fund allocation for growth strategy investments and other initiatives, thereby damaging its long-term corporate value.

In May 2024, as the second phase of the Company group's long-term management vision, "TBS Group VISION 2030" ("VISION 2030"), the Company announced "Medium-Term Business Plan 2026." In "Medium-Term Business Plan 2026," the Company put forth its policy of both making the maximum effort to achieve sustainable growth and enhance its long-term corporate value through the steady promotion of its growth strategy, while fulfilling its social mission as a key news media outlet, expected to perform the function of a social lifeline, as well as implementing measures to make shareholder returns even more substantial through such growth.

In FY2024, the first year of "Medium-Term Business Plan 2026," the Company posted consolidated net sales of ¥406.7 billion and consolidated operating profit of ¥19.4 billion, exceeding sales and income by ¥6.7 billion and ¥2.9 billion, respectively, compared to the initial forecasts. For annual dividends, one of the shareholder returns, the Company plans to pay a dividend of ¥68 per share, ¥14 more than initially forecast ¥54 per share (provided that "First Item of Business: Appropriation of Surplus" is approved for FY2024 year-end dividends). This fiscal year, as the second year of "Medium-Term Business Plan 2026," the Company expects to post consolidated net sales of ¥425.0 billion and consolidated operating profit of ¥21.5 billion, and to pay a dividend of ¥70 per share.

With regard to the growth strategy, the Company has announced several initiatives, such as making active investments worth ¥30.0 billion by establishing a new company to acquire and

monetize content IP, for the purpose of “Accelerating EDGE through leveraging content IP” as stated in “Medium-Term Business Plan 2026,” promoting joint productions such as dramas and related content with overseas producers and distribution platforms that meet global standards to steadily advance the Company’s global strategy, while pushing forward with the “Edu Tainment” business, a new Inquiry-Based Learning platform that combines entertainment and education. Thus, as a content group, the Company is steadily carrying out specific initiatives to enhance its corporate value. However, as the growing demand for content IP has intensified competition for acquisitions and driven production costs upward, in order to further expand the Company’s business portfolio on a global scale, it has become necessary to undertake growth strategy investments on an unprecedented scale and dimension.

Sincerely acknowledging the recent revisions to the Corporate Governance Code and the importance of our dialogue with the capital markets, the Company is constantly reviewing our management approach. As announced on April 24, the Company reduced the term of validity of “Policy on Responding to Takeover Proposals for Company Shares” from three years to one year. The Company continued to hold discussions at the Board of Directors and other meetings to revise the Policy so that the Company can swiftly respond if we determine at the appropriate time that this Policy is no longer necessary. In addition, in order to pay dividends to foreign nationals, etc. who are restricted from being registered in the shareholders’ list under the Broadcasting Act, the Company has decided to propose “Second Item of Business: Partial Amendment to the Articles of Incorporation” at this General Meeting of Shareholders.

In light of the above, the Company is working to improve ROIC, which is an indicator used to manage with awareness of capital costs, and to enhance capital efficiency by steadily implementing a disciplined capital policy according to the capital allocation held up in “Medium-Term Business Plan 2026.”

Under these circumstances, the Company currently forecasts that the total amount of cash-based dividend payments and share buybacks for FY2025 will be approximately ¥35.0 billion. Combined with the FY2024 actual amount of ¥16.9 billion, the Company is progressing at a pace exceeding the total shareholder return target of ¥60.0 billion over the three-year period set in its “Medium-Term Business Plan 2026,” reflecting steady progress in its implementation.

The Company believes that achieving the growth and financial and other strategies announced in “Medium-Term Business Plan 2026” and delivering returns to its shareholders through these initiatives will contribute to the enhancement of its corporate value over the medium to long term. Based on the current disclosure information, these projected figures are being continually reviewed. The Company will consider further improvements in capital efficiency and returns to shareholders based on the achievement of “Medium-Term Business Plan 2026.”

For details of “Medium-Term Business Plan 2026,” including the Company’s financial strategy, please refer to the materials listed below, which are published on the Company’s website.

URL: [https://www.tbsholdings.co.jp/en/about/pdf/plan\\_2026.pdf](https://www.tbsholdings.co.jp/en/about/pdf/plan_2026.pdf)

For the reasons above, the Company’s Board of Directors opposes the Shareholder Proposals as they conflict with the Company’s policy in which the Company will achieve its medium- to long-term growth and stably and continuously return profits to its shareholders through steady implementation of the growth and financial strategies set forth in “Medium-Term Business Plan 2026” in pursuit of the achievement of “VISION 2030.”

Basic Policy in the “TBS Group Medium-Term Business Plan 2026”

- Commit to investments in growth to increase corporate value
- Provide stable and continuous dividends with dividend payout ratio of 40% and flexibly purchase treasury shares with the total payout ratio in mind

\* If profit fluctuates significantly due to special factors, we will determine the dividend amount separately in awareness of the influence of those factors.

To further enhance shareholder returns, we have raised our dividend payout ratio from approximately 30% to approximately 40%, excluding special factors, from FY2024. In line with a focus on total shareholder return, we will also flexibly purchase treasury shares.

Under the shareholder return plan outlined in the Medium-Term Business Plan 2026, which targets a total return of approximately ¥60.0 billion (dividends + total purchase of treasury shares), we returned ¥16.9 billion to shareholders in FY2024.

For FY2025, we plan to pay total dividends of ¥12.3 billion (¥70 per share, a ¥2 increase from the previous year), and will continue to purchase treasury shares flexibly.

(Reference) Initiatives for the Reduction of Cross-shareholdings

Basic Policy in the “TBS Group Medium-Term Business Plan 2026”

- Accelerate sales of cross-shareholdings in accordance with Corporate Governance Code to promote capital efficiency-conscious management
- Use cash obtained through share sales for [investments in growth and shareholder returns](#)

The Company classifies cross-shareholdings into three groups, namely (1) Stocks that are essential for the purpose of core business strategies such as JNN affiliated stations and advertising companies, (2) Stocks of business partners such as TV sponsors, and (3) Source of capital for funding growth strategies. The Board of Directors then verifies the appropriateness of continued cross-shareholdings on an annual basis, by comprehensively taking into account their economic rationale in terms of holding purposes, status of relationship and capital cost.

Stocks categorized in (1) and (2) whose significance of holding has been diluted are sold as appropriate. Stocks categorized in (3) are sold for funding strategic investments in a flexible manner.

In line with the sales target of over ¥90.0 billion outlined in the Medium-Term Business Plan 2026, we sold shares worth ¥39.6 billion in FY2024. In FY2025 as well, we have already sold shares worth ¥13.5 billion in an effort to improve capital efficiency.

# **Business Report**

From April 1, 2024 to March 31, 2025

## **1. The Current Position of TBS Holdings, Inc. and its Subsidiaries**

### **(1) Business Activities and Results**

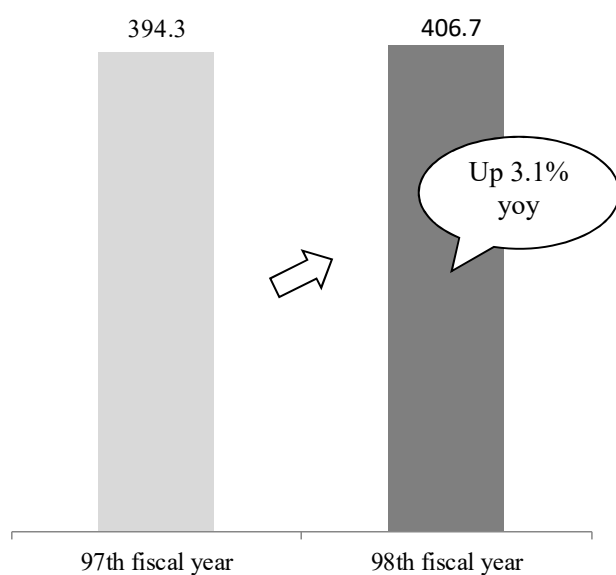
During the fiscal year under review (from April 1, 2024 to March 31, 2025), the Japanese economy continued its gradual recovery. There were signs of improvements in personal consumption and corporate earnings and a recovery in capital investments. However, a fall in consumer sentiment caused by rising prices and economic downturns brought on by US trade policies require ongoing attention.

Against this backdrop, consolidated net sales of the Group for the fiscal year ended March 31, 2025 increased 3.1% from the previous fiscal year to ¥406.7 billion, thanks to factors such as an increase in advertising revenue and advertising revenue through streaming at Tokyo Broadcasting System Television, Inc., the strong performance of StylingLife Group, and the consolidation of YARUKI Switch Group in June 2023.

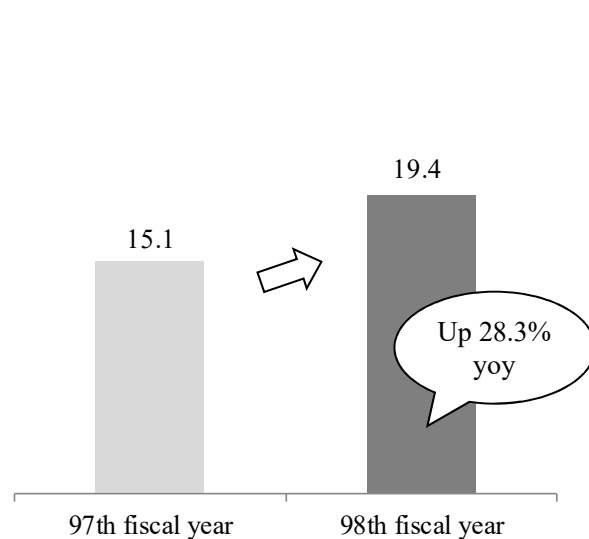
Operating expenses (i.e., cost of sales and selling, general and administrative expenses) increased 2.1% from the previous fiscal year to ¥387,235 million, mainly due to an increase in agent fees and the consolidation of YARUKI Switch Group.

As a result, operating profit increased 28.3% from the previous fiscal year to ¥19,465 million, while ordinary profit increased 14.3% to ¥31,604 million and profit attributable to owners of parent increased 15.2% to ¥43,914 million.

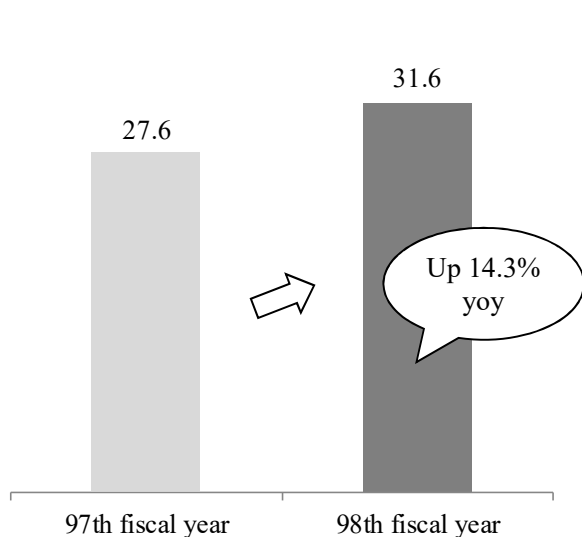
Net sales (billions of yen)



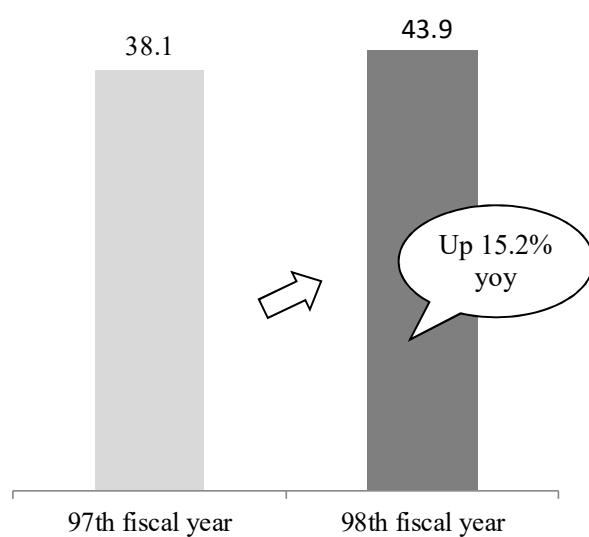
Operating profit (billions of yen)



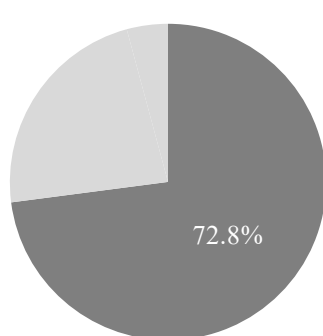
Ordinary profit (billions of yen)



Profit attributable to owners of parent (billions of yen)

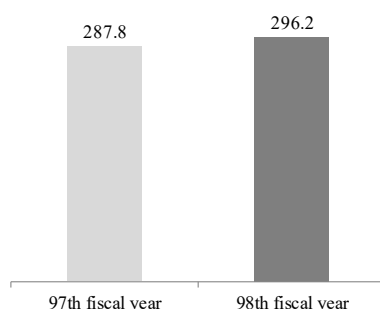


<<Media & Content>> Revenue ¥296.2 billion (Up 2.9% year-on-year)

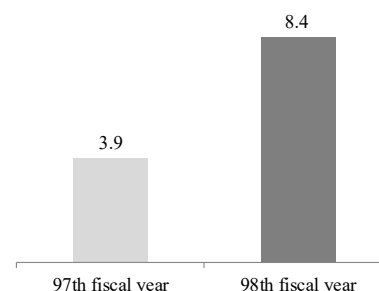


Ratio of sales

Revenue (billions of yen)



Operating profit (billions of yen)



In the Media & Content business segment, revenue for the fiscal year under review was ¥296,242 million (up 2.9% year-on-year) and operating profit was ¥8,490 million (up 116.2% year-on-year).

Revenue in the Television division of Tokyo Broadcasting System Television, Inc. for the fiscal year under review increased ¥10,905 million to ¥212,034 million (up 5.4% year-on-year), thanks to a year-on-year increase in broadcasting revenue, continued strong performance in advertising revenue through streaming, and the transfer of the media business from the Live Entertainment and Media Business in July 2023. Of this total, time revenue decreased to ¥81,264 million (down 0.4% year-on-year), due to a difference in scale in one-off program sales over the previous year, despite strong sales in regular programs. On the other hand, spot revenue increased ¥4,578 million to ¥82,355 million (up 5.9% year-on-year), due in part to improved market conditions and an increase in market share. Advertising revenue through streaming rose to ¥12,048 million (up 46.2% year-on-year), reflecting the continued strong performance, mainly through TVer. Revenue from paid subscription streaming services, including overseas streaming, was ¥11,214 million (down 7.7% year-on-year), due to rebound effects from the significant sales contributions by “*Takeshi’s Castle*” and “*Let’s Get Divorced*” in the previous fiscal year, despite growth from an increase in number of streaming productions. Other revenue increased to ¥25,150 million (up 17.7% year-on-year), mainly due to the transfer of the media business from the Live Entertainment and Media Business.

Revenue in the Live Entertainment and Media Business of Tokyo Broadcasting System Television, Inc. for the fiscal year under review decreased ¥2,314 million to ¥16,609 million (down 12.2% year-on-year). Movie revenue increased thanks to the huge success in movies such as “*Last Mile*” and “*GRAND MAISON PARIS*,” and animation revenue also increased due to strong secondary use of animations such as “*The Quintessential Quintuplets*.” Meanwhile, overall division revenue declined due to the transfer of the media business to the Television division.

Revenue of TBS Radio Inc. increased ¥212 million to ¥8,350 million (up 2.6% year-on-year) due mainly to a rise in event revenue, while time revenue also remained strong.

Revenue of BS-TBS Corporation decreased ¥123 million to ¥16,985 million (down 0.7% year-on-year) due to a decrease in time revenue, despite growth in spot revenue and shopping.

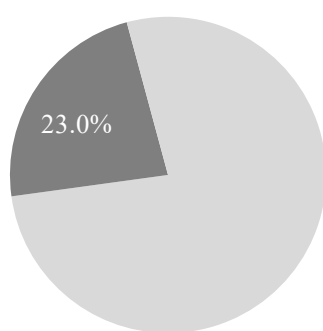
Revenue of TBS GLOWDIA, Inc. increased ¥466 million to ¥30,660 million (up 1.5% year-on-year) due mainly to growth in shopping revenue.

Revenue of Nichion, Inc. decreased ¥80 million to ¥9,191 million (down 0.9% year-on-year) due mainly to a decrease in revenue from Japanese and Western music.

Revenue of TC Entertainment, Inc. decreased ¥3,482 million to ¥5,890 million (down 37.2% year-on-year) due mainly to a reactionary decline from strong DVD sales in the previous year.

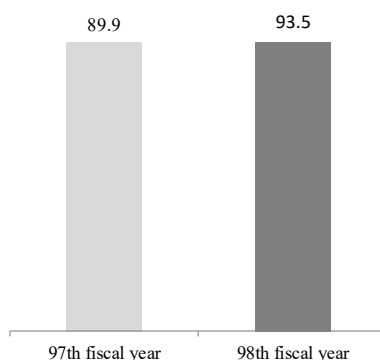
As a result, operating profit in this segment increased ¥4,563 million to ¥8,490 million (up 116.2% year-on-year).

<<Lifestyle>> Revenue ¥93.5 billion (Up 4.1% year-on-year)

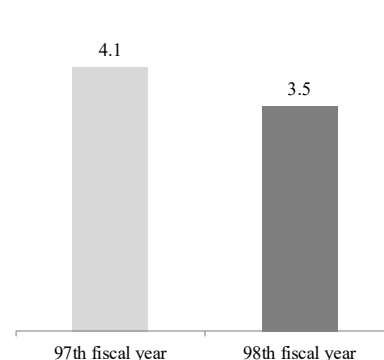


Ratio of sales

Revenue (billions of yen)



Operating profit (billions of yen)



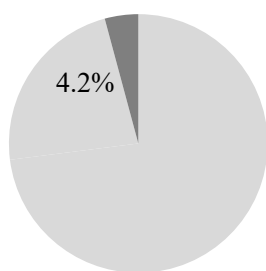
In the Lifestyle business segment, revenue increased while profit decreased. Revenue for the fiscal year under review was ¥93,576 million (up 4.1% year-on-year), and operating profit was ¥3,505 million (down 16.1% year-on-year).

In the StylingLife Group, the core general merchandise retailing business, PLAZASTYLE COMPANY, achieved an increase in both revenue and profit thanks to growth in cosmetics, heat protection products in line with rising temperatures, and character merchandise.

In the Beauty & Wellness business, the BCL Company, which engages in development, production and sales of cosmetics, achieved an increase in both revenue and profit thanks to growth in its core “Saborino” brand and new “Kanso-san” brand. In May 2024, the Company transferred all its shares in Light-Up Shopping Club Inc., removing it from the scope of consolidation. As a result, revenue decreased while profit increased for the StylingLife Group as a whole.

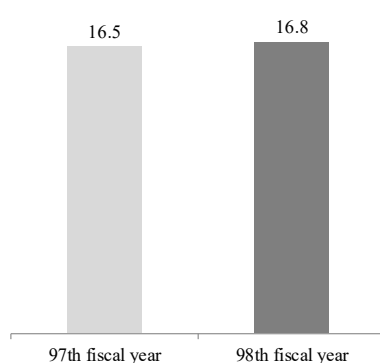
YARUKI Switch Group is involved in the individual education cram school business, the early childhood education business, etc. Although revenue in the segment increased due to its consolidation in June 2023, operating profit decreased due to increases in personnel and advertising expenses and amortization of goodwill.

<<Real Estate & Other>> Revenue ¥16.8 billion (Up 2.0% year-on-year)

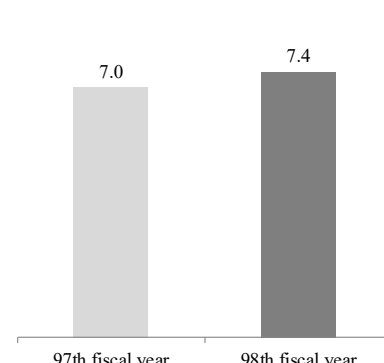


Ratio of sales

Revenue (billions of yen)



Operating profit (billions of yen)



In the Real Estate & Other business segment, revenue for the fiscal year under review increased ¥329 million to ¥16,881 million (up 2.0% year-on-year) mainly due to an increase in rent income, and operating profit was ¥7,468 million (up 5.7% year-on-year).



## **(2) Capital Investment**

Total capital investment in the fiscal year under review was ¥23.2 billion.

Capital investment consists of ¥11,900 million for the Company, ¥5,700 million in Tokyo Broadcasting System Television, Inc., and ¥1,400 million in the StylingLife Group.

The Company's major capital investments were related to the Planning of Akasaka Entertainment City Initiative. Major capital investments of Tokyo Broadcasting System Television, Inc. included the upgrading of broadcasting center equipment and studio equipment. Major capital investments of StylingLife Group were made on PLAZA new store openings, store refurbishment and systems investment.

## **(3) Capital Procurement**

In the fiscal year under review, the Group procured ¥10,744 million through long-term borrowings from financial institutions to acquire real estate. Meanwhile, ¥650 million in long-term borrowings, which became due for repayment, was fully repaid. As a result, the balance of interest-bearing debt of the Group at the end of the fiscal year under review was ¥13,877 million. (Excluding lease obligations.)

