

Securities Code: 9401
June 3, 2024

Dear Shareholders:

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

Notice of Convocation of the 97th Ordinary General Meeting of Shareholders

We are pleased to announce the 97th 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 Wednesday, June 26, 2024 (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. [Thursday], June 27, 2024
(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 97th fiscal year (from April 1, 2023 to March 31, 2024)
2. Report on the non-consolidated financial statements for the 97th fiscal year (from April 1, 2023 to March 31, 2024)

Matters for Resolution

<Company Proposals>

First Item of Business: Appropriation of Surplus

Second Item of Business: Reduction in the Amount of Legal Capital Surplus

Third Item of Business: Partial Amendments to the Articles of Incorporation

Fourth Item of Business: Election of Ten (10) Directors

Fifth Item of Business: Election of Five (5) Audit & Supervisory Board Members

<Shareholder Proposal>

Sixth Item of Business: Appropriation of Surplus

The outline of the Shareholder Proposal (Sixth 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

The Current Position of TBS Holdings, Inc. and its Subsidiaries
 Business Activities and Results
 Priorities
 Assets and Profit/Loss
 Main Business Activities
 Principal Sales Office
 Work Force
 Main Lenders
 Common Stock
 Accounting Auditors
 System for Ensuring the Appropriateness of Business Operations
 Basic Policy Regarding