Moreover, the Company entered into a total of ¥70.0 billion term-loan commitment with a financial institution to procure funds for building construction expenses as part of the Akasaka 2-6-chome District Development Plan. In addition, in order to ensure flexible access to operating capital, as of the end of the fiscal year under review, StylingLife Holdings Inc., a consolidated subsidiary of the Company, had established commitment line agreements totaling ¥4.0 billion with Sumitomo Mitsui Banking Corporation and one other financial institution (the balance of the funds drawn is nil, and the available balance is ¥4.0 billion).

## **(4) Priorities**

We recognize that the greatest challenge for the Group is to continuously improve our corporate value as a company that is sought after by society, even in an unpredictable and ever-changing business environment. To address these challenges, we formulated "TBS Group VISION 2030" ("VISION 2030") in May 2021 as our future vision with a long-term perspective. We then divided the next decade up to FY2030 into three phases, clarified the role of each period, and formulated a plan toward achieving VISION 2030.

In the face of the external environment surrounding the TBS Group, such as the ever-changing global situation, demographic trends, and the Japan's broadcasting and advertising market, we have identified the Group's strengths and managerial issues that we need to address, and are aiming for the vision set forth in VISION 2030.

Furthermore, broadcasters must maintain a high level of trust and the public nature. Tokyo Broadcasting System Television, Inc. is a core subsidiary of the TBS Group. While ensuring thorough compliance and respect for human rights, we will fulfil our social mission and maintain a high level of trust as a mass media outlet.

### **Outline of "TBS Group VISION 2030"**

The ability to "create content" is essential for the TBS Group. Amid drastic changes in the media environment, we will respond more than ever to the "trust" of people and create wonderful content that enriches their minds and lives. Defining content as all that "moves people's hearts and minds," we aim to become a group that maximizes the value of such content.

Specifically, we will promote the development of original intellectual property and strengthen our creativity. We will also promote "EDGE\*" as an expansion strategy to infinitely expand the content we create.

\* EDGE: Expand Digital Global Experience

We will focus our resources on cultivating digital content by strengthening streaming business (Digital), pursuing further growth in overseas markets (Global), and expanding business where people "experience" our live entertainment and lifestyle (Experience).

In VISION 2030, the Group aims for overall growth by steadily growing growth business areas through the expansion strategy "EDGE," even in situations where a significant expansion of the broadcasting and advertising market cannot be expected.

Nevertheless, the broadcasting business is the foundation for this growth, and we will continue to aim to enhance its value. While fulfilling our social mission and maintaining a high level of trust as a mass media outlet, we will propose new value alongside our partners and evolve our media power by promoting data marketing.

As a group with the public nature and social mission, we will take a variety of measures as part of our unique ESG management to provide "each 'moment'" for the earth we live on (Environment), society and our colleagues (Social), and as a responsible company (Governance). Through our content, we will work together with all stakeholders to create a happy and sustainable society in which diverse values are respected.

## Outline of “TBS Group Medium-Term Business Plan 2026”

The “TBS Group Medium-Term Business Plan 2026” (“Medium-Term Business Plan 2026”), which was formulated in May 2024, corresponds to the second phase of VISION 2030. The first phase (FY2021 to FY2023) was a period for sowing seeds for growth toward VISION 2030. We made growth investments totaling approximately ¥145.0 billion, focusing particularly on the Digital and Experience domains within the “EDGE” domain, including investments in paid streaming platforms in Japan, expanding into the early childhood development and education business, and strengthening the Lifestyle business.

Under the Medium-Term Business Plan 2026, to expand the business portfolio developed in the first phase into the Global domain, we have defined 2024 as the “TBS Global Business Inaugural Year” and worked to set up a structure for the global rollout of content IP developed by TBS. In order to continue to accelerate our growth from FY2025 onward, we will continue to sow seeds in growth areas and acquire and enhance content IP, aiming for revenue of ¥450.0 billion and operating profit of ¥24.0 billion by FY2026.

## Measures to achieve the “TBS Group Medium-Term Business Plan 2026”

### [Strengthening and leveraging content IP creation capabilities]

The ability to create content is essential for the TBS Group, and it is from here that content IP is generated. In addition to the core content centered around video and audio, such as dramas, news reports, variety shows, and animation, new content was also acquired in the process of growth investment in the first phase.

Under the Medium-Term Business Plan 2026, the TBS Group will create an environment in which it can generate diverse ideas throughout the Group as a whole, develop discerning planning skills, and enhance marketing abilities to select superior content IP. We will also refine technology and design capabilities and establish a system capable of creating even stronger content IP.

By leveraging both quality and quantity of strong content IP, we aim to accelerate TBS’s growth not only in broadcasting but in the “EDGE” domain, as we strive to pursue and provide “Timeless Value” as value that will transcend the times and remain in everyone’s hearts and minds.

We will not only develop content IP by ourselves, but also acquire IP through investment. By strengthening content IP, we aim for not only business growth in the “EDGE” domain, but also to achieve the highest television audience ratings across all time slots and the number one spot for free streaming views.

### [Expansion of business portfolio through new business creation]

In the Medium-Term Business Plan 2026, we classify the broadcasting business such as the terrestrial advertising business, which is a traditional main revenue source, and the free streaming business, as “stable revenue areas,” growth areas that we actively invested in the first phase, such as the paid streaming business and the early childhood development and education business, as “growth focus areas,” and furthermore, designates the global business area that was addressed in FY2024 as the “TBS Global Business Inaugural Year,” along with new IP strategy, etc., as “seeding areas.” By clarifying a classification of these areas, the Plan facilitates the expansion and continuous review of the business portfolio, enabling the optimal allocation of content IP.

### [Capital allocation and shareholder returns with an awareness of capital efficiency]

In order to comply with the Corporate Governance Code and promote management with awareness of capital efficiency, we will accelerate the sale of cross-shareholdings. We will use the proceeds from the sale and operating cash flow to make growth investments worth ¥160.0 billion, with the aim of increasing medium- to long-term profit and improve capital efficiency. Furthermore, we will provide stable and continuous shareholder returns through dividends and flexible purchases of treasury shares.

### [Initiatives in FY2024]

In the global domain, we reinforced the functions of our US subsidiary Tokyo Broadcasting System International, Inc. and established TOKYO BROADCASTING SYSTEM KOREA, INC. In the US, in addition to improving our sales capabilities by making a content IP sales agent into a subsidiary, we will collaborate with entertainment companies and develop IP. In Korea, we will proceed with the global sales of content through investment in and IP development for dramas, movies, and K-Pop. In terms of collaboration with companies overseas, we concluded a strategic partnership with Bloomberg Media in the US and set up TBS CROSS DIG with Bloomberg. Moreover, in collaboration with John Gore Organization, a major live entertainment company in the US, we are investing directly in Broadway and other productions. In addition, our subsidiary StylingLife Holdings Inc. obtained exclusive import and sales rights and licenses for the UK brand Cath Kidston, marking the brand’s second coming

### [English Translation]

to Japan through the opening of stores in Omotesando and Kyoto. We will expand our lifestyle business both in the Japanese market and other markets in Asia.

In our efforts to strengthen our content IP, we have positioned THE SEVEN, Inc. as our global strategy studio and are moving forward with the production of “*Alice in Borderland Series 3*,” “*Quiztopia*,” etc. In the animation business, in addition to “*Blue Box*” and “*Toilet-Bound Hanako-Kun 2*,” we are also progressing with the rollout of animated movies such as “*Dream Animals THE MOVIE*,” which is to be released in May 2025. We will work to build a structure that enables us to continuously create hit productions that can be rolled out on a global scale. For TBS GAMES, we released app-based games in collaboration with TV programs such as “*BANANASAND*” and “*SASUKE*.” Furthermore, we created Wakty, the new character to represent the TBS Group. Born from fun and excitement gathered from around the world, Wakty delivers “Moments in motion.”

In terms of capital allocation, we sold a total of ¥39.6 billion in cross-shareholdings. Moreover, through the acquisition of treasury shares and dividends, we implemented a total of ¥16.9 billion in shareholder returns. Going forward, with an eye on the dividend payout ratio, we will carry out the flexible acquisition of treasury shares.

#### TBS Group Materialities

In May 2022, we announced the TBS Group Materialities as key issues that must be addressed in order to achieve the expansion strategy “EDGE” set forth in VISION 2030 and promote ESG management, based on the Group’s corporate philosophy and Brand Promise.

To further reinforce and promote initiatives to improve corporate value in a sustainable manner and to achieve a sustainable society as a content group, in October 2021 we established the Sustainability Committee (chair: President and Chief Executive Officer; vice-chair: Director who is Chief Sustainability Officer (CSO)). Under the Committee, we have established four working groups of Climate Change, Wellness, Human Capital and Intellectual Property, which are responsible for monitoring the Group’s sustainability promotion structure, considering and proposing new measures, and examining methods for appropriate disclosure. Furthermore, in November 2023 we established the Human Rights Subcommittee to respond to human rights issues and conduct human rights due diligence, and the Group Sustainability Liaison Conference to share and promote sustainability measures across the Group.

As part of our initiatives for FY2024, in April 2024 we conducted a human rights due diligence survey with 152 companies, including content creation businesses. In light of the results, we formulated “Guidelines for Respecting Human Rights in Content Creation” and set up a new help desk, aiming to create a more sound content creation environment.

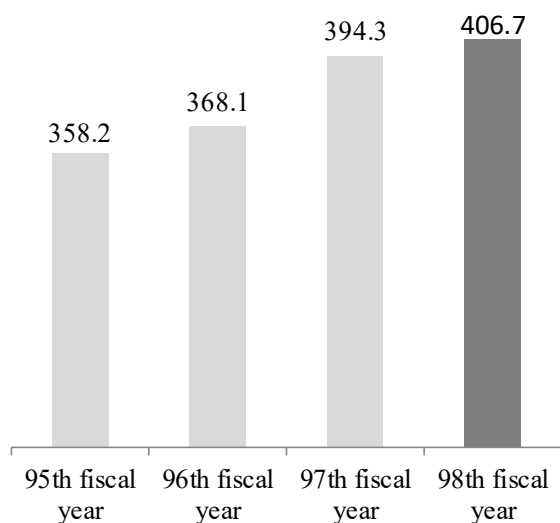
In addition, alongside Tokyo Broadcasting System Television, Inc., we were selected as a Health & Productivity Management Outstanding Organization for 2025 (large enterprise category; White 500) for the second consecutive year. We are the only key commercial broadcasting company to receive the certification. Our aim is to create a fair and physically and psychologically safe working environment. Presenteeism, which is an indicator of improved employee productivity, improved 8.2 points over the previous fiscal year thanks to the efforts of the Wellness Working Group and its promotion of health management. Going forward, we will engage in various measures to create a safe and fulfilling workplace environment where employees can maximize their creativity.

## (5) Assets and Profit/Loss

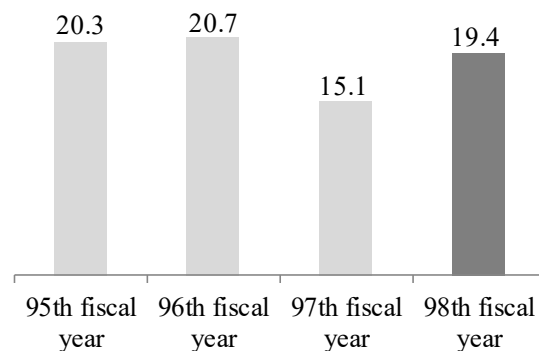
### Assets and Profit/Loss of the Group

Category	95th Business Term Year ended March 31, 2022	96th Business Term Year ended March 31, 2023	97th Business Term Year ended March 31, 2024	98th Business Term Year ended March 31, 2025 (fiscal year under review)
Net sales (millions of yen)	358,269	368,130	394,309	406,700
Operating profit (millions of yen)	20,346	20,782	15,175	19,465
Ordinary profit (millions of yen)	30,707	35,086	27,653	31,604
Profit attributable to owners of parent (millions of yen)	32,008	35,182	38,126	43,914
Earnings per share (yen)	187.35	208.76	232.28	273.04
Net assets (millions of yen)	883,002	796,184	1,149,947	949,232
Total assets (millions of yen)	1,201,632	1,067,865	1,567,504	1,296,125

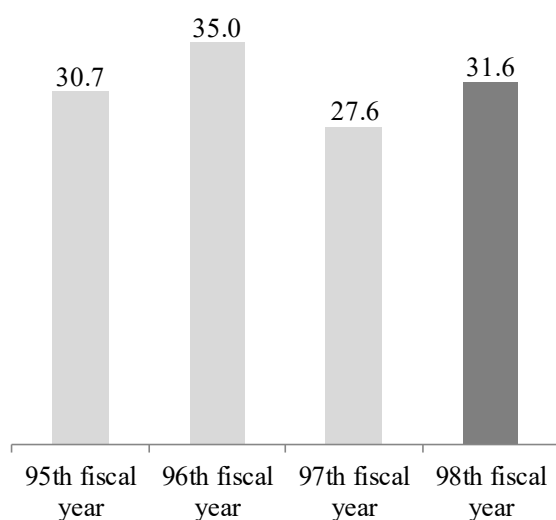
Net sales (billions of yen)



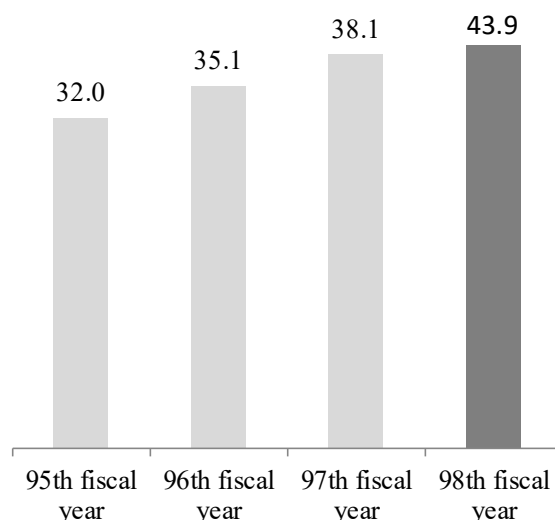
Operating profit (billions of yen)



Ordinary profit (billions of yen)



Profit attributable to owners of parent (billions of yen)



## (6) Status of Parent Company and Principal Subsidiaries

### 1. Parent Company

TBS Holdings, Inc. has no parent company.

### 2. Principal Subsidiaries (As of March 31, 2025)

Company name	Capital stock (millions of yen)	Voting rights owned (%)	Main business activities
TBS Radio, Inc.	100	100	Radio broadcasting Planning and production of radio programs
Tokyo Broadcasting System Television, Inc.	100	100	Television broadcasting Planning, production and sales of television programs etc.
BS-TBS, INC.	5,844	100	Provision of broadcast services via broadcast satellites, planning, production and sales of programming etc.
TBS SPARKLE, Inc.	50	100	Program production (dramas, variety shows, news reports, information, sports, and others), content production etc.
TBS GLOWDIA, Inc.	50	100	Sales of programs and software, shopping business, planning and production of events and radio programs, digital technology
TBS ACT, INC.	50	100	Technology, art, and computer graphics (CG)-related operations for program production, content production, etc.
THE SEVEN, INC.	50	100	Planning, production, distribution and sales of content
TBS Media Research Institute Inc.	12	100	Surveys and research on broadcasting and multimedia, collection and supply of media information
Tokyo Broadcasting System International, Inc.	US\$5.28 million	100	Collection of media information and news coverage in the United States

Company name	Capital stock (millions of yen)	Voting rights owned (%)	Main business activities
Bellon Entertainment Inc. (Note 3)	US\$2,000	* 100	Distributor for sales of programs and format sales
TOKYO BROADCASTING SYSTEM KOREA, INC. (Note 4)	200 million won	100	Sales of TBS dramas and remake sales for Asia Investment in content such as dramas, movies, and K-Pop
Nichion, Inc.	50	100	Administration and development of copyright, scout and development of artists, song pitching, planning and production of master recordings etc.
Seven Arcs Co., Ltd.	10	100	Planning and production of TV animation, theater pieces, games etc., sale of goods, copyright management etc.
CS-TBS, Incorporated	100	90	Approved basic broadcast services using a communications satellite
TC Entertainment, Inc.	200	51	Planning, production and duplication etc. of video and audio software and computer software
Manga Box Co., Ltd.	100	51	Electronic publication business
StylingLife Holdings Inc.	100	70	Planning of management strategy as an operating holding company, general imported merchandise retail business, production and sales of cosmetics etc.
CP Cosmetics Inc.	100	* 100	Development, production and sales of cosmetics and quasi drugs etc.
YARUKI Switch Group Holdings Co., Ltd.	208	81	Management and administration of a holding company and the entire group, etc.
YARUKI Switch Group Co., Ltd.	10	* 100	Management of the individual education cram schools, English conversation schools, early childhood education and private-type childcare facilities, and their franchise businesses
YARUKI Switch Careers Co., Ltd.	30	* 100	Hiring-related operations, etc. within YARUKI Switch Group
YP Switch Co., Ltd.	50	* 50	Management of programming schools, etc.
TERAKOYA GROUP Co., Ltd. (Note 5)	3	* 100	Group and individual education cram school business
Midoriyama Studio City Inc.	100	100	Operation and management of buildings, studios etc.
TBS Kikaku Co., Ltd.	150	100	Operation and management of parking lots, insurance agency services
TBS Sun Work, Inc.	40	100	Operation, maintenance and management of buildings and auxiliary facilities, temporary staffing service, etc.
TBS HEXA. Inc.	100	100	Real estate business
Akasaka Heat Supply Co., Ltd.	400	70	Heat supply services under the Heat Supply Business Act

Note 1: The 28 principal subsidiaries above are consolidated subsidiaries of the Company.

Note 2: An asterisk (\*) indicates the shareholding ratio, including shares held by subsidiaries, parties closely connected with the Company, and parties having agreements with the Company.

Note 3: On May 31, 2024, TOKYO BROADCASTING SYSTEM INTERNATIONAL, INC. acquired all shares issued by Bellon Entertainment Inc.

- Note 4: On June 12, 2024, the Company established TOKYO BROADCASTING SYSTEM KOREA, INC. as its wholly-owned subsidiary.
- Note 5: On December 2, 2024, YARUKI Switch Group Co., Ltd. acquired all shares issued by TERAKOYA GROUP Co., Ltd.
- Note 6: On May 20, 2024, StylingLife Holdings Inc. transferred all its shares in LightUp Shopping Club Inc.
- Note 7: The state of specified wholly-owned subsidiaries at the end of the fiscal year under review is as in the following.

Name of specified wholly-owned subsidiary	Tokyo Broadcasting System Television, Inc.
Address of specified wholly-owned subsidiary	5-3-6 Akasaka, Minato-ku, Tokyo
Book value of shares of specified wholly-owned subsidiary of the Company or wholly-owned subsidiary thereof	¥243,580 million
Total assets of the Company	¥931,325 million

**(7) Main Business Activities (As of March 31, 2025)**

The core activities of the Group are television and radio broadcasting, and related businesses, lifestyle business, and real estate business. Other areas of activity include services and maintenance incidental to these core activities.

Business activities in the fiscal year under review were as follows:

Segment	Activities
Media & Content	<p>* Broadcasting-related business Broadcasting, program production, video technology, art production, VFX, audio technology, lighting technology, camera filming, surveys and research etc.</p> <p>* Events, planning and production of video software etc., CS business, computer software planning and development Production, sales and streaming of video and audio software, events and programs, program syndication, production and sales of video software, planning and production of animation and comics, planning and production of audio software etc.</p>
Lifestyle	Retail of general merchandise, production and sales of cosmetics, early childhood development and education business, etc.
Real Estate & Other	<p>* Real estate leasing, maintenance and services Studio management, cooling and heating control services, parking lot management, equipment leasing, insurance agency services, real estate leasing etc.</p>

**(8) Principal Sales Office (As of March 31, 2025)**

## 1. TBS Holdings, Inc.

Sales Office	Location
Head office and studios	5-3-6 Akasaka, Minato-ku, Tokyo

## 2. Subsidiaries

Company name	Location
TBS Radio, Inc., Tokyo Broadcasting System Television, Inc. (Note 1), BS-TBS, INC., TBS SPARKLE, Inc., TBS GLOWDIA, Inc., TBS ACT, INC., THE SEVEN, Inc., TBS Media Research Institute Inc., Nichion, Inc., CS-TBS, Incorporated, TC Entertainment, Inc., Manga Box Co., Ltd., TBS Kikaku Co., Ltd., TBS Sun Work, Inc., TBS HEXA. Inc., Akasaka Heat Supply Co., Ltd.	Minato-ku, Tokyo
StylingLife Holdings Inc. (Note 2) CP Cosmetics Inc. (Note 3)	Shinjuku-ku, Tokyo
YARUKI Switch Group Holdings Co., Ltd. (Note 4), YARUKI Switch Group Co., Ltd. (Note 5), YARUKI Switch Careers Co., Ltd., YP Switch Co., Ltd.	Chuo-ku, Tokyo
TERAKOYA GROUP Co., Ltd.	Matsuyama City, Ehime Prefecture
Seven Arcs Co., Ltd.	Musashino City, Tokyo
Midoriyama Studio City Inc.	Yokohama City, Kanagawa Prefecture
Tokyo Broadcasting System International, Inc. Bellon Entertainment Inc.	New York, U.S.A.
TOKYO BROADCASTING SYSTEM KOREA, INC.	Seoul, South Korea

Note 1: Tokyo Broadcasting System Television, Inc. has Kansai Branch Office in Osaka City, Osaka Prefecture, a TV studio in Yokohama City, Kanagawa Prefecture, and a TV transmitter station in Sumida-ku, Tokyo.

Note 2: StylingLife Holdings Inc. operates a nationwide store network in Japan consisting of 152 stores of “PLAZA,” etc. and a sales office in Osaka City, Osaka Prefecture and has its main plant in Yaizu City, Shizuoka Prefecture.



- Note 3: CP Cosmetics Inc. has sales offices in Shinagawa-ku, Tokyo, Sapporo City, Hokkaido, Nagoya City, Aichi Prefecture, Osaka City, Osaka Prefecture, and Fukuoka City, Fukuoka Prefecture.
- Note 4: YARUKI Switch Group Holdings Co., Ltd. operates 2,478 schools, etc. through its subsidiaries and affiliates (as of February 28, 2025).
- Note 5: YARUKI Switch Group Co., Ltd. has a Western Japan Branch Office in Kobe City, Hyogo Prefecture.

**(9) Work Force (As of March 31, 2025)**

Segment	Number of employees	Change since end of previous fiscal year
Media & Content	4,586	Increase of 57
Lifestyle	2,844	Increase of 5
Real Estate & Other	54	Decrease of 13
Corporate (shared)	611	Increase of 54
Total	8,095	Increase of 103

- Note: Number of employees classed as “corporate (shared)” are administrative employees who cannot be allocated to any specific segment.

**(10) Main Lenders (As of March 31, 2025)**

Lender	Amount (millions of yen)
Mizuho Bank, Ltd.	7,910
MUFG Bank, Ltd.	2,723
Sumitomo Mitsui Banking Corporation	1,420
The Iyo Bank, Ltd.	760
The Bank of Yokohama, Ltd.	710
Sumitomo Mitsui Trust Bank, Limited	354

- Note 1: The Company entered into a total of ¥70.0 billion term-loan commitment with a financial institution to procure funds for building construction expenses as part of the Akasaka 2-6-chome District Development Plan.
- Note 2: StylingLife Holdings Inc., a consolidated subsidiary of the Company, has signed agreements with Sumitomo Mitsui Banking Corporation and one other financial institution to establish ¥4.0 billion commitment line in total.  
(Refer to “Capital Procurement” of Business Report: the balance of the funds drawn is nil, and the available balance is ¥4.0 billion)

## 2. The Current Position of TBS Holdings, Inc.

### (1) Common Stock (As of March 31, 2025)

1. Total Number of Shares Issuable 400,000,000 shares
2. Issued Number of Shares 165,591,065 shares
3. Number of Shareholders 15,194
4. Major Shareholders and Number of Shares Held (Top 10)

Shareholders	Number of shares held (shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,938,500	9.73
The Master Trust Bank of Japan, Ltd. (Pension Account-Pension Trust Account held for DENTSU INC.)	9,310,500	5.68
MBS MEDIA HOLDINGS, INC.	8,848,100	5.40
Custody Bank of Japan, Ltd. (Trust Account)	5,769,236	3.52
Mitsui Fudosan Co., Ltd.	5,713,728	3.48
NTT DOCOMO, INC.	5,713,000	3.48
Nippon Life Insurance Company	5,006,235	3.05
STATE STREET BANK AND TRUST COMPANY 505001	4,934,352	3.01
BIC CAMERA INC.	4,190,000	2.55
KODANSHA LTD.	3,771,200	2.30

- Note 1: Percentage of shares held was calculated excluding its treasury share (1,871,712 shares) and rounded down to two decimals.
- Note 2: The percentage of voting rights held by foreign shareholders at the end of the fiscal year under review, as defined in the Broadcasting Act, was 16.54%.
- Note 3: 9,310,500 shares held by The Master Trust Bank of Japan, Ltd. (Pension Account-Pension Trust Account held for DENTSU INC.) are the Company's shares owned by DENTSU INC. and deposited in DENTSU INC.'s pension trust.

### 5. Status of Shares Issued to Officers of the Company as Remuneration for Executing Duties During the Fiscal Year under Review

	Number of shares	Number of Directors eligible for issuance
Directors (excluding Outside Directors)	22,427 shares	6 persons

- Note: Details of the Company's share-based remuneration are described in "Matters Related to Resolution of the General Meeting of Shareholders on Remuneration, etc. of Directors and Audit & Supervisory Board Members" and "Matters Related to Determination Policy on Details of Remuneration, etc. for Each Individual Director" of the Business Report.

#### 6. Other Important Matters Concerning Shares

At the meeting of the Board of Directors held on November 8, 2024, the Company resolved on purchase of treasury shares pursuant to the provisions of Article 156 of the Companies Act, as applied mutatis mutandis pursuant to Article 165, Paragraph 3 of the same act following the deemed replacement of terms, as well as on cancellation of treasury shares pursuant to the provisions of Article 178 of the Companies Act, and carried out both purchase and cancellation, with the aim of improving capital efficiency and returning profits to shareholders.

##### Purchase of treasury shares

Type of shares purchased	Common stock
Total number of shares purchased	2,343,600 shares
Total purchase price of shares	¥8,807,248,800
Period of purchase	November 11, 2024

##### Cancellation of treasury shares

Type of shares canceled	Common stock
Total number of shares canceled	3,000,000 shares
Date of cancellation	November 29, 2024

At the meeting of the Board of Directors held on December 5, 2024, the Company resolved to introduce a system to grant restricted shares to employees of the Company and its subsidiaries through the Employees' Shareholding Association, and carried out disposal of treasury shares.

##### Disposal of treasury shares

Type of shares disposed of	Common stock
Total number of shares disposed of	619,100 shares
Total amount disposed of	¥2,389,726,000
Date of disposal	March 3, 2025

In addition, at the meeting of the Board of Directors held on February 9, 2023, the Company introduced an incentive plan using a trust (Stock-Granting ESOP Trust) for employees of Tokyo Broadcasting System Television, Inc., a wholly-owned subsidiary of the Company, for the purpose of enhancing employee welfare and increasing corporate value over the medium to long term. As of March 31, 2025, 3,399,682 shares of the Company were held by the Stock-Granting ESOP Trust Account.

Certain subsidiaries of the Company introduced a share-based remuneration system using a trust (Share Grant Trust Account for Directors) for Directors on June 29, 2023. The purpose of this system is to use shares of the Company to clarify the linkage between remuneration for the Subsidiary Directors and the value of shares of the Company. As of March 31, 2025, 268,336 shares of the Company were held by the Share Grant Trust Account for Directors.

## (2) Corporate Officers

### 1. Directors and Audit & Supervisory Board Members (As of March 31, 2025)

Position	Name	Areas of responsibility	Important concurrent positions
Chairman and Director	Takashi Sasaki	Chair of Board of Directors	Chairman and Director of Tokyo Broadcasting System Television, Inc.
President and Chief Executive Officer	Ryujiro Abe	CEO (Chief Executive Officer)	
Vice President and Representative Director	Masamine Ryuho		CEO of Tokyo Broadcasting System Television, Inc.
Executive Vice President and Board Director	Tatsuo Sugai	CGO (Chief Growth Officer)	CEO of THE SEVEN, Inc. Director of U-NEXT Co., Ltd.
Managing Director	Yasushi Gemba	CFO (Chief Financial Officer)	
Managing Director	Shigetoshi Ida	CSO (Chief Sustainability Officer)	
Director	Hitoshi Kashiwaki		Outside Director of Matsuya Co., Ltd. Outside Director of Kewpie Corporation
Director	Yosuke Yagi		Representative Director of People First, Ltd. Director of IWNC Inc., Ltd. Audit & Supervisory Board Member of GE Healthcare Japan Corporation
Director	Makoto Haruta		Representative Director & President of ExaWizards Inc. Representative Director and CEO of betaCatalyst Inc.
Director	Natsuko Takei		External Member of the Board of Tokyo Metro Co., Ltd. Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Standing Statutory Audit & Supervisory Board Member	Tetsu Fujiwara		Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc.
Standing Statutory Audit & Supervisory Board Member	Naoya Tsukui		Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc.
Audit & Supervisory Board Member	Mie Fujimoto		Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc. Partner (lawyer) of TMI Associates Independent Director of EBARA CORPORATION
Audit & Supervisory Board Member	Masahiko Oshima		Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc. Chairman and Representative Director of Ares Management Asia Japan K.K.

			Outside Director of Toyota Motor Corporation
Audit & Supervisory Board Member	Junko Kogayu		Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc. Certified Public Accountant of Junko Kogayu Certified Public Accountant Office Tax Accountant of Ayako Takeuchi Tax Accountant Office Outside Director of NITCHO CORPORATION Outside Director of NISSIN CORPORATION

- Note 1: Among the Directors, Mr. Hitoshi Kashiwaki, Mr. Yosuke Yagi, Mr. Makoto Haruta and Ms. Natsuko Takei are Outside Directors.
- Note 2: Among the Audit & Supervisory Board Members, Ms. Mie Fujimoto, Mr. Masahiko Oshima and Ms. Junko Kogayu are Outside Audit & Supervisory Board Members.
- Note 3: There are no special relationships between the Company and the companies where Outside Officers hold concurrent positions.
- Note 4: The Company has registered Directors Mr. Hitoshi Kashiwaki, Mr. Yosuke Yagi, Mr. Makoto Haruta and Ms. Natsuko Takei, and Audit & Supervisory Board Members, Ms. Mie Fujimoto and Ms. Junko Kogayu as Independent Directors/Audit & Supervisory Board Members with the Tokyo Stock Exchange. In addition, the Company plans to newly register Audit & Supervisory Board Member Mr. Masahiko Oshima as an Independent Audit & Supervisory Board Member.
- Note 5: Audit & Supervisory Board Member Ms. Junko Kogayu has considerable knowledge of finance and accounting as a certified public accountant and tax accountant.
- Note 6: Director Mr. Makoto Haruta resigned from his position as Director of Panasonic Corporation on March 31, 2025.
- Note 7: Audit & Supervisory Board Member Mr. Masahiko Oshima resigned from his position as Advisor of Sumitomo Mitsui Banking Corporation on July 7, 2024. On August 13, 2024, he assumed office as Chairman and Representative Director of Ares Management Asia Japan K.K.

## 2. Amounts of Remuneration etc. for Directors and Audit & Supervisory Board Members

Category	Total amount of remuneration etc. (million yen)	Total amount of remuneration etc. by type (million yen)			Number of eligible officers
		Base remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (subtotal: Outside Directors)	424 (38)	244 (38)	89 (-)	89 (-)	14 (4)
Audit & Supervisory Board Members (subtotal: Outside Audit & Supervisory Board Members)	88 (28)	88 (28)	-	-	9 (5)
Total (subtotal: Outside Officers)	512 (66)	332 (66)	89 (-)	89 (-)	23 (9)

Note 1: The above recipients include four (4) Directors (not including any Outside Directors) and four (4) Audit & Supervisory Board Members (including two (2) Outside Audit & Supervisory Board Members) who resigned at the conclusion of the 97th Ordinary General Meeting of Shareholders.

Note 2: The above total amount of remuneration etc. for Directors does not include salaries paid to directors who were also employees.

Note 3: Outside Audit & Supervisory Board Members, who concurrently serve at the subsidiaries of the Company, do not receive remuneration from said subsidiaries.

Note 4: Performance-linked remuneration, etc. consists of performance-linked assessment remuneration and qualitative assessment remuneration. Amount or number of performance-linked assessment remuneration is to be calculated based on the ratio of the actual consolidated operating income to the projected consolidated operating income in the financial forecast for the fiscal year subject to assessment disclosed in the Consolidated Financial Results for the previous fiscal year-end. The payment rate is determined based on the 118% achievement rate of performance. With respect to qualitative assessment remuneration, the payment rate is determined based on the seven-grade evaluation of the Director subject to assessment in terms of qualitative performance and achievement status as a Director in charge of strategy.

Note 5: Non-monetary remuneration, etc. shall be a share-based remuneration, a restricted share-based remuneration (RS), as resolved in the General Meeting of Shareholders and the Board of Directors. Specifically, there shall not be more than 90,000 common shares per year, and remuneration provided to grant restricted shares shall be monetary remuneration receivables. Eligible Directors shall pay the monetary remuneration receivables provided in full amount as property contributed in kind, and receive the Company's common shares issued. The transfer restriction period, handling in the case of resignation from office, lifting of transfer restrictions, and handling in case of reorganization, etc. are specified for the shares issued.

Note 6: The above total amount of remuneration, etc. associated with restricted share-based remuneration includes amounts recorded as expenses for the fiscal year under review.

## 3. Matters Related to Resolution of the General Meeting of Shareholders on Remuneration, etc. of Directors and Audit & Supervisory Board Members

The amount of monetary remuneration for Directors was resolved to be not more than ¥900 million per year (of which remuneration for Outside Directors to be not more than ¥60 million per year; not including any employee salary portion payable to Directors who also serve as employees) at the 87th Ordinary General Meeting of Shareholders held on June 27, 2014. The number of Directors at the conclusion of the said Ordinary General Meeting of Shareholders was fourteen (14) (of which four (4) were Outside Directors). In addition, within the above-mentioned remuneration limit and aside from the said monetary remuneration, the share-based remuneration amount was resolved to be not more than ¥180 million per year with an upper limit for number of shares to be not more than 90,000 shares per year (Outside Directors not subject to granting) at the 92nd Ordinary General Meeting of Shareholders held on June 27, 2019. The number of Directors (excluding Outside Directors) at the conclusion of the said Ordinary General Meeting of Shareholders was thirteen (13). With respect to restricted share-based remuneration, a resolution was passed at the 96th Ordinary General Meeting of Shareholders held on June 29, 2023 to change the conditions for lifting the transfer restrictions pertaining to the term of office of the Eligible Directors from “as a Director of the Company” to “as an officer or employee of the Company or its subsidiary with specific position designated in advance by the Board of Directors of the Company.” At the said Ordinary General Meeting of Shareholders, it was resolved that the maximum amount of remuneration for Directors would remain unchanged and only the portion of remuneration for Outside Directors would be revised to an annual amount not exceeding ¥80 million. The number of Directors at the conclusion of the said Ordinary General Meeting of Shareholders was ten (10) (of which four (4) were Outside Directors).

The amount of monetary remuneration for Audit & Supervisory Board Members was resolved to be not more than ¥100 million per year at the 87th Ordinary General Meeting of Shareholders held on June 27, 2014. The

number of Audit & Supervisory Board Members at the conclusion of the said Ordinary General Meeting of Shareholders was five (5).

The amount of remuneration for Audit & Supervisory Board Members shall be determined by deliberation of the Audit & Supervisory Board Members within the limit of the total amount of annual remuneration.

#### 4. Matters Related to Determination Policy on Details of Remuneration, etc. for Each Individual Director

The Company determines a determination policy on details of remuneration, etc. for each individual Director at a meeting of the Board of Directors. The overview is as follows:

##### <Basic remuneration policy>

With regard to Directors' remuneration of the Company, the following basic policy is adopted based on the report from the Remuneration Advisory Committee at the request of the Board of Directors.

- The remuneration system shall secure and maintain talented human resources so as to enhance corporate value and fulfill our public mission, and serve as a stable business foundation.
- The remuneration system shall focus on the shareholders' point of view and further share value with shareholders.
- The determination process shall be objective and highly transparent through deliberation of the Remuneration Advisory Committee.

Based on the above-stated basic remuneration policy, Directors' remuneration of the Company consists of a. base remuneration, b. performance-linked remuneration, and c. share-based remuneration. Outside Directors are paid only a. base remuneration. The details of each type of remuneration are as described below.

##### a. Base remuneration

Base remuneration shall be determined for each Director as a monthly remuneration with matters such as title, strategic division they are responsible for, and change in business environment taken into account. The remuneration is paid on a monthly basis.

##### b. Performance-linked remuneration

Performance-linked remuneration is intended to motivate Directors to achieve good single-fiscal-year performance. It consists of (i) "performance-linked assessment remuneration," which varies across eight levels from 0% and 200%, based on the ratio of actual results to the "consolidated operating income" forecast disclosed in the summary of consolidated financial results at the end of the previous fiscal year, and (ii) "qualitative assessment remuneration," which varies across seven levels from 0% to 200%, based on the qualitative assessment of the performance of the strategic divisions for which each Director is responsible. These components shall be determined based on the standard remuneration amounts set for each position and role, deliberated by the Remuneration Advisory Committee, and approved by the Board of Directors before being paid.

##### c. Share-based remuneration

Share-based remuneration is intended to motivate Directors to enhance the medium- to long-term shareholder value and to share the value with shareholders. Each year, restricted shares are granted to Directors, with the grant amount determined individually, with matters such as title, strategic division they are responsible for, and change in business environment taken into account.

##### <Composition of Directors' remuneration, etc.>

The standard remuneration amount for Directors is set based on titles and roles. When the standard is set at 100%, base remuneration as a monthly remuneration accounts for 50%, share-based remuneration for 20%, performance-linked remuneration for 20%, and qualitative assessment remuneration for 10% (for the remuneration amount for Chairman and Director, base remuneration accounts for 50%, share-based remuneration for 30%, and performance-linked remuneration for 20%).

The total individual remuneration for Directors, excluding Outside Directors, fluctuates within the range of 70% to 130% when the standard is set at 100%, depending on evaluations of the performance-linked remuneration (performance-linked assessment remuneration and qualitative assessment remuneration).

The composition of Directors' remuneration, etc. above is deliberated by the Remuneration Advisory Committee at the request of the Board of Directors in accordance with the above basic remuneration policy, and determined based on the report therefrom.

## 5. Matters Related to Delegation on Determining Details of Remuneration, etc. for Each Individual Director

Based on the delegation of authority resolution by the Board of Directors, determination of remuneration amount, etc. for each individual Director in the Company is to be made by President and Chief Executive Officer Ryujiro Abe after a report from the Remuneration Advisory Committee.

The authority to determine remuneration, etc. on an individual basis is delegated as determination by the President and Chief Executive Officer who controls and supervises business execution. This is thought to be appropriate when details of remuneration are determined by assessing the performance of Directors responsible for each strategic division while the Company's overall performance is comprehensively viewed.

Determination measures are taken by the Board of Directors within the scope of its authorization by having the Remuneration Advisory Committee deliberate to ensure the said authorization is properly exercised by the Chief Executive Officer, and considering the report therefrom. As the remuneration amount for each individual Director is determined by following such procedure, the Board of Directors judges that the contents are in accordance with the determination policy.

## 6. General Intent of Limited Liability Agreement

The Articles of Incorporation of the Company include provisions on limited liability agreements with Outside Directors and Outside Audit & Supervisory Board Members.

The general intent of the limited liability agreement that the Company entered into with each of the Outside Directors and Outside Audit & Supervisory Board Members pursuant to the Articles of Incorporation is as follows:

- After entering into the agreement, the liability of an Outside Director or an Outside Audit & Supervisory Board Member pursuant to Article 423, Paragraph 1 of the Companies Act is limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act in the absence of ill intent and gross negligence on the part of the relevant director or audit & supervisory board member in the execution of his or her responsibilities.

## 7. Summary of Contents of a Directors and Officers Liability Insurance Policy, etc.

### (a) Scope of the insured

Directors, Audit & Supervisory Board Members and Executive Officers of the Company and Directors and Audit & Supervisory Board Members of 18 subsidiaries of the Company

### (b) Summary of compensation

The directors and officers liability insurance policy is an insurance policy which compensates damages and litigation costs, etc. incurred by the insured as a result of a claim against the insured from an action (including inaction) taken associated with duties as officer. However, criminal acts such as bribery and damages, etc. incurred by the officer in person by intentionally performing an illegal act shall not be subject to the compensation. By doing so, measures are taken so as not to impair the adequacy of business execution by officers, etc. The insurance premium is borne by the Company in full amount and the policy is annually renewed. The next renewal will be made with the contents unchanged.

## 8. Items Pertaining to Outside Officers

### Principal Activities in the Fiscal Year under Review

#### Outside Directors

Name	Attendance to meetings of the Board of Directors	Status of expression of opinions and summary of duties performed in regard to expected roles
Hitoshi Kashiwaki	12/12	With extensive experience and a high degree of knowledge as a member of the top management of an operating company, Mr. Kashiwaki gives valuable opinions and suggestions to the management and supervision over and advice regarding duties executed by Directors, toward the continuous enhancement of the corporate value of the Group, appropriately playing his role.
Yosuke Yagi	12/12	With extensive experience and a high degree of knowledge as the head of human resources strategy and a member of the top management of an operating company, Mr. Yagi gives valuable opinions and suggestions to the management and supervision over and advice regarding duties executed by Directors, toward the continuous enhancement of the corporate value of the Group, appropriately playing his role.
Makoto Haruta	12/12	With extensive experience and a high degree of knowledge as the head of financial strategy and a member of the top management of an operating company, Mr. Haruta gives valuable opinions and suggestions to the management and supervision over and advice



Name	Attendance to meetings of the Board of Directors	Status of expression of opinions and summary of duties performed in regard to expected roles
		regarding duties executed by Directors, toward the continuous enhancement of the corporate value of the Group, appropriately playing his role.
Natsuko Takei	12/12	With extensive experience and a high degree of knowledge as the head of legal affairs and compliance at an operating company, Ms. Takei gives valuable opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors, toward the continuous enhancement of the corporate value of the Group, appropriately playing her role.

#### Outside Audit & Supervisory Board Members

Name	Attendance to meetings of the Board of Directors	Attendance to meetings of the Audit & Supervisory Board	Status of expression of opinions
Mie Fujimoto	12/12	14/14	Ms. Fujimoto asks questions and gives advice based on extensive experience and high degree of knowledge as a lawyer specialized in corporate legal affairs.
Masahiko Oshima	9/9	9/9	Mr. Oshima asks questions and gives advice based on extensive experience and high degree of knowledge as a member of the top management of a financial institution.
Junko Kogayu	9/9	9/9	Ms. Kogayu asks questions and gives advice based on extensive experience and high degree of knowledge as a certified public accountant and a tax accountant.

Note: Mr. Masahiko Oshima and Ms. Junko Kogayu were newly elected at the 97th Ordinary General Meeting of Shareholders held on June 27, 2024, and therefore the number of meetings of the Board of Directors and the Audit & Supervisory Board differs from that of other Audit & Supervisory Board Member.

### (3) Accounting Auditors

(i) Name of Accounting Auditor: KPMG AZSA LLC

(ii) Fees etc. Paid to Accounting Auditors in the Fiscal Year under Review

	Amount paid
A. Fees etc. pertaining to the fiscal year under review	¥54 million
B. Total amount of cash and other asset-based benefits payable to the accounting auditors of TBS Holdings, Inc. and its subsidiaries	¥105 million

Note 1: The audit agreement between the Company and the accounting auditor does not separate the amounts of fees etc. for audits under the Companies Act from the amounts of fees etc. for audits under the Financial Instruments and Exchange Act. Since it is essentially impossible to separate these amounts, the amount shown for A. above represents the sum of both.

Note 2: The Audit & Supervisory Board consents to the fees etc. paid to the accounting auditor as stipulated under Article 399, Paragraph 1 of the Companies Act after comparing audit plans in prior years of the accounting auditor to actual audit results, reviewing changes in audit hours and fees for audits, and considering the reasonableness of audit hours and estimated fees in the fiscal year under review.

Note 3: Of the Company's principal subsidiaries, some subsidiaries are audited by certified public accountants or audit firms (including individuals with equivalent certifications in their respective countries) other than the Company's accounting auditor.

(iii) Policy on Determination of Dismissal or Non-Reappointment of Accounting Auditor

If there are grounds for dismissal under the provisions of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board of the Company will dismiss the accounting auditor, subject to approval by all Audit & Supervisory Board Members.

In addition, when the Audit & Supervisory Board deems there is a clear need for action, such as when the Audit & Supervisory Board recognizes it would be difficult for the accounting auditor to execute their duties, it may decide upon the content of a proposal concerning the dismissal or non-reappointment of the accounting auditor, and based on this decision, the Board of Directors may submit this as an item for approval at the general meeting of shareholders.

### **3. Systems Ensuring that Directors Perform their Duties in Accordance with the Laws and Regulations and the Articles of Incorporation and that Other Operations are Conducted Appropriately**

The Company adopted the “policy concerning the establishment of the systems necessary to ensure that the business performance by the Directors complies with laws and the Articles of Incorporation, and other systems necessary to ensure the properness of operations of a stock company and a corporate group consisting of the stock company and its subsidiaries,” as stipulated in Item 6, Paragraph 4 of Article 362 of the Companies Act and Paragraphs 1 and 3 of Article 100 of the Regulation for Enforcement of the Companies Act.

#### **Introduction**

As a certified broadcast holding company, with broadcasters under its umbrella that are entrusted with the use of finite and valuable radio waves, TBS Holdings, Inc. is profoundly aware of the social responsibilities and public mission of broadcasting, as stated in the TBS Group Activities Charter, and will continue to fulfill and strengthen its corporate governance.

As part of our efforts to carry out our business activities appropriately and efficiently while maintaining and enhancing the corporate value of the TBS Group, we have established the TBS Group Corporate Activities Committee to build and implement internal control systems for the Group.

The Committee is chaired by the President and made up of directors from the Company and its Group companies, as well as outside members. Its responsibilities are as follows:

1. Matters pertaining to the development, evaluation and improvement of internal control systems
2. Matters pertaining to upholding business ethics
3. Matters pertaining to the risk management and the appropriate and efficient performance of operations
4. Matters pertaining to information disclosure system
5. Matters pertaining to questions from the Board of Directors of TBS Group companies

#### **(1) Systems Ensuring that Directors Perform their Duties in Accordance with the Laws and Regulations and the Articles of Incorporation**

- (a) All officers and employees swear a basic oath under the TBS Group Activities Charter, which defines the corporate philosophy under which the TBS Group is working to achieve growth based on excellence as a corporate group.  
We are working to ensure the full implementation of the TBS Group Activities Standards, which were formulated as standards for the realization of the Charter.
- (b) We have formulated the TBS Group Information Disclosure Policies, and we will fulfill our responsibilities to provide good explanations to shareholders as a corporate group through the timely disclosure of accurate information.
- (c) The Special Committee for Appraising Corporate Value, consisting of outside directors, outside audit & supervisory board members and outside experts, assesses policies from the perspective of maximizing corporate value in response to questions submitted by the Board of Directors, and advises the Board of Directors of the results of its deliberations.
- (d) TBS Holdings, Inc. is audited by the Audit & Supervisory Board, formed by standing statutory audit & supervisory board members and outside audit & supervisory board members. The important subsidiary, Tokyo Broadcasting System Television, Inc. does not set the Audit & Supervisory Board but is audited by outside audit & supervisory board members on the basis of the structure of TBS Holdings, Inc.

#### **(2) Systems Concerning the Storage and Management of Information Pertaining to the Performance of Directors’ Duties**

- (a) We have formulated the Document Handling Regulations, which define standards for the handling of documents containing information pertaining to the performance of directors’ duties. Documents are stored and managed appropriately and reliably during the periods stipulated in those regulations.
- (b) We will maintain document storage and management systems capable of responding promptly to requests from directors and audit & supervisory board members who wish to peruse documents pertaining to the performance of directors’ duties.

### **(3) Risks of Loss Management Regulations and Other Systems**

- (a) We will establish the TBS Group General Risk Management Policies, the TBS Group General Risk Management Regulations, and other regulations required to support ongoing controls on risks of losses affecting our business activities and operations, and monitor risks based on implementation guidelines. Risk management conditions will be evaluated semi-annually by the TBS Group General Risk Management Committee, which is a sub-committee of the TBS Group Corporate Activities Committee.
- (b) We have formulated Basic Policies for Managing Market Risk. This policy is reviewed semi-annually to ensure an appropriate response to the risk of share price, foreign exchange rate and interest rate fluctuations.
- (c) We have formulated the Investment and Financial Management Regulations to support the management, coordination and efficient use of investments and finance. The appropriateness of investments and loans is assessed by the Investment and Financial Judging Committee after consultation with the Board of Standing Directors and Officers.
- (d) To prepare for serious risks such as damage to our corporate brand, we have formulated the TBS Group Crisis Response Regulations, which define the establishment of an organization in charge, operational procedures, information management approach, and other systems that differ from those in normal times, and will respond to the emergence of serious risks.
- (e) We have established the TBS Group Information Liaison Conference to summarize and share information required to handle situations when risks arise.
- (f) We have formulated the TBS Group Information Security Policy to ensure appropriate network use and prevent threats, such as unauthorized access, system damage caused by computer viruses etc., and data leakage or tampering etc.

### **(4) Systems Ensuring the Efficient Performance of Directors' Duties**

- (a) In principle, the Board of Directors meets regularly once every month. This is the basic system for ensuring the efficient performance of directors' duties.
- (b) Important matters pertaining to management policy and strategies are discussed at the Board of Standing Directors and Officers, which is in principle held once a week. Decisions on executive actions are taken after these deliberations.
- (c) Important matters pertaining to major Group companies are discussed at the Group Executive Officers' Meeting, which is in principle held once a month. Decisions on executive actions are taken after these deliberations.
- (d) The Board of Standing Directors and Officers, which advises the President, directly supports comprehensive long-term management planning by facilitating and coordinating long-term management planning activities.

### **(5) Systems Ensuring that Employees Perform their Duties in Compliance with Laws and Regulations and the Articles of Incorporation**

- (a) We have formulated the TBS Group Activities Charter as a basic oath that all officers and employees are required to uphold. We have also adopted the TBS Group Activities Standards as standards for the realization of the Charter.
- (b) We will ensure that the Compliance Division is able to function effectively and appropriately as the coordinating unit for the development and operation of our internal control and compliance system, and that the Internal Audit Division can function effectively and appropriately as the internal audit unit.
- (c) We will maintain the TBS Hotline as an internal reporting system for the Group, and we will make effective use of the Compliance Division and outside law offices as contact points for the reporting of problems, such as situations that contravene laws and regulations or corporate rules.
- (d) We will maintain internal checks and balances, such as personnel-related systems, to eliminate the concentration of authority in the hands of individual employees.

**(6) Systems Ensuring the Appropriateness of Business Operations of the Group Consisting of TBS Holdings, Inc. and Its Subsidiaries**

- (a) We will apply the TBS Group Activities Charter and the TBS Group Activities Standards as the oath and behavior guidelines for the Group. The Company will conduct a review of each company in the Group on a regular basis, in order to ensure strict compliance therewith.
- (b) Tokyo Broadcasting System Television, Inc., TBS Radio, Inc. BS-TBS, INC., and CS-TBS, Incorporated, broadcasters under its umbrella, will set the Broadcast Council in accordance with the Broadcasting Act, and Broadcast Council will be the committee for consultation and proposal of all queries, aiming for the improvement and the development of broadcast programs.
- (c) The Company will set the Internal Audit Division to conduct internal audits of all related Group companies.
- (d) Each company within the Group will lay down the TBS Group Corporate Governance, aim the penetration of formulation and operation of internal control systems, and straighten the system to maintain the soundness of the parent and subsidiary relationships in the Group.
- (e) Each company within the Group will participate in the TBS Hotline and set out and operate a structure to raise awareness of the participation.
- (f) We have formulated the Subsidiaries and Affiliates Management Regulations as the basis for ensuring the appropriateness of business operations and enhancing the management efficiency of the Group, as well as accelerating their development through the provision of guidance, while developing a system under which directors of subsidiaries report matters concerning the execution of duties to the Company.
- (g) We seek to share information on business conditions of the Group through reports from each group company at the Group Executive Officers' Meeting.

**(7) Systems Ensuring the Effectiveness of Audits Conducted by the Audit & Supervisory Board Members and Systems Concerning Reports to the Audit & Supervisory Board Members**

- 1. Items Pertaining to Employees in the Audit & Supervisory Board Member Support Organization and the Independence of those Employees from Directors
  - (a) We will ensure that the Office of Audit & Supervisory Board Members is able to function as a support unit for the activities of the audit & supervisory board members, and employees who provide that support will assist in the work of the audit & supervisory board members pursuant to instructions from the audit & supervisory board members. We will also maintain a system whereby approval of the audit & supervisory board members will be obtained for personnel appraisals and transfers of such employees, and for any disciplinary action against such employees.
  - (b) The Audit & Supervisory Board will establish an Audit & Supervisory Board Headquarters if required, such as when there are matters requiring investigation by the audit & supervisory board members. Employees nominated by the Audit & Supervisory Board will provide assistance to the Audit & Supervisory Board or the audit & supervisory board members. The Company will appropriately bear expenses incurred for the investigation by the Audit & Supervisory Board Headquarters.
- 2. Systems for Reporting to the Audit & Supervisory Board Members by Directors and Employees and for Other Reports to the Audit & Supervisory Board Members
  - (a) The directors and employees will report to the audit & supervisory board members whenever there are important matters affecting operations or performance. A system will also be secured to ensure they are not treated unfavorably based on facts reported or details thereof.
  - (b) The audit & supervisory board members may require reports from directors or employees as required at any time.
  - (c) We will operate the TBS Group Information Liaison Conference and the TBS Hotline appropriately and maintain appropriate reporting systems, so that the audit & supervisory board members can be informed of any compliance issues, including violations of laws and regulations.
  - (d) The audit & supervisory board members will receive reports on the results of internal audits conducted by the Internal Audit Division.
  - (e) The audit & supervisory board members can attend important meetings, peruse documents concerning important decisions, and require directors to provide reports concerning the performance of operations. If necessary, the audit & supervisory board members can also hold direct hearings in any department.

- (f) The audit & supervisory board members, accounting auditors, the Internal Audit Division and the Compliance Division will share information to maintain effective and efficient internal control systems.
  - (g) The Company will appropriately bear expenses that arise from executing the duties of the audit & supervisory board members, respecting the will of audit & supervisory board members.
3. Systems under Which Directors and Employees of Subsidiaries of the Company and Directors and Employees Who Received Reports from them Report to Audit & Supervisory Board Members and Other Systems Concerning Reports to the Audit & Supervisory Board Members
- (a) We will secure a system at Group companies under which directors and employees report serious risks and matters concerning internal controls to audit & supervisory board members of the Company and a system under which audit & supervisory board members of the Company may require reports from directors, audit & supervisory board members, or employees of Group companies as required at any time.
  - (b) We will secure a system to ensure that directors, audit & supervisory board members, or employees of Group companies who report to audit & supervisory board members and directors or employees who receive reports from them will not be treated unfavorably based on the facts reported to audit & supervisory board members and details thereof.

#### **4. Summary of Status of Implementation of System for Ensuring the Appropriateness of Business Operations**

In accordance with a resolution adopted by the Board of Directors for a “system ensuring the appropriateness of business operations” as stipulated in Item 6, Paragraph 4 of Article 362 of the Companies Act and Paragraphs 1 and 3 of Article 100 of the Regulation for Enforcement of the Companies Act, the department in charge of internal controls of the Company leads efforts to develop and operate internal control systems, highlighted by the development of TBS Group General Risk Management Regulations, Document Handling Regulations, and other internal regulations, and holds meetings of the TBS Group General Risk Management Committee and other committees. As part of our efforts to carry out our business activities appropriately and efficiently, while maintaining and enhancing the corporate value of the TBS Group, we have established the TBS Group Corporate Activities Committee, which is chaired by the President, to build and implement internal control systems for the Group.

As of the end of the fiscal year under review, the department in charge of internal controls and the Internal Audit Division confirmed that internal control systems of the Company are properly implemented in accordance with a resolution adopted by the Board of Directors for a “system ensuring the appropriateness of business operations” and function effectively by perusing minutes of the Board of Directors’ meetings and other important meetings, receiving reports from departments, and conducting interviews. Besides, matters of note on the specific status of implementation can be listed as follows.

- (1) Among our efforts to promote risk management, we follow the process of 1. Identifying risks that impede achieving management objectives and internal control objectives of the Company, 2. Evaluating risks identified, 3. Identifying “core items” that could significantly affect the Company, 4. Formulating a plan to respond to “core items” to minimize risks, and 5. Confirming the progress of the plan to respond to “core items” based on the TBS Group General Risk Management Regulations. Specialized departments lead efforts to formulate and implement the plan to respond to “core items,” and the TBS Group General Risk Management Committee coordinates those efforts on a company-wide basis.
- (2) We have formulated rules to be complied with as the TBS Group based on the TBS Group Corporate Governance, and require each company within the Group to comply with such rules for developing internal control systems of the Group including its consolidated subsidiaries. The TBS Group General Risk Management Committee and the department in charge of internal control check whether target companies appropriately perform business operations in accordance with such rules and request them to make improvements when any issue is found.
- (3) Concerning the operation of internal control systems at TBS Holdings, Inc. and its consolidated subsidiaries, the Company established the Proper Activities Inspection Special Subcommittee, which inspects systems that ensure the appropriateness of the Group companies’ activities, and reports to the TBS Group Corporate Activities Committee.
- (4) Regarding internal controls performed to ensure the reliability of financial reporting, we evaluate their effectiveness based on procedures compliant with generally accepted valuation standards as stipulated by the provisions of the Financial Instruments and Exchange Act and other related laws and regulations, and report its results to outside parties. The President performs this evaluation in accordance with the “regulations for evaluating the effectiveness of internal controls over financial reporting,” assisted by the Internal Audit Division, which reports directly to the President. The Internal Audit Division, upon consulting with the accounting auditor, formulates an evaluation plan, which defines the scope of evaluations and other matters, and evaluates the status of developing and implementing internal controls. When a deficiency is found, the Office recommends internal control managers to correct the relevant process, counts the number of deficiencies at the year end, and reports them to the President, the Board of Directors, the audit & supervisory board members, and others.

## **5. Basic Policy Regarding Parties Deciding on Financial and Business Policies of TBS Holdings, Inc.**

The Company established the Basic Policy Regarding Parties Deciding on Financial and Business Policies of the Company (hereinafter referred to as the “Basic Policy”) at the Board of Directors’ meeting held on February 28, 2007. In addition, following the end of “TBS Group Medium-Term Business Plan 2023,” a medium-term business plan of the Group, on March 31, 2024, the Company plans to revise the sections of the Basic Policy that are related to the medium-term business plan as follows at the Board of Directors’ meeting on May 14, 2024. Moreover, at the Board of Directors’ meeting on April 24, 2025, the Company revised the effective period for its policy for responding to takeover proposals from three years to one year (effective June 27).

### **(1) Basic Policy**

As a listed company, the Company has a responsibility to contribute to the development of market economy. We also have an important public mission as a certified broadcast holding company, with broadcasters under our umbrella that are entrusted with the use of finite and valuable radio waves. The corporate characteristics of the Company are expressed as follows in the “TBS Group Activities Charter,” which was formulated by the Company. “We consistently commit ourselves to the freedom of expression and make efforts to transmit fair, honest and accurate information, thereby fulfilling the mission expected of a news medium” and “We place a great importance on relations with society and harmonious coexistence with nature, and commit ourselves to a sustainable society as well as in the realization of a better global environment.” In addition, the Company is given a vital role as a certified broadcast holding company with broadcasters under its umbrella that are, as our country’s key media, expected to perform the function of social lifeline particularly at the time of disasters and emergencies without any delay.

With the emergence of full-scale digital terrestrial broadcasting and the arrival of the multimedia era, the challenge for the broadcasting industry is the improvement of program production, planning and development capabilities and program quality.

We recognize our work force, including the employees and associated workers of TBS Holdings, Inc. and its subsidiaries and affiliated companies as a business resource that is vital to the fulfillment of our public mission and social role, and to our efforts to improve program production, planning and development capabilities and program quality, which are key to our competitiveness as a broadcaster. Furthermore, the relationships of trust that we have built over many years with our contractors and suppliers, and with all of the people who contribute to the development of programs and content, play an extremely important role as a business resource. These above all are the sources of our corporate value.

To maximize our corporate value and the common interests of our shareholders, we must develop and strengthen the sources of our corporate value from a medium- to long-term perspective. Decisions concerning our financial and business policies need to be based on an awareness of these facts.

As a listed company, we are not opposed to a Large-Scale Acquisition of our shares if this contributes to the maximization of our corporate value and the common interests of our shareholders. Nor are we opposed to the proposal of ideas relating to these actions. However, if decisions on our corporate financial and business policies are controlled by parties who do not share our belief in the need to strengthen the aforementioned sources of our corporate value from a medium- to long-term perspective, there is a risk that these resources will be impaired in the medium to long term. If so, this would compromise our efforts to maximize our corporate value and the common interests of all shareholders.

For these reasons, and in keeping with the spirit of the Broadcasting Act and the Radio Act, TBS Holdings, Inc. may, under certain circumstances, take steps to secure and maximize its corporate value and the common interests of all shareholders, within the limits allowable under the laws and regulations and the Articles of Incorporation of TBS Holdings, Inc. We may take such steps if there is a risk that a specific party or group, or its related parties (hereinafter collectively referred to as the “acquirer etc.”), may damage the sources of our corporate value from a medium- to long-term perspective, for instance through the acquisition of voting rights equivalent to 20% or more of the total voting rights in TBS Holdings, Inc., where the acquirer etc., is unsuitable as a party controlling decisions concerning the financial or business policies of TBS Holdings, Inc.

The certified broadcast holding company structure is intended to provide new management platforms that enable broadcasters to further promote management efficiency in line with the purport of the principle of excluding multiple ownerships of the media by granting broadcasters avail of the holding company structure. Under the structure, those shareholders with the legal voting right more than 33% are restricted from holding the portion of the voting right in excess of 33% for the purpose of securing pluralism, diversity and regionality of broadcasting. Thus, this restriction is already applied to the Company shareholders as the result of the Company’s shift to a certified broadcast holding company.



Even after the shift to a certified broadcast holding company, the Company has been placing “all-around business alliance policy” in a tie-up policy that aims at adherence to the impartiality of broadcasting and realization of optimal tie-ups with optimal business partners in each field, thereby building all-around relationships with various business partners as a whole. In light of this policy, however, the appearance of shareholders with a shareholding ratio exceeding 20% still remains unfavorable for the Company’s corporate value as well as the common interest of our shareholders unless it is expected to bring more benefit than the case where the tie-up policy above is strictly observed. Accordingly, regardless of an application of the voting right holding restriction structure to the Company as a result of the shift to a certified broadcast holding company system, the Company will continuously maintain its engagement to prevent controls over the decision on the Company’s financial and business policies by inappropriate parties in light of the Basic Policy. Furthermore, the Company formulated “TBS Group Medium-Term Business Plan 2026” on May 14, 2024 as a new medium-term business plan of the Group that further emphasizes the enhancement of capital efficiency. Based on this plan, the Company will work on achieving new targets.

## **(2) Raising Corporate Value and Maximizing the Common Interests of Shareholders by Formulating and Implementing the “TBS Group Medium-Term Business Plan 2026”**

Since its establishment, the Group has been striving to enhance its corporate value by serving the public’s right to know through television and radio broadcasting, and by providing high-quality entertainment that will appeal to a wide range of audiences. However, the recent business environment surrounding the Company has changed rapidly due to the declining birthrate, aging population, diversification of lifestyles, digitalization, and other factors. In addition, in recent years, the Company has experienced international political instability and the spread of infectious diseases on a global scale, and the business environment continues to be difficult to predict. Recognizing that the greatest challenge for the Group is to sustainably increase its corporate value as a company that is sought after by society, even in this environment, the Company formulated “TBS Group VISION 2030” in May 2021, as our future vision from a long-term perspective. As part of formulating the vision, the Group defined content as all that “moves people’s hearts and minds,” and expressed its vision of becoming a content group that goes beyond the boundaries of broadcasting to capture “each ‘moment’” by focusing on the Group’s greatest strength, its ability to create content. Therefore, in May 2024, the Company formulated the second phase of VISION 2030, the “TBS Group Medium-Term Business Plan 2026.” Based on this plan, the Company will work management with the aim of further strengthening capital efficiency. Through the formulation and implementation of “TBS Group Medium-Term Business Plan 2026,” the Company will endeavor to maximize the corporate value of the Company and the Group and common interests of shareholders, and fulfill their expectations.

## **(3) Outline of Approaches to Prohibiting Control by Inappropriate Parties in Light of Basic Policy**

In accordance with a resolution adopted by the Board of Directors on February 28, 2007, the Company has made the amendments to its policy for responding to takeover proposals, which was announced on May 18, 2005. We have retained the essence of the plan, which is intended to secure and improve our corporate value and the common interests of all shareholders, while making the changes to place an even greater emphasis on the wishes of shareholders (the amended policy hereinafter will be referred to as the “Plan”). The Plan and its continuation were approved at the 80th Ordinary General Meeting of Shareholders held on June 28, 2007 (hereinafter referred to as the “resolution approved at the 2007 shareholders’ meeting”) by a majority vote of the shareholders present who may exercise their right to vote. Subsequently, the Plan was partially amended, within the necessary and minimum scope, within a frame of the resolution approved at the 2007 shareholders’ meeting with the prior and unanimous approval of all incumbent members of the Special Committee for Appraising Corporate Value (hereinafter referred to as the “Special Committee”). As described above, the amendment was in line with the Company’s shift to a certified broadcast holding company as of April 1, 2009 and such changes in the legal environment as the amendment and enforcement of the Companies Act and the Financial Instruments and Exchange Act. Furthermore, with approval by consent of a majority of the incumbent members and a majority of the outside expert members of the Special Committee as of March 4, 2021, the composition of the Special Committee and the requirements regarding conflicts of interest of its members were changed within the frame of the resolution approved at the 2007 shareholders’ meeting, resolved by the Board of Directors’ meeting of the Company held on the same day. Moreover, following unanimous approval by all incumbent members of the Special Committee, and based on a resolution of the Board of Directors’ meeting of the Company held on April 24, 2025, the effective period of the Plan was changed within the frame of the resolution approved at the 2007 shareholders’ meeting. Details of the Plan are as indicated below.

## 1. Plan Details

### (a) Procedures for Triggering the Plan

#### (i) Acts Subject to the Plan

The Plan is applied when an act that falls under any item from I. to III. below (hereinafter referred to as “Large-Scale Acquisition”) is implemented and the Plan procedures shall be initiated when a party emerges that maintains a policy of conducting such act (including a party that the Company’s Board of Directors reasonably determines as having such policy based on the recommendations of the Special Committee, but excluding cases in which the Board of Directors has given a prior approval).

The details of the countermeasures against a Large-Scale Acquisition are as set out in (iv) below. The countermeasures under the Plan shall not be triggered as a matter of course when a party as described above emerges, and the decision to trigger the countermeasures against such party shall be determined in strict accordance with the procedures in (ii), (iii) and (v) to (vii) below.

- I. A tender offer intended to result in the holding ratio of share certificates, etc. of the tender offeror group amounting to a total of 20% or more of the share certificates, etc. issued by the Company after the acquisition;
- II. An acquisition, etc. that would result in the owning ratio of share certificates, etc. of a Large-Scale Acquisition group amounting to 20% or more of the share certificates, etc. issued by the Company after the acquisition;
- III. Notwithstanding the implementation by the Company of a tender offer or other acquisition of share certificates, etc. issued by the Company, a) an agreement or other act made or conducted between the Large-Scale Acquisition group and another shareholder of the Company whose total owning ratio of share certificates, etc. together with the Large-Scale Acquisition group is 20% or more of the total ownership in the Company’s share certificates, and results in such other shareholder becoming a joint holder of such Large-Scale Acquisition group, or b) an act that establishes a relationship between the Company’s core shareholders in the Large-Scale Acquisition group and other shareholders where one party has substantial control over the other party, or that leads to the parties taking joint or collaborative action.

The tender offeror group, the Large-Scale Acquisition group and the other shareholders in III. above, shall be collectively referred to as the “Acquirer Group.”

#### (ii) Request etc. of Information from the Acquirer Group

Unless the Company’s Board of Directors determines otherwise, the Acquirer Group shall, before the commencement or implementation of the Large-Scale Acquisition, submit a written document with the information set out in the items below (hereinafter referred to as “Necessary Information”) to the Company, and if during the Board of Directors Evaluation Period (as defined in (iii) below) or as a result of the evaluation period, the Company’s Board of Directors resolves to convene a General Meeting of Shareholders pursuant to (vi) below, a written document stating that the Company’s share certificates may not be purchased during the waiting period of 21 days following such point of time (“Waiting Period”), and a covenant pledging its compliance with the Plan procedures.

If the Special Committee finds the submitted information insufficient as Necessary Information, it may request the Acquirer Group to provide additional information by a suitable reply deadline (as a general rule, 60 days).

- I. A Summary of the Acquirer Group
- II. The purpose, method and details of the Large-Scale Acquisition
- III. Whether or not there was communication of intent between a third party in regards to the Large-Scale Acquisition and if the communication of intent occurred, the name of the other party, a brief description of the party, the specific manner in which the intent was communicated and the details thereof
- IV. The basis for the calculation of the consideration for the Large-Scale Acquisition and the process of calculation
- V. The underlying funds for the Large-Scale Acquisition
- VI. The Company and the Group’s management policy, business plan, financial plan, funding plan, investment plan, capital and dividend policies, and program scheduling policy planned for after the Large-Scale Acquisition is conducted, and other policies dealing with the treatment of the Company and the Group’s

officers, employees, clients, customers, business collaborators and other interested parties of the Company and the Group after the completion of the Large-Scale Acquisition

- VII. Existence of connections with antisocial powers or terrorist organizations and policies for dealing with such
- VIII. The Company's approach to fulfilling its public mission as a certified broadcast holding company and Tokyo Broadcasting System Television, Inc. as a broadcaster
- IX. Other information that the Company's Board of Directors or the Special Committee reasonably deems necessary

(iii) Consideration by the Board of Directors and the Special Committee

The Company's Board of Directors and the Special Committee shall stipulate either I. or II. stated below that complies with the details of the Large-Scale Acquisition disclosed by the Acquirer Group, as the period for the Company's Board of Directors to evaluate, consider, form an opinion, devise an alternative proposal and negotiate with the Acquirer Group (hereinafter referred to as the "Board of Directors Evaluation Period").

- I. If all the Company's share certificates, etc. are acquired through a tender offer where the consideration is only in cash (yen): 60 days
- II. If a Large-Scale Acquisition other than I. above is conducted: 90 days

The Company's Board of Directors shall, within the Board of Directors Evaluation Period, evaluate, consider, form an opinion, devise an alternative proposal and negotiate with the Acquirer Group with respect to a Large-Scale Acquisition proposed by the Acquirer Group based on the Necessary Information provided by the Acquirer Group with a view to maximizing the corporate value of the Company and the common interests of the shareholders.

At that time, the Special Committee shall also evaluate and consider the Acquirer Group's proposal and may obtain advice from third-party professionals independent from the Company's Board of Directors during such evaluation and consideration as necessary, and the expenses shall be borne by the Company.

The Special Committee may, when it acknowledges that the Acquirer Group has initiated the Large-Scale Acquisition without complying with the Plan procedures herein, recommend for the Company's Board of Directors to trigger the required countermeasures provided in (iv) below, such as the gratis allotment of the Stock Acquisition Rights, except in unusual situations where further consultations and negotiations with the Acquirer Group are required in order to obtain the Necessary Information. In such case, the Company's Board of Directors shall trigger the required countermeasures in (iv) below, such as the gratis allotment of the Stock Acquisition Rights, with the utmost respect to the Special Committee's aforementioned recommendation, except in unusual situations where the director has obviously breached the duty of care as a good manager.

(iv) Specific Details of the Countermeasure

The countermeasures against the Large-Scale Acquisition to be triggered by the Company in accordance with the Plan shall be, as a general rule, a gratis allotment of the Stock Acquisition Rights. Provided, however, that if it is determined that the triggering of other countermeasures granted under the Companies Act, other laws and regulations, or the Company's Articles of Incorporation are appropriate, such countermeasures shall be triggered instead.

A summary regarding the gratis allotment of the Stock Acquisition Rights as a countermeasure against the Large-Scale Acquisition is as set out in "3. Outline of Gratis Allotment of Stock Acquisition Rights" below, but for the actual gratis allotment of the Stock Acquisition Rights to take place the following, as well as the exercise period, exercise terms and acquisition terms etc., in view of its effectiveness as a countermeasure for the Large-Scale Acquisition, shall be included:

- I. Terms that prohibit the Exceptional Party (defined in (c) of "3. Outline of Gratis Allotment of Stock Acquisition Rights" below) from exercising their Stock Acquisition Rights;
- II. Acquisition provisions which provide that the Company may acquire the Stock Acquisition Rights through various considerations depending on whether or not the Stock Acquisition Rights holder is an Exceptional Party (provisions that provide that the Stock Acquisition Rights held by a Stock Acquisition Rights holder who is not an Exceptional Party shall be acquired by the Company in exchange for shares of common stock, and if the Company deems it appropriate, a Stock Acquisition Rights holder who is an Exceptional Party, may acquire new stock acquisition rights and other assets as a replacement for the Stock Acquisition Rights); or

III. Acquisition provisions which provide that when acquiring a part of the Stock Acquisition Rights, the Company may only acquire the Stock Acquisition Rights held by a Stock Acquisition Rights holder who is not an Exceptional Party.

(v) Recommendation to Non-trigger the Countermeasures

Regardless of whether or not the Board of Directors Evaluation Period is complete, the Special Committee shall make a recommendation to the Company's Board of Directors that the countermeasure of a gratis allotment of the Stock Acquisition Rights should not be triggered if the Special Committee determines that the Acquirer Group is not, overall, an abusive acquirer in accordance with the Company's guidelines after considering the Acquirer Group's Large-Scale Acquisition and the acquisition proposal details, as a result of consulting or negotiating with such group, and the incumbent members of the Special Committee reaching a unanimous decision.

If the Special Committee recommends to non-trigger the gratis allotment of Stock Acquisition Rights and other countermeasures, the Company's Board of Directors shall follow such recommendation and resolve not to trigger the gratis allotment of Stock Acquisition Rights and other countermeasures in accordance with the recommendation except in an unusual situation where the director has obviously breached the duty of care as a good manager.

(vi) Convocation of a General Meeting of Shareholders

If, after exploring the Acquirer Group's Large-Scale Acquisition and its proposal and as a result of consultations and negotiations with the Acquirer Group, the Special Committee cannot reach a unanimous decision by the incumbent Special Committee members to make the recommendation in (v) above, the Special Committee shall recommend for the Company's Board of Directors to seek the judgment of a General Meeting of Shareholders in order to determine whether to make a gratis allotment of the Stock Acquisition Rights, trigger the acquisition provision and other countermeasures. In such case, the Company's Board of Directors shall promptly carry out convocation procedures for a General Meeting of Shareholders at which the agenda items shall be to seek approval regarding the gratis allotment of Stock Acquisition Rights, and triggering of the acquisition provision and other countermeasures.

The resolution of the General Meeting of Shareholders shall be adopted by a majority vote of the shareholders present who may exercise their right to vote. The result of the General Meeting of Shareholders shall be disclosed promptly after such resolution is made.

(vii) Resolution of the Board of Directors

The Company's Board of Directors shall make a resolution regarding the gratis allotment of Stock Acquisition Rights, the triggering of the acquisition provision, and the triggering or non-triggering of other countermeasures without delay, as an entity under the Companies Act, by following the prescribed Plan procedures and paying the utmost respect to the Special Committee's recommendations (recommendations regarding the triggering of the countermeasures pursuant to (iii) above, or the non-triggering of countermeasures pursuant to (v) above), or in accordance with the above resolution of the General Meeting of Shareholders, except in an unusual situation where a director has obviously breached the duty of care as a good manager.

The Acquirer Group shall not conduct the Large-Scale Acquisition unless the Company's Board of Directors has resolved not to trigger the gratis allotment of Stock Acquisition Rights or other such countermeasures by following the prescribed Plan procedures.

(b) The Plan's Effective Period, Abolition and Changes

As long as no resolution is passed to abolish the Plan at the Company's Ordinary General Meeting of Shareholders held each fiscal year, the Plan will automatically renew for a further year.

However, if a resolution is made by the Company's Board of Directors or at the Company's General Meeting of Shareholders to abolish the Plan or the Special Committee unanimously resolves to abolish the Plan, the Plan shall be abolished at that point, even during the effective period.

The Plan may also be modified or changed prior to the expiration of the effective period by the Company's Board of Directors to the extent approved by the General Meeting of Shareholders subject to the approval of a majority of the incumbent members and a majority of the outside expert members of the Special Committee.

## 2. Outline of the Company's Special Committee for Appraising Corporate Value

The Company's Special Committee for Appraising Corporate Value is an outside advisory body separate from the Board of Directors that will consider the adequacy of measures for matters such as those inquired about by the Company's Board of Directors based on the Plan and other such matters in determining whether such items will

maximize the Company's corporate value, and give recommendations based upon the results. The Company's Board of Directors will respect the Special Committee's recommendation to the utmost degree and make final decisions on preliminary responses based on the response policy and matters that are necessary to the countermeasures. The Company's Audit & Supervisory Board shall supervise the Board of Directors' and the Special Committee's decision-making process.

The Special Committee shall consist of outside members including: (1) one to three of the Company's or Tokyo Broadcasting System Television Inc.'s outside directors; (2) one to two of the Company's or Tokyo Broadcasting System Television Inc.'s outside audit & supervisory board members, and (3) one to three experts from outside the Company with achievements as attorneys-at-law, public accountants, persons experienced in investment banking companies, management, and experienced scholars knowledgeable about the Companies Act. (However, all these parties shall have no interest in the Acquirer Group that is the target of the preliminary responses or countermeasures.) The term of office for each committee member shall be two years.

### **3. Outline of Gratis Allotment of Stock Acquisition Rights**

#### **(a) Entitled Shareholders**

The Company will make a gratis allotment of stock acquisition rights to the shareholders whose names are entered or recorded in the last shareholder register on the record date determined by the Company's Board of Directors (the date immediately following the occurrence of the acts subject to the Plan as set out in the body of (a) (i) of "1. Plan Details" above), for one stock acquisition right per share in the Company held by those shareholders (excluding shares of common stock held by the Company).

#### **(b) Class and Number of Shares to be Issued upon Exercise of Stock Acquisition Rights**

The class of shares to be issued upon exercise of stock acquisition rights will be shares of common stock in the Company and the number of shares to be issued upon exercise will be one share or a fraction of one share of common stocks in the Company as determined by the Company's Board of Directors.

#### **(c) Conditions for Exercise of Stock Acquisition Rights**

The Company's Board of Directors will determine the conditions for exercise of stock acquisition rights. (The Company may attach a condition for exercise that the Company will not allow an exercise of the rights by any party it designates pursuant to the procedures prescribed by the Board of Directors as a party who belongs to an Acquirer Group (hereinafter referred to as the "Exceptional Party")).

#### **(d) Acquisition of Stock Acquisition Rights by the Company**

- (i) The Company may establish, by resolution of its Board of Directors, an acquisition clause allowing only an acquisition of (x) all stock acquisition rights or (y) the stock acquisition rights owned by stock acquisition rights holders other than the Exceptional Party upon the occurrence of certain events or the arrival of certain dates that are determined by the Board of Directors.
- (ii) If the Company establishes an acquisition clause set out in (i) above and acquires stock acquisition rights from a stock acquisition rights holder other than the Exceptional Party, the Company will, in exchange for one stock acquisition right, deliver to the stock acquisition rights holder the number of shares of common stock in the Company to be predetermined by the Board of Directors as one share or a fraction of one share. Also, if the Company acquires stock acquisition rights from a stock acquisition rights holder who is the Exceptional Party, the Company may, in exchange for one stock acquisition right, deliver to the stock acquisition rights holder new stock acquisition rights issued in place of the existing stock acquisition rights or other property.
- (iii) If, as a result of acquiring the stock acquisition rights pursuant to the acquisition clause set out in (i) above, foreign shareholders that do not fall under the Exceptional Party will hold 20% or more of the total voting rights of the Company, for those shares of common stock to be issued to those foreign shareholders as consideration for acquisitions that will compose 20% or more of the total voting rights of the Company, the Company will, in exchange for one stock acquisition right, deliver new stock acquisition rights or other property in place of the existing stock acquisition right, both in proportion to the holding ratio of each such foreign shareholders.

#### **4. Impact on Shareholders, etc.**

(a) Impact of renewal of the Plan on shareholders and investors

Since the Stock Acquisition Rights will not be issued at the renewal of the Plan, the rights of shareholders and investors will not be affected.

(b) Impact on shareholders and investors during the Board of Directors Evaluation Period

In the preliminary response during the Board of Directors Evaluation Period, the Company will disclose to the shareholders and investors as appropriate and to the extent necessary the materials, etc. provided by the Acquirer Group or collected by the Company, as well as our opinions and judgments based on such materials, etc. In addition, we will present an alternative proposal, if any. The Company considers the preliminary response as an important opportunity to disclose information necessary for shareholders and investors to make decisions.

(c) Impact on shareholders and investors due to gratis allotment of Stock Acquisition Rights

Under the structure of countermeasures envisioned in the Plan, at the time of gratis allotment of Stock Acquisition Rights, there will be a dilution of the value per share of the Company's stocks held by shareholders, but there will be no dilution of the value of our stocks held as a whole. Therefore, we do not expect any direct or specific impact on the legal rights and economic interests of shareholders and investors. However, there is a possibility that the legal rights and economic interests of the Exceptional Party could be affected as a result of the triggering of countermeasures.

When triggering the countermeasures under the Plan, the Company will disclose the information in a timely and appropriate manner in accordance with the relevant laws and regulations and the rules of the relevant financial instrument's exchanges, and will give sufficient consideration and take appropriate measures to prevent any unforeseen damage or disadvantage to our shareholders and investors. In addition, after the resolution of the gratis allocation of Stock Acquisition Rights as a countermeasure and the ex-rights pertaining to the gratis allocation of Stock Acquisition Rights, the Company will not cancel the gratis allocation of Stock Acquisition Rights or acquire the Stock Acquisition Rights allocated without contribution in order to avoid any unforeseen damage or disadvantage to our shareholders and investors.

#### **(4) Positions of the Board of Directors Concerning Specific Initiatives, and Reasons for Those Positions**

The Plan aimed at ensuring and improving both the Company's corporate value and the common interests of shareholders and based on the policy for responding to takeover proposals, adopted at the Board of Directors' meeting held on May 18, 2005, was repositioned and partially amended at the Board of Directors' meeting held on February 28, 2007 to prohibit inappropriate parties in light of the basic policy from controlling the decisions on the Company's financial and business policies, and approved by the resolution approved at the 2007 shareholders' meeting. The partial amendments were made based on resolutions at the Board of Directors' meetings held on April 3, 2009, March 4, 2021, and April 24, 2025, within the necessary and minimum scope, which we assessed that the amendments made were within the resolution approved at the 2007 shareholders' meeting.

The response policy after the revision (the "Plan") was developed, adheres to the corporate legal systems such as the Companies Act, the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" jointly released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (the "Government Guidelines"); and the "Guidelines for Corporate Takeovers—Enhancing Corporate Value and Securing Shareholders' Interests" released by the Ministry of Economy, Trade and Industry on August 31, 2023. In addition, the details of the Plan are in line with practices and discussions associated with the "Takeover Defense Measures in Line with Recent Environmental Changes" announced on June 30, 2008 by the Corporate Value Research Group established by the Ministry of Economy, Trade and Industry; "Principle 1.5 Anti-Takeover Measures" of the Corporate Governance Code published by the Tokyo Stock Exchange; and other takeover response policies. The Plan has been created with sufficient regard to the shareholders' rights, the exercise thereof, and the Company shares' impact on the stock markets on which they are listed. A General Meeting of Shareholders will be convened as a general rule to allow direct canvassing of the wishes of shareholders before the countermeasures are triggered, and to ensure fairness and objectivity, a Special Committee for Appraising Corporate Value, consisting of highly independent outside directors, outside audit & supervisory board members and outside experts, shall give advice about triggering or not triggering the countermeasures, and such advice shall be followed to the greatest possible extent, and the Plan can be terminated by a single resolution of a General Meeting of Shareholders. Accordingly, the amended policy is seen as contributing to our corporate value

and the common interests of shareholders and not as a policy designed to maintain the positions of officers of the Company.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

Accounting Item	98th Business Term As of March 31, 2025	Accounting Item	98th Business Term As of March 31, 2025
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets:</b>	<b>202,958</b>	<b>Current liabilities:</b>	<b>109,782</b>
Cash and deposits	74,597	Notes and accounts payable - trade	52,849
Notes and accounts receivable - trade, and contract assets	80,383	Current portion of long-term borrowings	1,150
Securities	30	Accounts payable - other	14,122
Inventories	19,499	Income taxes payable	19,122
Prepaid expenses	20,171	Accrued consumption taxes	1,855
Other	8,443	Accrued expenses	2,220
Allowance for doubtful accounts	(166)	Provision for bonuses	5,029
		Provision for bonuses for directors (and other officers)	14
		Other	13,418
<b>Non-current assets:</b>	<b>1,093,167</b>		
<b>Property, plant and equipment:</b>	<b>274,118</b>	<b>Non-current liabilities:</b>	<b>237,109</b>
Buildings and structures	83,162	Long-term borrowings	12,727
Machinery, equipment and vehicles	7,023	Retirement benefit liability	14,507
Tools, furniture and fixtures	3,290	Provision for share awards	3,841
Land	172,805	Lease liabilities	274
Leased assets	79	Deferred tax liabilities	188,124
Construction in progress	7,758	Other	17,634
		<b>Total liabilities</b>	<b>346,892</b>
<b>Intangible assets:</b>	<b>49,906</b>	<b>NET ASSETS</b>	
Software	6,879	<b>Shareholders' equity:</b>	<b>518,459</b>
Goodwill	21,523	<b>Share capital</b>	<b>54,986</b>
Other	21,503	<b>Capital surplus</b>	<b>24,747</b>
		<b>Retained earnings</b>	<b>452,389</b>
<b>Investments and other assets:</b>	<b>769,141</b>	<b>Treasury shares</b>	<b>(13,663)</b>
Investment securities	756,458		
Long-term loans receivable	15	<b>Accumulated other comprehensive income:</b>	<b>417,252</b>
Deferred tax assets	2,405	<b>Valuation difference on available-for-sale securities</b>	<b>416,276</b>
Long-term prepaid expenses	378	<b>Deferred gains or losses on hedges</b>	<b>15</b>
Other	10,014	<b>Foreign currency translation adjustment</b>	<b>367</b>
Allowance for doubtful accounts	(130)	<b>Remeasurements of defined benefit plans</b>	<b>592</b>
		<b>Non-controlling interests</b>	<b>13,520</b>
		<b>Total net assets</b>	<b>949,232</b>
<b>Total assets</b>	<b>1,296,125</b>	<b>Total liabilities and net assets</b>	<b>1,296,125</b>



## Consolidated Statements of Income

(Millions of yen)

Accounting Item	98th Business Term From April 1, 2024 to March 31, 2025
<b>Net sales</b>	<b>406,700</b>
<b>Cost of sales</b>	<b>277,962</b>
<b>Gross profit</b>	<b>128,738</b>
Selling, general and administrative expenses	109,273
<b>Operating profit</b>	<b>19,465</b>
<b>Non-operating income</b>	<b>13,656</b>
Interest income	40
Dividend income	13,059
Share of profit of entities accounted for using equity method	80
Other	476
<b>Non-operating expenses</b>	<b>1,517</b>
Interest expenses	102
Commission expenses	329
Non-deductible consumption tax, etc.	307
Loss on retirement of non-current assets	258
Other	519
<b>Ordinary profit</b>	<b>31,604</b>
<b>Extraordinary income</b>	<b>40,186</b>
Gain on sale of investment securities	37,654
Gain on sale of shares of subsidiaries and associates	2,532
<b>Extraordinary losses</b>	<b>2,085</b>
Removal expenses of non-current assets	813
Loss on valuation of shares of subsidiaries and associates	707
Business restructuring expenses	272
Loss on valuation of investment securities	184
Loss on sale of investment securities	91
Impairment losses	16
<b>Profit before income taxes</b>	<b>69,705</b>
Income taxes - current	25,530
Income taxes - deferred	(1,326)
<b>Profit</b>	<b>45,501</b>
Profit attributable to non-controlling interests	1,586
<b>Profit attributable to owners of parent</b>	<b>43,914</b>

## Consolidated Statements of Changes in Equity

(Fiscal Year from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	54,986	34,257	416,582	(17,129)	488,696
Changes during period					
Dividends of surplus			(8,100)		(8,100)
Profit attributable to owners of parent			43,914		43,914
Change in scope of equity method			(6)		(6)
Purchase of treasury shares				(9,712)	(9,712)
Disposal of treasury shares		644		3,023	3,667
Cancellation of treasury shares		(10,155)		10,155	—
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	(9,510)	35,807	3,466	29,762
Balance at end of period	54,986	24,747	452,389	(13,663)	518,459

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	647,812	24	311	813	648,962	12,287	1,149,947
Changes during period							
Dividends of surplus							(8,100)
Profit attributable to owners of parent							43,914
Change in scope of equity method							(6)
Purchase of treasury shares							(9,712)
Disposal of treasury shares							3,667
Cancellation of treasury shares							—
Change in treasury shares arising from change in equity in entities accounted for using equity method							0
Net changes in items other than shareholders' equity	(231,535)	(8)	55	(221)	(231,709)	1,232	(230,477)
Total changes during period	(231,535)	(8)	55	(221)	(231,709)	1,232	(200,714)
Balance at end of period	416,276	15	367	592	417,252	13,520	949,232

# Notes to Consolidated Financial Statements

## Basis of Preparing Consolidated Financial Statements

### 1. Scope of Consolidation

#### (1) Consolidated subsidiaries

Number of consolidated subsidiaries: 28

Names of principal consolidated subsidiaries

Principal subsidiaries are as listed in Business Report “Principal Subsidiaries.”

Bellon Entertainment Inc. was included in the scope of consolidation effective from the fiscal year under review due to the acquisition of its shares by Tokyo Broadcasting System International, Inc., a consolidated subsidiary of the Company. TOKYO BROADCASTING SYSTEM KOREA, INC. was included in the scope of consolidation effective from the fiscal year under review due to its establishment. TERAKOYA GROUP Co., Ltd. was included in the scope of consolidation effective from the fiscal year under review due to the acquisition of its shares by YARUKI Switch Group Co., Ltd., a consolidated subsidiary of the Company. LightUp Shopping Club Inc. was excluded from the scope of consolidation effective from the fiscal year under review due to the transfer of all of its shares by StylingLife Holdings Inc., a consolidated subsidiary of the Company.

#### (2) Non-consolidated subsidiaries

Name of principal non-consolidated subsidiary: Telepac Co. Ltd.

The 29 non-consolidated subsidiaries are all minor in terms of various items, including total assets, net sales, profit/loss (based on the Company's share interest) and retained earnings (based on the Company's share interest), and their overall effect on the Company's consolidated financial statements is minimal.

### 2. Application of Equity Method

#### (1) Affiliated companies to which equity method is applied

Number of companies: 6

Name of principal equity-method affiliated company: WOWOW Inc. and U-NEXT Co., Ltd.

Bi Xin Luo (Shanghai) Cosmetics, Inc. was excluded from the scope of application of the equity method effective from the fiscal year under review because of its decreased materiality.

#### (2) Affiliated companies to which equity method is not applied

Name of principal non-equity-method company: Kids Station Inc.

The 29 non-consolidated subsidiaries and 30 affiliated companies are all minor in terms of profit/loss (based on the Company's share interest) and retained earnings (based on the Company's share interest), and have minimal effect on the Company's consolidated financial statements. Because of their limited overall significance, the equity method has not been applied and the companies have instead been valued at cost.

### 3. Fiscal Year Ends of Consolidated Subsidiaries

Tokyo Broadcasting System International, Inc., Bellon Entertainment Inc., and TOKYO BROADCASTING SYSTEM KOREA, INC. had fiscal years that ended on December 31. YARUKI Switch Group Holdings Co., Ltd., YARUKI Switch Group Co., Ltd., YARUKI Switch Careers Co., Ltd., YP Switch Co., Ltd., and TERAKOYA GROUP Co., Ltd. had fiscal years that ended on February 28. The consolidated financial statements were prepared using its financial statements as of its term-end and have been adjusted to reflect important transactions that took place between the term-end of the company and March 31, 2025.

### 4. Notes on Accounting Policies

#### (1) Basis and method of valuation of major assets

##### a. Basis and method of valuation of securities

Held-to-maturity securities: Amortized cost method (straight line)

Shares of subsidiaries and affiliated companies: At cost, using the moving average method

Available-for-sale securities:

Securities other than shares without a market price, etc.: At market value (Net unrealized gains/losses are shown in net assets. Realized gains/losses are calculated using the moving average method.)

Shares without a market price, etc.: At cost based on the moving average method

b. Basis and method of valuation of inventories

Merchandise and finished goods:

Mainly at cost, using the moving average or total average method (book value written down based on decline in profitability)

Programs and work in progress:

Mainly at cost, using the identified cost method (book value written down based on decline in profitability)

Raw materials and supplies:

Mainly at cost, using the moving average or total average method (book value written down based on decline in profitability)

(2) Method of depreciation of major depreciable assets

Property, plant and equipment (excluding leased assets)

Buildings      Straight-line method

Structures      Straight-line method (However, declining balance method is adopted for structures acquired on or before March 31, 2016.)

Other      Declining balance method

Intangible assets (excluding leased assets)

Straight-line method: Software (items used in-house) is amortized using the straight-line method over the estimated useful life of the item (five years).

Leased assets

Leased assets under finance leases that transfer ownership

Depreciated based on the same depreciation method as is applied to our own non-current assets.

Leased assets under finance leases that do not transfer ownership

Depreciated using the straight-line method over the lease period with no residual value.

Long-term prepaid expenses

Amortized using the straight-line method

(3) Accounting policies for major provisions

a. Allowance for doubtful accounts

To provide against losses on defaults of notes and accounts receivable - trade and loans receivable, the Company provides the allowance for doubtful accounts based on a historical experience for general claims and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.

b. Provision for bonuses

To provide for the payment of bonuses to employees, the Company provides the amount accrued at the end of the current fiscal year out of the amount of bonuses expected to be paid.

c. Provision for bonuses for directors (and other officers)

The Company provides a provision for bonus payments to directors and audit & supervisory board members based on the amount estimated at the end of the fiscal year.

d. Provision for share awards:

To provide for the delivery of the Company's shares to the Group's directors and audit & supervisory board members as well as employees, the Company provides a provision based on the estimated share award obligation.

(4) Accounting policies for significant revenue and expenses

The Group recognizes revenue using the following five-step approach.

Step 1: Identifying the contract with a customer

Step 2: Identifying the performance obligations under the contract

Step 3: Calculating the transaction price

Step 4: Allocating the transaction price to the performance obligations under the contract

Step 5: Recognizing the revenue when the relevant company has satisfied the performance obligations

The details of the main performance obligations stemming from the primary businesses that generate revenue from contracts with the Group's clients and normal timing for satisfying those performance obligations (normal timing for recognizing the revenue) are as follows.

The Group mainly engages in the broadcasting-related business and the retailing business. In the broadcasting-related business, the Company broadcast programs and advertisements primarily for viewers and listeners. The performance obligations are judged to be satisfied upon broadcasting programs and advertisements; therefore, revenue is recognized upon said point in time. In the retailing business, the Company has judged that the performance obligations are satisfied when merchandise and finished goods are delivered and the customer acquires control over said merchandise and finished goods; therefore, revenue is recognized upon delivery of merchandise and finished goods. However, for wholesale and mail order sales via the Internet, the period from the shipment to the time when control over merchandise and finished goods are transferred to the customer is normal, and therefore the revenue is recognized upon shipment. Furthermore, for revenue, the estimated amount of rebates and similar items are deducted from the compensation stipulated in contracts with customers, and only revenue from items highly unlikely to suffer significant impairment are recognized. As for the sales of merchandise and finished goods in which the Group falls under the category of agent of when providing goods or services to customers, the net amount after deducting payments to other related parties from the relevant total compensation is recognized as revenue.

(5) Notes on accounting estimates

Items for which the amount was recorded in the consolidated financial statements for the fiscal year under review based on accounting estimates, and which may have a material impact on the consolidated financial statements for the following fiscal year, are as follows.

Valuation of goodwill and other intangible assets

1. Amount recorded in the consolidated financial statements for the fiscal year under review

Goodwill resulting from the acquisition of shares of YARUKI Switch Group Holdings Co., Ltd.	¥15,695 million
Other intangible assets	¥18,682 million

2. Information on the contents of significant accounting estimates related to identified items

a. Method for calculating the amount recorded in the consolidated financial statements for the fiscal year under review

If there is an indication that goodwill and other intangible assets ("Goodwill, Etc.") may be impaired, the Company determines whether an impairment loss should be recognized by comparing the total undiscounted future cash flows expected to be generated from the asset group with their book value. If, as a result of the judgment, it is necessary to recognize an impairment loss, the book value is reduced to the recoverable amount and the reduction in the book value of Goodwill, Etc. is recognized as an impairment loss.

Aforementioned indications of impairment include continued losses from operating activities, as well as the occurrence or expectation of significant deterioration in the business environment related to the operations.

In judging whether there has been significant deterioration in the business environment and similar events, the Company evaluates the achievability of future business performance targets set in the business plan at the time of the acquisition of shares, and examines whether the excess earning power of Goodwill, Etc. has been impaired.

In the fiscal year under review, the Company assessed the status of accomplishment of the business plan targets at the time of the acquisition of shares as of the fiscal year-end, and examined the feasibility of the future business plans. As a result, the Company determined that there was no indication that Goodwill, Etc. related to YARUKI Switch Group Holdings Co., Ltd. was impaired.

b. Main assumptions used in accounting estimates and their impact on the consolidated financial statements for the following fiscal year

The asset value of Goodwill, Etc. recognized as excess earning power is based on the business plan formulated by YARUKI Switch Group Holdings Co., Ltd., which uses assumptions such as the number of students, unit price per student, and changes in personnel expenses. Therefore, even if there is no continued negative profit or cash flows from operating activities, a significant deterioration in the business environment, which may result from changes in business operations or from external factors

such as market conditions that affect such assumptions underlying the business plan, may influence the assessment of indicators of impairment and could have a material impact on the consolidated financial statements for the following fiscal year.

- (6) Standards for foreign currency translation of important foreign currency-denominated assets or liabilities  
All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates as of the consolidated balance sheets date with translation differences recorded as profit or loss. Assets, liabilities, revenue and expenses of overseas subsidiaries are translated into Japanese yen at the spot exchange rate with translation adjustments included in foreign currency translation adjustment under net assets.
- (7) Other significant items for preparing consolidated financial statements
- a. Accounting treatment for retirement benefits  
To provide for retirement and severance payments to employees, retirement benefit liability is accounted for based on the estimated amount at the end of the fiscal year and the difference between benefit obligations and fair value of pension assets is recognized. In calculating the retirement benefit obligations, the Company has mainly adopted the straight-line basis while some subsidiaries have adopted benefit formula basis as a method of attributing the estimated amount to the period up to the fiscal year under review. Prior service cost is mainly amortized starting at the time of occurrence of such cost, and actuarial gains and losses are mainly amortized starting from the following fiscal year after the period in which such cost is incurred.  
Unrecognized actuarial gains and losses and unrecognized prior service cost are recorded after adjusting tax effects in remeasurements of defined benefit plans in accumulated other comprehensive income under net assets.
  - b. Amortization of goodwill  
Goodwill is amortized on a straight-line basis within 20 years from the year of acquisition. However insignificant goodwill is charged or credited to profit in the year of acquisition.

## Notes on Changes in Accounting Policies

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter the “Revised Accounting Standard 2022”), etc. from the beginning of the fiscal year under review.

The revision to the accounting classification for current income taxes (taxation on other comprehensive income) follows the transitional treatment provided for in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment provided for in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “Revised Guidance 2022”). This change in accounting policies has no effect on the consolidated financial statements.

Regarding the revision related to the review of the treatment in the consolidated financial statements when gain or loss on sale of shares in subsidiaries, etc. resulting from transactions between consolidated companies is deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the fiscal year under review.

## Notes on Consolidated Balance Sheets

### 1. Inventories

Merchandise and finished goods:	¥8,944 million
Programs and work in progress:	¥9,712 million
Raw materials and supplies:	¥841 million

2. Accumulated Depreciation of Property, Plant and Equipment ¥226,509 million  
Accumulated depreciation includes accumulated impairment loss.

3. Guarantee Liabilities  
Employees' housing loans ¥182 million
4. Amount Deducted From Acquisition Prices of Property, Plant and Equipment for State Subsidies Etc. Received ¥1,734 million

## Notes on Consolidated Statements of Changes in Equity

### 1. Class and Total Numbers of Shares Issued, and Class and Numbers of Treasury Shares

(Shares)

	Number of Shares at the Beginning of Fiscal Year Under Review	Increase During Fiscal Year Under Review	Decrease During Fiscal Year Under Review	Number of Shares at the End of Fiscal Year Under Review
Numbers of Shares Issued				
Common Stock (Note 1)	168,591,065	—	3,000,000	165,591,065
Total	168,591,065	—	3,000,000	165,591,065
Treasury shares				
Common Stock (Notes 2, 3, 4)	6,963,827	2,572,900	3,957,449	5,579,278
Total	6,963,827	2,572,900	3,957,449	5,579,278

Note 1: A decrease of 3,000,000 issued shares of common stock was due to the cancellation of 3,000,000 treasury shares.

Note 2: The number of treasury shares at the end of the fiscal year under review includes 3,399,682 shares of the Company held by the Stock-Granting ESOP (Employee Stock Ownership Plan) Trust and 268,336 shares of the Company held by the Share Grant Trust Account for Directors.

Note 3: An increase of 2,572,900 treasury shares of common stock was due to the purchase of 2,343,600 treasury shares by the resolution of the Board of Directors, the purchase of 220,000 treasury shares by the Share Grant Trust Account for Directors, the purchase of 4,824 shares from retirees with restricted share-based incentives for the Employees' Shareholding Association, and the purchase of 4,476 shares as less-than-one-unit shares.

Note 4: A decrease of 3,957,449 treasury shares of common stock was due to the cancellation of 3,000,000 treasury shares, the disposal of 619,100 treasury shares as restricted share-based incentives for the Employees' Shareholding Association, the disposal of 286,438 treasury shares as restricted share-based remuneration, the disposal of 37,548 treasury shares by the Stock-Granting ESOP Trust, the disposal of 14,164 treasury shares by the Share Grant Trust Account for Directors, a decrease of 100 shares arising from requests for the additional purchase of shares as less-than-one-unit shares, and a decrease of 99 shares arising from change in equity in entities accounted for using the equity method.

## 2. Dividends

### (1) Cash dividends paid

Resolution	Class of Shares	Total Dividends (million yen)	Dividends Per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 27, 2024	Common stock	3,633	22	Mar. 31, 2024	Jun. 28, 2024
Board of Directors' meeting on November 8, 2024	Common stock	4,467	27	Sep. 30, 2024	Dec. 6, 2024

Note 1: The amount of "Total Dividends" resolved at the Ordinary General Meeting of Shareholders on June 27, 2024 includes dividends of ¥75 million for shares of the Company held by the Stock-Granting ESOP Trust and dividends of ¥1 million for shares of the Company held by the Share Grant Trust Account for Directors.

Note 2: The amount of "Total Dividends" resolved at the Board of Directors held on November 8, 2024 includes dividends of ¥92 million for shares of the Company held by the Stock-Granting ESOP Trust and dividends of ¥7 million for shares of the Company held by the Share Grant Trust Account for Directors.

### (2) Dividends for which the record date is in the fiscal year under review, and the effective date is in the following fiscal year.

Scheduled Resolution	Class of Shares	Total Dividends (million yen)	Source of Dividends	Dividends Per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders on June 27, 2025	Common stock	6,712	Retained earnings	41	Mar. 31, 2025	Jun. 30, 2025

Note: The amount of "Total Dividends" includes dividends of ¥139 million for shares of the Company held by the Stock-Granting ESOP Trust and dividends of ¥11 million for shares of the Company held by the Share Grant Trust Account for Directors.



## Notes on Financial Instruments

### 1. Status of Financial Instruments

The Company and the Group limit our fund management options to short-term savings and the like, procuring funding through borrowings from banks and other financial institutions.

Efforts are made to reduce client credit risk regarding notes and accounts receivable - trade, and contract assets by regularly monitoring clients' financial positions. Investment securities mainly consist of stock of companies which have business relationships with the Company and are exposed to market price fluctuation risks. However, the market values of listed shares are monitored on a quarterly basis.

Borrowings were made mainly to provide funds for working capital, capital investments, business finance and repayment of borrowings.

### 2. Fair Values of Financial Instruments

The consolidated balance sheets amounts, fair values, and differences between the two as of March 31, 2025 (the consolidated balance sheets date) are as follows. Shares without a market price, etc. (consolidated balance sheet amount of ¥47,961 million) are not included in "securities and investment securities."

(Millions of yen)

	Consolidated balance sheets amount (*)	Fair value (*)	Difference
(1) Notes and accounts receivable - trade, and contract assets	80,383	80,145	-238
(2) Securities and investment securities			
a. Held-to-maturity securities	50	48	-1
b. Shares of subsidiaries and associates	9,853	4,541	-5,312
c. Available-for-sale securities:	693,276	693,276	—
(3) Long-term borrowings (including current portion of long-term borrowings)	(13,877)	(13,877)	0

(\*) The liability items are in brackets ( ).

Note 1: "Cash and deposits," "Notes and accounts payable - trade" and "Accounts payable - other"

The amount has been omitted because they are cash and items with a fair value that is close to the book value since they are settled in a short period.

Note 2: Notes on calculating fair value of financial instruments and securities

#### (1) Notes and accounts receivable - trade, and contract assets

Since they are mostly settled within a short period, the fair values thereof are essentially equal to the book values. Accordingly, the corresponding book value is used as the fair value. The fair values of part of accounts receivable - trade are based on the present values calculated by discounting at a rate with collection period and credit risk taken into account.

#### (2) Securities and investment securities

The market quotation at the exchange is used as the fair value for shares and the price presented by the correspondent financial institution and other entities is used as the fair value for bonds and others.

#### (3) Long-term borrowings (including current portion of long-term borrowings)

Long-term borrowings with variable interest rates are stated at book value as the interest rate on these borrowings reflects the market rate in a short period of time and their market values approximate book values. Therefore, they are based on their respective book values. Long-term borrowings with fixed interest rates are calculated based on their present value by discounting the total amount of principal and interest using interest rates that would presumably apply under a scenario of arranging new borrowings of a similar nature.

Note 3: Information is omitted with respect to the investments in partnership or equivalent entities, the equity in which is recorded in net amount on the consolidated balance sheet. The consolidated balance sheet amount of such investments stood at ¥5,347 million.

### 3. Breakdown of Fair Values of Financial Instruments by Level

Fair values of financial instruments are categorized into the following three levels according to the observability and significance of inputs related to fair value measurement.

Fair Value Level 1: Among observable inputs related to fair value measurement, the fair value measured based on the quoted price, formed in an active market, related to the asset or liability subject to the said fair value measurement

Fair Value Level 2: Among observable inputs related to fair value measurement, the fair value measured using inputs related to the fair value measurement other than the Level 1 inputs

Fair Value Level 3: The fair value measured using unobservable inputs related to fair value measurement

If multiple inputs which have a significant impact on fair value measurement are used, the fair value is categorized into the lowest level in terms of the priority in fair value measurement among the levels of these inputs.

(1) Financial instruments recorded in the consolidated balance sheet at fair value

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities:				
Shares	693,276	—	—	693,276
Total assets	693,276	—	—	693,276

(2) Financial instruments other than those recorded in the consolidated balance sheet at fair value

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	—	80,145	—	80,145
Securities and investment securities				
Held-to-maturity securities				
Bonds payable	—	48	—	48
Shares of subsidiaries and affiliated companies				
Shares of affiliated companies	4,541	—	—	4,541
Total assets	4,541	80,193	—	84,734
Long-term borrowings (including current portion of long-term borrowings)	—	(13,877)	—	(13,877)
Total liabilities	—	(13,877)	—	(13,877)

Notes and accounts receivable - trade, and contract assets

For some accounts receivable - trade held by the Company, the present value calculated by discounting at a rate with collection period and credit risk taken into account is used as the fair value, and that fair value is categorized as Fair Value Level 2 because the quoted price cannot be deemed as that in a vigorous market as the frequency of trades in markets is small.

Securities and investment securities

Listed shares are traded in an active market. Therefore, the fair value is categorized into Fair Value Level 1. On the other hand, bonds payable held by the Company are rarely traded in markets and the quoted price cannot be deemed as that in an active market. Therefore, the fair value is categorized into Fair Value Level 2.

Long-term borrowings (including current portion of long-term borrowings)

The fair value of long-term borrowings is measured at present value calculated by discounting the principal and interest using the interest rate deemed applicable to borrowings with similar conditions, and categorized into Fair Value Level 2.

## Notes on Investment and Rental Properties

### 1. Status of Investment and Rental Properties

The Company and some of its subsidiaries own office buildings (including land) for rent in Tokyo and other locations.

### 2. Fair Values of Investment and Rental Properties

(Millions of yen)

Consolidated balance sheets amount	Fair value at the end of the fiscal year under review
77,911	342,615

Note 1: The consolidated balance sheets amount was obtained by deducting the accumulated depreciation from the acquisition cost.

Note 2: The fair values of major properties at the end of the fiscal year under review were based on the appraisal report(s) prepared by an external real-estate appraiser(s). However, in case that no significant changes have occurred in certain estimated values and the index that seems to reflect market price appropriately since the latest evaluation, the corresponding estimated value and index are used for adjustment. The fair values of other properties were evaluated internally with reference to the "Real Estate Appraisal Standard."

## Notes on Revenue Recognition

### 1. Information on Disaggregation of Revenue from Contracts with Customers

Disaggregation of revenue recognized from contracts with customers is as follows.

(Millions of yen)

		Media & Content business	Lifestyle business	Real Estate & Other business	Total
Terrestrial advertising revenue	Time	80,049	—	—	80,049
	Spot	82,200	—	—	82,200
Other broadcasting-related revenue		51,153	—	—	51,153
Other real estate revenue		—	—	16,881	16,881
Other business revenue		82,839	93,576	—	176,416
Net sales to external customers		296,242	93,576	16,881	406,700

Note: Leasing revenue, etc. under leasing contracts is included.

### 2. Basic Information for Understanding Revenue

Basic information for understanding revenue is given in "(4) Accounting policies for significant revenue and expenses" under "4. Notes on Accounting Policies" of "Basis of Preparing Consolidated Financial Statements."

### 3. Information on Relationship Between Satisfaction of Performance Obligations under Contracts with Customers and Cash Flows Generated from Said Contracts, and Amount and Timing of Revenue Expected to Be Recognized in the Following Fiscal Year Onward Based on Contracts with Customers Existing as of the End of the Fiscal Year Under Review

#### (1) Balance, etc. of contract assets and contract liabilities

Receivables arising from contracts with customers during the fiscal year under review are as follows. For the Group, there is no significance in the balance of contract assets and contract liabilities as of the end of the fiscal year under review and changes from the end of the previous fiscal year.

Considerations related to revenue that the Group has recognized have been received within two months from the satisfaction of the performance obligations in general, and do not involve significant financial elements.

(Millions of yen)

	As of April 1, 2024	As of March 31, 2025
Receivables arising from contracts with customers	73,751	79,725

(2) Transaction prices allocated to remaining performance obligations

For the Group, there are no significant contracts the term of which is expected to exceed one year. In addition, in consideration arising from contracts with customers, there are no monetary amounts not included in transaction prices.

### Per Share Information

- |                         |           |
|-------------------------|-----------|
| 1. Net Assets per Share | ¥5,847.77 |
| 2. Profit per Share     | ¥273.04   |

Note 1: 3,399,682 shares of the Company held by the Stock-Granting ESOP Trust and 268,336 shares of the Company held by the Share Grant Trust Account for Directors are included in the treasury shares that are excluded from the total number of issued shares at the year end to calculate net assets per share.

Note 2: 3,420,616 shares of the Company held by the Stock-Granting ESOP Trust and 205,805 shares of the Company held by the Share Grant Trust Account for Directors are included in the treasury shares that are excluded from the calculation of the average number of treasury shares during the year to calculate profit per share.

### Significant Subsequent Events

#### (Sale of Investment Securities)

At the meeting of the Board of Directors held on April 24, 2025, the Company resolved to sell a portion of investment securities held by a wholly-owned subsidiary of the Company, and the investment securities were sold on from April 25 to April 28, 2025. As a result, the Company will record a gain on sale of investment securities (extraordinary income) in the fiscal year ending March 31, 2026.

(1) Reason for sale of investment securities

To be used as a source of funds for strategic investments, etc. and to review cross-shareholdings in accordance with the Corporate Governance Code

(2) Date of gain on sale of investment securities

From April 25 to April 28, 2025

(3) Details of sale of investment securities

- (i) Type of assets sold: Listed securities held by two wholly-owned subsidiaries of the Company: 4 stocks
- (ii) Gain on sale: ¥10,185 million

### Other Notes

1. Stock-Granting ESOP (Employee Stock Ownership Plan) Trust

The Company has introduced an employee incentive plan for the purpose of enhancing the employee welfare and increasing the medium- to long-term corporate value of its wholly-owned subsidiary, Tokyo Broadcasting System Television, Inc. (hereinafter “TBS Television”).

(1) Outline of the transactions

The Company has introduced the employee incentive plan with a view to enhancing the welfare of part of the employees of TBS Television (hereinafter the “TBS Television employees”) and further motivating them to contribute to increasing the Group’s medium- to long-term business performance and its corporate value. The introduction of the employee incentive plan involved the adoption of an arrangement called Stock-Granting ESOP (Employee Stock Ownership Plan) Trust (hereinafter the “ESOP Trust”). The ESOP Trust, which is an employee incentive plan formulated based on the ESOP in the United States, purchases shares of the Company and delivers such shares and/or grants the amount of cash to be realized from such shares to the TBS Television employees according to their job grade, etc.

As the employee incentive plan shall allow the TBS Television employees to benefit economically from the rising price of the Company’s shares, it is expected to incentivize the TBS Television employees who are conscious of the share price to better perform at work, as well as to enhance their morale. Furthermore, the Plan ensures that the exercise of voting rights in the shares of the Company as part of the Trust’s assets reflects the intention of the TBS Television employees as potential beneficiary, and thus is expected to prove

effective in improving the Company's corporate value through enhancing the TBS Television employees' sense of participation in the management.

(2) Shares of the Company remaining within the Trust

Shares of the Company remaining within the Trust are recorded as treasury shares under net assets in the consolidated balance sheet, based on the book value in the Trust. The book value and the number of such shares at the end of the fiscal year under review were ¥6,302 million and 3,399,682 shares, respectively.

2. Share Grant Trust Account for Directors

Certain subsidiaries of the Company (hereinafter the "Target Subsidiaries") have introduced a share-based remuneration system using a trust for Directors of the Target Subsidiaries (hereinafter the "Subsidiary Directors").

(1) Outline of the transactions

The share-based remuneration system that uses the Share Grant Trust Account for Directors aims to raise awareness of the Subsidiary Directors to contribute to improving medium- to long-term business performance and increasing corporate value, by clarifying the linkage between remuneration for the Subsidiary Directors and the value of shares of the Company, as well as by having the Subsidiary Directors share benefits and risks of fluctuations in share prices with shareholders.

The share-based remuneration system that uses the Share Grant Trust Account for Directors is a share-based remuneration system in which a trust established by the Company (hereinafter the "Trust") by contributing money on behalf of the Target Subsidiaries, as remuneration for the Subsidiary Directors, acquires the Company's shares using such money, and the Company's shares in a number equivalent to the number of points granted by the Target Subsidiaries to the Subsidiary Directors are granted to the Subsidiary Directors through the Trust.

In principle, the timing at which the Subsidiary Directors receive the Company's shares is a specified time during the trust period. Furthermore, by entering into a transfer restriction agreement between the Company and the Subsidiary Directors, such shares of the Company are subject to restrictions on transfer until resignation.

(2) Shares of the Company remaining within the Trust

Shares of the Company remaining within the Trust are recorded as treasury shares under net assets in the consolidated balance sheet, based on the book value in the Trust. The book value and the number of such shares at the end of the fiscal year under review were ¥997 million and 268,336 shares, respectively.

# Financial Statements

## Non-Consolidated Balance Sheets

(Millions of yen)

Accounting Item	98th Business Term As of March 31, 2025	Accounting Item	98th Business Term As of March 31, 2025
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets:</b>	<b>14,471</b>	<b>Current liabilities:</b>	<b>129,666</b>
Cash and deposits	8,228	Accounts payable - trade	2,119
Accounts receivable - trade	816	Short-term borrowings from subsidiaries and associates	125,116
Prepaid expenses	149	Current portion of long-term borrowings	750
Accounts receivable - other	4,478	Accounts payable - other	603
Other	797	Income taxes payable	110
		Accrued consumption taxes	239
		Accrued expenses	178
		Provision for bonuses	244
		Other	303
<b>Non-current assets:</b>	<b>916,853</b>	<b>Non-current liabilities:</b>	<b>140,946</b>
<b>Property, plant and equipment:</b>	<b>119,426</b>	Long-term borrowings	8,984
Buildings	31,487	Long-term deposits received	20,744
Structures	890	Provision for retirement benefits	5,959
Machinery and equipment	137	Provision for share awards	110
Vehicles	0	Deferred tax liabilities	104,829
Tools, furniture and fixtures	896	Other	317
Land	80,825	<b>Total liabilities</b>	<b>270,612</b>
Construction in progress	5,189	<b>NET ASSETS</b>	
		<b>Shareholders' equity:</b>	<b>427,105</b>
<b>Intangible assets:</b>	<b>869</b>	<b>Share capital</b>	<b>54,986</b>
Software	857	<b>Capital surplus</b>	<b>35,123</b>
Other	11	Legal capital surplus	10,026
		Other capital surplus	25,097
<b>Investments and other assets:</b>	<b>796,557</b>	<b>Retained earnings</b>	<b>350,607</b>
Investment securities	377,550	Legal retained earnings	4,217
Shares of subsidiaries and associates	411,454		
Investments in capital of subsidiaries and associates	5,183	Other retained earnings	346,390
Long-term loans receivable	14	General reserve	194,312
Long-term prepaid expenses	45	Retained earnings brought forward	152,077
		<b>Treasury shares</b>	<b>(13,612)</b>
Other	2,337	<b>Valuation and translation adjustments:</b>	<b>233,606</b>
Allowance for doubtful accounts	(27)	Valuation difference on available-for-sale securities	233,606
		<b>Total net assets</b>	<b>660,712</b>
<b>Total assets</b>	<b>931,325</b>	<b>Total liabilities and net assets</b>	<b>931,325</b>

## Non-Consolidated Statements of Income

(Millions of yen)

Accounting Item	98th Business Term From April 1, 2024 to March 31, 2025
<b>Operating revenue</b>	<b>20,777</b>
Real estate lease revenue	17,149
Other revenue	3,627
<b>Operating expenses</b>	<b>19,297</b>
Real estate lease expenses	8,195
Other business expenses	229
General and administrative expenses	10,872
<b>Operating profit</b>	<b>1,479</b>
<b>Non-operating income</b>	<b>23,723</b>
Interest and dividend income	23,697
Other	25
<b>Non-operating expenses</b>	<b>2,110</b>
Interest expenses	242
Share-related expenses	1,245
Commission expenses	313
Other	308
<b>Ordinary profit</b>	<b>23,091</b>
<b>Extraordinary income</b>	<b>92</b>
Gain on sale of investment securities	92
<b>Extraordinary losses</b>	<b>1,728</b>
Loss on valuation of shares of subsidiaries and associates	707
Removal expenses of non-current assets	603
Business restructuring expenses	272
Loss on sale of investment securities	144
<b>Profit before income taxes</b>	<b>21,456</b>
Income taxes - current	1,447
Income taxes - deferred	369
<b>Profit</b>	<b>19,640</b>

**Non-Consolidated Statements of Changes in Equity**  
(Fiscal Year from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Other retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	54,986	35,026	9,607	44,634	4,217	194,312	140,538	339,068
Changes during period								
Dividends of surplus							(8,100)	(8,100)
Profit							19,640	19,640
Purchase of treasury shares								
Disposal of treasury shares			644	644				
Cancellation of treasury shares			(10,155)	(10,155)				
Transfer from legal capital surplus to other capital surplus		(25,000)	25,000	–				
Net changes in items other than shareholders' equity								
Total changes during period	–	(25,000)	15,489	(9,510)	–	–	11,539	11,539
Balance at end of period	54,986	10,026	25,097	35,123	4,217	194,312	152,077	350,607

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(17,078)	421,611	440,296	440,296	861,907
Changes during period					
Dividends of surplus		(8,100)			(8,100)
Profit		19,640			19,640
Purchase of treasury shares	(9,712)	(9,712)			(9,712)
Disposal of treasury shares	3,023	3,667			3,667
Cancellation of treasury shares	10,155	–			–
Transfer from legal capital surplus to other capital surplus		–			–
Net changes in items other than shareholders' equity			(206,690)	(206,690)	(206,690)
Total changes during period	3,465	5,494	(206,690)	(206,690)	(201,195)
Balance at end of period	(13,612)	427,105	233,606	233,606	660,712



## Notes to Non-Consolidated Financial Statements

### Basis of Preparing Non-Consolidated Financial Statements

#### 1. Basis and Method of Valuation of Assets

##### (1) Basis and method of valuation of securities

Shares of subsidiaries and affiliated companies: At cost, using the moving average method

Available-for-sale securities:

##### a. Securities other than shares without a market price, etc.:

Market value method (Net unrealized gains/losses are shown in net assets. Realized gains/losses are calculated using the moving average method.)

##### b. Shares without a market price, etc.:

At cost, using the moving average method

##### (2) Basis and method of valuation of inventories

Programs and work in progress: Mainly at cost, using the identified cost method (book value written down based on decline in profitability)

#### 2. Method of Depreciation of Non-current Assets

Property, plant and equipment

Buildings Straight-line method

Structures Straight-line method (However, declining balance method is adopted for structures acquired on or before March 31, 2016.)

Other Declining balance method

Intangible assets

Straight-line method: Software (items used in-house) is amortized using the straight-line method over the estimated useful life of the item (five years).

Long-term prepaid expenses

Amortized using the straight-line method

#### 3. Accounting Policies for Provisions

##### (1) Allowance for doubtful accounts

To provide against losses on defaults of notes and accounts receivable - trade and loans receivable, the Company provides the allowance for doubtful accounts based on a historical experience for general claims and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.

##### (2) Provision for bonuses

To provide for the payment of bonuses to employees, the Company provides the amount accrued at the end of the current fiscal year out of the amount of bonuses expected to be paid.

##### (3) Provision for retirement benefits

The Company provides a provision for retirement and severance payments to employees based on the benefit obligations estimated at the end of the fiscal year under review. The Company has adopted the straight-line basis as a method of attributing the estimated amount to the period up to the fiscal year under review. Actuarial gains and losses are amortized in the following fiscal year after the period in which they are incurred.

##### (4) Provision for share awards

To provide for the delivery of the Company's shares to the Group's directors and audit & supervisory board members, the Company provides a provision based on the estimated share award obligation.

#### 4. Accounting policies for significant revenue and expenses

The Company recognizes revenue using the following five-step approach.

Step 1: Identifying the contract with a customer

Step 2: Identifying the performance obligations under the contract

Step 3: Calculating the transaction price

Step 4: Allocating the transaction price to the performance obligations under the contract

Step 5: Recognizing the revenue when the relevant company has satisfied the performance obligations

The details of the main performance obligations stemming from the primary businesses that generate revenue from contracts with the Company's clients and normal timing for satisfying those performance obligations (normal timing for recognizing the revenue) are as follows.

The main revenue generated from contracts with customers are management fees, and based on the contracts with the various subsidiaries and associates, the Company is obligated to conduct management operations. Obligations related to these management fees are recognized as revenue over the contract period.

5. Notes on accounting estimates

Items for which the amount was recorded in the non-consolidated financial statements for the fiscal year under review based on accounting estimates, and which may have a material impact on the non-consolidated financial statements for the following fiscal year, are as follows.

Valuation of shares of affiliated companies

(1) Amount recorded in the non-consolidated financial statements for the fiscal year under review

Investment in YARUKI Switch Group Holdings Co., Ltd. ¥30,111 million

(2) Information on the contents of significant accounting estimates related to identified items

a. Method for calculating the amount recorded in the non-consolidated financial statements for the fiscal year under review

The Company recognizes impairment losses on shares without a market price, etc. when their real value has declined significantly, unless the possibility of recovery is supported by sufficient evidence.

As of the end of the fiscal year under review, the Company compared the acquisition cost of YARUKI Switch Group Holdings Co., Ltd. with their real value, which reflects excess earning power, etc. As a result, the Company determined that there was no significant decline in the real value. and that no impairment losses needed to be recognized for the fiscal year under review.

b. Main assumptions used in accounting estimates and impact on the non-consolidated financial statements for the following fiscal year

The calculation of real value reflecting excess earning power, etc. is based on the business plan formulated by YARUKI Switch Group Holdings Co., Ltd., which uses assumptions such as the number of students, unit price per student, and changes in personnel expenses. Therefore, a significant deterioration in the business environment, which may result from changes in business operations or from external factors such as market conditions that affect such assumptions underlying the business plan, may influence the calculation of real value reflecting excess earning power, etc. and could have a material impact on the non-consolidated financial statements for the following fiscal year.

6. Standards for Foreign Currency Translation of Foreign Currency-denominated Assets or Liabilities

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates as of the balance sheets date with translation differences recorded as profit or loss.

7. Other Significant Basic Items for Preparing Financial Statements

(1) Accounting treatment for retirement benefits

In the non-consolidated financial statements, treatment for unrecognized actuarial gains and losses for retirement benefits in the non-consolidated balance sheets is different from that in the consolidated financial statements.

**Notes on Changes in Accounting Policies**

(Application of "Accounting Standard for Current Income Taxes," etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter the "Revised Accounting Standard 2022"), etc. from the beginning of the fiscal year under review.

The revision to the accounting classification for current income taxes (taxation on other comprehensive income) follows the transitional treatment provided for in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment provided for in the proviso of Paragraph 65-2 (2) of the "Guidance

on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “Revised Guidance 2022”). This change in accounting policies has no effect on the non-consolidated financial statements.

## Notes on Non-Consolidated Balance Sheets

1. Accumulated Depreciation of Property, Plant and Equipment	¥47,088 million
2. Guarantee Liabilities	
Employees’ housing loans	¥182 million
3. Receivables from and payables to subsidiaries and associates (excluding accounting items presented separately)	
Short-term receivables from subsidiaries and associates	¥7,654 million
Short-term payables to subsidiaries and associates	¥693 million

## Notes on Non-Consolidated Statements of Income

1. Transactions with subsidiaries and associates	
Operating revenue	¥4,687 million
Operating expenses	¥2,381 million
Transactions other than ordinary operation	¥14,779 million

## Notes on Non-Consolidated Statements of Changes in Equity

### 1. Class and number of treasury shares

				(Shares)
	Number of shares at the beginning of fiscal year under review	Increase during fiscal year under review	Decrease during fiscal year under review	Number of shares at the end of fiscal year under review
Common stock (Notes 1,2,3)	6,924,180	2,572,900	3,957,350	5,539,730
Total	6,924,180	2,572,900	3,957,350	5,539,730

Note 1: The number of treasury shares at the end of the fiscal year under review includes 3,399,682 shares of the Company held by the Stock-Granting ESOP (Employee Stock Ownership Plan) Trust and 268,336 shares of the Company held by the Share Grant Trust Account for Directors.

Note 2: An increase of 2,572,900 treasury shares of common stock was due to the purchase of 2,343,600 treasury shares by the resolution of the Board of Directors, the purchase of 220,000 treasury shares by the Share Grant Trust Account for Directors, the purchase of 4,824 shares from retirees with restricted share-based incentives for the Employees’ Shareholding Association, and the purchase of 4,476 shares as less-than-one-unit shares.

Note 3: A decrease of 3,957,350 treasury shares of common stock was due to the cancellation of 3,000,000 treasury shares, the disposal of 619,100 treasury shares as restricted share-based incentives for the Employees’ Shareholding Association, the disposal of 286,438 treasury shares as restricted share-based remuneration, the disposal of 37,548 treasury shares by the Stock-Granting ESOP Trust, the disposal of 14,164 treasury shares by the Share Grant Trust Account for Directors, and a decrease of 100 shares arising from requests for the additional purchase of shares as less-than-one-unit shares.

## Tax Effect Accounting

### 1. Main sources of deferred tax assets and liabilities

	Millions of yen
Investment securities and Shares of subsidiaries and associates	21,474
Provision for retirement benefits	1,878
Provision for bonuses	75
Valuation difference on available-for-sale securities	(107,461)
Other	844
Subtotal	(83,188)
Valuation reserve	(21,641)
Total	<u>(104,829)</u>

2. Main reasons for significant differences, if any, between the effective statutory tax rate and the effective income tax rate after applying tax effect accounting

Effective statutory tax rate (adjusted)	30.62%
Entertainment expenses	0.25%
Donations	1.95%
Dividend income	(23.45%)
Increase or decrease in valuation reserve	(0.50%)
Other	<u>(0.41%)</u>
Effective income tax rate after applying tax effect accounting	<u>8.46%</u>

3. Adjustment of deferred tax assets and deferred tax liabilities due to changes in the income tax rate, etc.  
Following the enactment of the “Act Partially Amending the Income Tax Act” (Act No. 13 of 2025) by the Diet on March 31, 2025, the “Special Defense Corporate Tax” will be imposed from the fiscal year beginning on or after April 1, 2026. Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences, etc. expected to reverse in the fiscal year beginning on or after April 1, 2026 have been calculated using the revised effective statutory tax rate of 31.52%, up from 30.62%.  
As a result of this change in tax rates, deferred tax liabilities (net of deferred tax assets) increased by ¥3,004 million, and income taxes - deferred decreased by ¥63 million as of the end of the fiscal year under review.  
In addition, valuation difference on available-for-sale securities decreased by ¥3,068 million.

## Notes on Revenue Recognition

### 1. Basic Information for Understanding Revenue

Basic information for understanding revenue is given in “4. Accounting Policies for Significant Revenue and Expenses” under “Basis of Preparing Non-Consolidated Financial Statements.”

## Transactions with Related Parties

### 1. Subsidiaries

(Millions of yen)

Classification	Name of Company etc.	Voting rights ownership	Relationship	Nature of transactions	Amount	Item	Year-end balance
Subsidiaries	Tokyo Broadcasting System Television, Inc.	Directly owning: 100%	Operation management Sharing of officers Borrowing of funds	Borrowings Note 1:	(3,992) Note 2:	Short-term borrowings from subsidiaries and associates	57,070
				Management fees Note 3:	2,117	Accounts receivable - trade	194
Subsidiaries	THE SEVEN, INC.	Directly owning: 100%	Operation management Sharing of officers Borrowing of funds	Borrowings Note 1:	2,486 Note 2:	Short-term borrowings from subsidiaries and associates	26,822
Subsidiaries	BS-TBS, INC.	Directly owning: 100%	Operation management Sharing of officers Borrowing of funds	Borrowings Note 1:	(506) Note 2:	Short-term borrowings from subsidiaries and associates	13,027
Subsidiaries	TBS Kikaku Co., Ltd.	Directly owning: 100%	Operation management Borrowing of funds	Borrowings Note 1:	(4,758) Note 2:	Short-term borrowings from subsidiaries and associates	11,639

Transaction terms and conditions, and policy for setting transaction terms and conditions, etc.

Note 1: The interest rate for borrowings is reasonably determined, taking market interest rates into account.

Note 2: This amount is the net of borrowings and repayments of short-term borrowings.

Note 3: Management fees are determined based on the agreement between the parties, taking the content of business operations into account.

### Per Share Information

- Net Assets per Share ¥4,128.13
- Profit per Share ¥122.08

Note 1: 3,399,682 shares of the Company held by the Stock-Granting ESOP Trust and 268,336 shares of the Company held by the Share Grant Trust Account for Directors are included in the treasury shares that are excluded from the total number of issued shares at the year end to calculate net assets per share.

Note 2: 3,420,616 shares of the Company held by the Stock-Granting ESOP Trust and 205,805 shares of the Company held by the Share Grant Trust Account for Directors are included in the treasury shares that are excluded from the calculation of the average number of treasury shares during the year to calculate profit per share.

### Other Notes

#### 1. Stock-Granting ESOP (Employee Stock Ownership Plan) Trust

Notes on the transactions related to the Stock-Granting ESOP Trust are omitted because the same details are described in “Other Notes” in Notes to Consolidated Financial Statements.

#### 2. Share Grant Trust Account for Directors

Notes on the transactions related to the Share Grant Trust Account for Directors are omitted because the same details are described in “Other Notes” in Notes to Consolidated Financial Statements.

# Audit Reports

## Independent Auditors' Report (Consolidated Statutory Report)

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

### **Independent Auditors' Report**

May 8, 2025

The Board of Directors  
TBS Holdings, Inc.

KPMG AZSA LLC  
Tokyo Office

Takeshi Nakatani  
Designated and Engagement Partner  
Certified Public Accountant

Daiki Sato  
Designated and Engagement Partner  
Certified Public Accountant

#### Audit Opinion

We have audited the consolidated statutory report, comprising the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in equity and the related notes of TBS Holdings, Inc. as of March 31, 2025 and for the 98th business term from April 1, 2024 to March 31, 2025 in accordance with Article 444 (4) of the Companies Act.

In our opinion, the consolidated statutory report referred to above presents fairly, in all material respects, the financial position and the results of operations of TBS Holdings, Inc. and its consolidated subsidiaries for the period, for which the consolidated statutory report was prepared, in conformity with accounting principles generally accepted in Japan.

#### Basis for the Audit Opinion

The audit was conducted in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in the section "Responsibility of Auditor in the Audit of the Consolidated Statutory Report." In accordance with the rules of professional ethics in Japan, we are independent from the Company and its consolidated subsidiaries and have fulfilled our other ethical responsibilities as Auditors. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

#### Other Information

Other Information consists of the business report and its supporting schedules. It is the responsibility of management to prepare and disclose Other Information. In addition, it is the responsibility of the Audit & Supervisory Board members and the Audit & Supervisory Board to monitor the performance of Directors' duties in the development and operation of the Other Information reporting process.

Other Information is not included in the scope of our audit opinion on the consolidated statutory report, and we do not express our opinion on Other Information.

Our responsibility in auditing the consolidated statutory report is to read through Other Information and, in the course of reading through Other Information, examine whether there is any significant discrepancy between Other Information and the consolidated statutory report or our knowledge obtained during the process of the audit, and in addition, pay attention to whether there is any sign of material error in Other Information other than such significant discrepancy.

We are required to report to that effect if we determined that there is any material error in Other Information based on the work we carried out.

There is no matter that we should report concerning Other Information.

Responsibility of Management, Audit & Supervisory Board and its Members for the Consolidated Statutory Report, etc.

Management is responsible for the preparation and fair presentation of the consolidated statutory report in accordance with accounting principles generally accepted in Japan. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated statutory report that are free from material misstatement due to fraud or error.

In preparing the consolidated statutory report, management is responsible for assessing whether it is appropriate to prepare the consolidated statutory report on the basis of going concern assumptions, and for disclosing going concern matters in accordance with business accounting principles generally accepted in Japan, if such disclosures are necessary.

It is the responsibility of the Audit & Supervisory Board members and the Audit & Supervisory Board to monitor the performance of Directors' duties in the development and operation of the financial reporting process.

Responsibility of Auditor in the Audit of the Consolidated Statutory Report

The auditor's responsibility is to obtain reasonable assurance about whether the consolidated statutory report as a whole is free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and to express an opinion on the consolidated statutory report in the Auditor's Report from an independent standpoint. A misstatement may result from fraud or error and is considered material if it, individually or in aggregate, could reasonably be expected to affect the decision-making of users of the consolidated statutory report.

The auditor shall exercise professional judgment throughout the course of the audit in accordance with auditing standards generally accepted in Japan, maintain professional skepticism, and perform the following.

- Identify and assess the risk of material misstatement due to fraud or error. Also design and implement audit procedures that address the risk of material misstatement. The selection and application of audit procedures is at the discretion of the auditor. In addition, obtain sufficient and appropriate audit evidence on which to base the opinion.
- In making risk assessments, the auditor considers internal controls that are relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Assess the suitability of the accounting policies adopted by management and the method of application thereof, and the rationality of the accounting estimates made by management and the related notes.
- Conclude whether it is appropriate for management to prepare the consolidated statutory report on a going concern basis and whether, based on the audit evidence obtained, there is a material uncertainty about events or circumstances that would give rise to a material doubt about the going concern. If there is a material uncertainty about the going concern, the auditor is required to draw attention to the notes to the consolidated statutory report in the auditor's report or, if the notes to the consolidated statutory report regarding the material uncertainty are not appropriate, to express an opinion on the consolidated statutory report with excepted matter. Although the auditor's conclusions are based on audit evidence obtained up to the date of the audit report, future events and circumstances may cause the entity to cease to be a going concern.

- Assess whether the presentation and notes to the consolidated statutory report comply with accounting principles generally accepted in Japan, and whether the presentation, structure and content of the consolidated statutory report, including related notes, and the presentation of transactions and the accounting matters on which the consolidated statutory report are based are appropriate.
- Plan and implement the audit of the consolidated statutory report to obtain sufficient and appropriate audit evidence about the financial information of the Company and its consolidated subsidiaries, which serves as a basis for expressing an opinion on the consolidated statutory report. The auditor is responsible for the direction, supervision and inspection of the audit of the consolidated statutory report. The auditor is solely responsible for the audit opinion.

The auditor shall report to the Audit & Supervisory Board members and the Audit & Supervisory Board on the scope and timing of the planned audit, any material audit findings, including any material weaknesses in internal controls identified in the course of conducting the audit, and any other matters required by the auditing standards.

The auditor shall report to the Audit & Supervisory Board members and the Audit & Supervisory Board on compliance with the rules of professional ethics on independence in Japan and any matters reasonably believed to affect the auditor's independence, and where applicable, the details of any measures taken in order to eliminate impediments and any safeguards that have been applied to reduce impediments to acceptable levels.

#### Interests

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.



## Independent Auditors' Report (Statutory Report)

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

### **Independent Auditors' Report**

May 8, 2025

The Board of Directors  
TBS Holdings, Inc.

KPMG AZSA LLC  
Tokyo Office

Takeshi Nakatani  
Designated and Engagement Partner  
Certified Public Accountant

Daiki Sato  
Designated and Engagement Partner  
Certified Public Accountant

#### Audit Opinion

We have audited the statutory report, comprising the balance sheets, the statements of income, the statements of changes in equity and the related notes, and its supporting schedules (hereinafter collectively referred to as the “statutory report, etc.”) of TBS Holdings, Inc. as of March 31, 2025 and for the 98th business term from April 1, 2024 to March 31, 2025 in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

In our opinion, the statutory report, etc. referred to above presents fairly, in all material respects, the financial position and the results of operations for the period, for which the statutory report, etc. was prepared, in conformity with accounting principles generally accepted in Japan.

#### Basis for the Audit Opinion

The audit was conducted in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in the section “Responsibility of Auditor in the Audit of the Statutory Report, etc.” In accordance with the rules of professional ethics in Japan, we are independent from the Company and have fulfilled our other ethical responsibilities as Auditors. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

#### Other Information

Other Information consists of the business report and its supporting schedules. It is the responsibility of management to prepare and disclose Other Information. In addition, it is the responsibility of the Audit & Supervisory Board members and the Audit & Supervisory Board to monitor the performance of Directors' duties in the development and operation of the Other Information reporting process.

Other Information is not included in the scope of our audit opinion on the statutory report, etc., and we do not express our opinion on Other Information.

Our responsibility in auditing the statutory report, etc. is to read through Other Information and, in the course of reading through Other Information, examine whether there is any significant discrepancy between Other Information and the statutory report, etc. or our knowledge obtained during the process of the audit, and in addition, pay attention to whether there is any sign of material error in Other Information other than such significant discrepancy.

We are required to report to that effect if we determined that there is any material error in Other Information based on the work we carried out.

There is no matter that we should report concerning Other Information.

Responsibility of Management, Audit & Supervisory Board and its Members for the Statutory Report, etc.

Management is responsible for the preparation and fair presentation of the statutory report, etc. in accordance with accounting principles generally accepted in Japan. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the statutory report, etc. that are free from material misstatement due to fraud or error.

In preparing the statutory report, etc., management is responsible for assessing whether it is appropriate to prepare the statutory report, etc. on the basis of going concern assumptions, and for disclosing going concern matters in accordance with business accounting principles generally accepted in Japan, if such disclosures are necessary.

It is the responsibility of the Audit & Supervisory Board members and the Audit & Supervisory Board to monitor the performance of Directors' duties in the development and operation of the financial reporting process.

Responsibility of Auditor in the Audit of the Statutory Report, etc.

The auditor's responsibility is to obtain reasonable assurance about whether the statutory report, etc. as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and to express an opinion on the statutory report, etc. in the Auditor's Report from an independent standpoint. A misstatement may result from fraud or error and is considered material if it, individually or in aggregate, could reasonably be expected to affect the decision-making of users of the statutory report, etc.

The auditor shall exercise professional judgment throughout the course of the audit in accordance with auditing standards generally accepted in Japan, maintain professional skepticism, and perform the following.

- Identify and assess the risk of material misstatement due to fraud or error. Also design and implement audit procedures that address the risk of material misstatement. The selection and application of audit procedures is at the discretion of the auditor. In addition, obtain sufficient and appropriate audit evidence on which to base the opinion.
- In making risk assessments, the auditor considers internal controls that are relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Assess the suitability of the accounting policies adopted by management and the method of application thereof, and the rationality of the accounting estimates made by management and the related notes.
- Conclude whether it is appropriate for management to prepare the statutory report, etc. on a going concern basis and whether, based on the audit evidence obtained, there is a material uncertainty about events or circumstances that would give rise to a material doubt about the going concern. If there is a material uncertainty about the going concern, the auditor is required to draw attention to the notes to the statutory report, etc. in the auditor's report or, if the notes to the statutory report, etc. regarding the material uncertainty are not appropriate, to express an opinion on the statutory report, etc. with excepted matter. Although the auditor's conclusions are based on audit evidence obtained up to the date of the audit report, future events and circumstances may cause the entity to cease to be a going concern.

- Assess whether the presentation and notes to the statutory report, etc. comply with accounting principles generally accepted in Japan, and whether the presentation, structure and content of the statutory report, etc., including related notes, and the presentation of the transactions and the accounting matters on which the statutory report, etc. are based are appropriate.

The auditor shall report to the Audit & Supervisory Board members and the Audit & Supervisory Board on the scope and timing of the planned audit, any material audit findings, including any material weaknesses in internal controls identified in the course of conducting the audit, and any other matters required by the auditing standards.

The auditor shall report to the Audit & Supervisory Board members and the Audit & Supervisory Board on compliance with the rules of professional ethics on independence in Japan and any matters reasonably believed to affect the auditor's independence, and where applicable, the details of any measures taken in order to eliminate impediments and any safeguards that have been applied to reduce impediments to acceptable levels.

#### Interests

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## Audit & Supervisory Board' Report

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

### AUDIT REPORT

The Audit & Supervisory Board has received the reports of the business performance of the directors during the 98th business term from April 1, 2024 through March 31, 2025 from each of the Audit & Supervisory Board members. After discussing the reports, we have prepared this Audit Report and report as follows.

#### 1. Method and Details of Audit Performed by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established the audit policy and division of responsibilities, received reports on the status and results of audits from Audit & Supervisory Board members, received reports on the status of execution of duties from directors and independent auditors, and requested explanations when necessary.
- (2) Each of the Audit & Supervisory Board members, in accordance with the auditing standards established by the Audit & Supervisory Board, audit plan and division of responsibilities, worked to communicate with directors, the Compliance Division, the Internal Audit Division and other employees, made efforts to gather information and establish the audit environment, and conducted audits in the following manner.
  - i) We attended the meetings of the Board of Directors and other important meetings, received reports from the directors and other managers on their duties, requested explanations when necessary, inspected documents concerning matters such as important decisions, and investigated the conditions of the business and financial conditions. Standing statutory Audit & Supervisory Board members concurrently serve as Audit & Supervisory Board members of important subsidiaries, and we worked to communicate and exchange information with directors and Audit & Supervisory Board members of subsidiaries and received reports on operations when necessary. From the perspective of Group audits, liaison meetings were held with standing statutory Audit & Supervisory Board members of the Group companies as members to exchange information and opinions.
  - ii) We received periodic reports from directors and employees on the status with respect to the content of the resolution of the Board of Directors concerning the establishment and operation of the systems necessary to ensure that the business performance by the directors, as shown in the Business Report, complies with laws and the Articles of Incorporation, and other systems necessary to ensure the properness of operations of a Corporate Group consisting of a Stock Company and its subsidiaries stipulated in Paragraphs 1 and 3 of Article 100 of the Regulation for Enforcement of the Companies Act and the status of the system based on such resolution (internal control system). When necessary, we requested explanations and expressed opinions.
  - iii) We examined the principal of policies and efforts of controlling the Company (Item 3 (a) and (b) of Article 118 of the Regulation for Enforcement of the Companies Act) as shown in the Business Report, understanding discussions made at the Board of Directors' meeting or other occasions.
  - iv) In addition to monitoring and examining whether the independent auditor maintained an independent position and performed auditing appropriately, we received reports from the independent auditor on the execution of its duties and requested explanations when necessary. In addition, we received notice from the independent auditor that "The systems for ensuring the proper execution of duties" (set forth in each Item of Article 131 of the Rules of Corporate Accounting) is organized in accordance with the "Standards for Quality Control of Audit" (Business Accounting Council) and other relevant standards, and requested explanations when necessary.

Based on the above methods, we examined the Business Report and supporting schedules, non-consolidated financial statements (balance sheets, statements of income, statements of changes in equity, notes to non-consolidated financial statements), supporting schedules, and the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in equity, notes to consolidated financial statements) for the fiscal year under review.

## 2. Result of Audit

### (1) Result of audit of Business Report

- i) The Business Report and supporting schedules fairly represent the condition of the Company in accordance with the law and the Articles of Incorporation of the Company.
- ii) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws or the Company's Articles of Incorporation by any of the directors in carrying out their duties.
- iii) We believe the details of resolutions of the Board of Directors regarding the internal control system are appropriate. We found no matters of note regarding the contents of the Business Report and the execution of duties of directors regarding the internal control system.
- iv) Nothing has to be reported to point out in the principle policies for controlling the Company as a part of the Business Report. We have assured that the efforts made to realize the policies in the Business Report are accordance with Item 3 (b) of Article 118 of the Regulation for Enforcement of the Companies Act and they are aiming at neither harming the common interest of shareholders nor protecting own interests of the directors of the Company.

### (2) Result of audit of non-consolidated financial statements and supporting schedules

In our opinion, the audit procedures and audit results received from the independent auditor KPMG AZSA LLC are appropriate.

### (3) Result of audit of consolidated financial statements

In our opinion, the audit procedures and audit results received from the independent auditor KPMG AZSA LLC are appropriate.

May 14, 2025

Audit & Supervisory Board of  
TBS Holdings, Inc.

Standing Statutory Audit & Supervisory Board Member  
Tetsu Fujiwara

Standing Statutory Audit & Supervisory Board Member  
Naoya Tsukui

Outside Audit & Supervisory Board Member  
Mie Fujimoto

Outside Audit & Supervisory Board Member  
Masahiko Oshima

Outside Audit & Supervisory Board Member  
Junko Kogayu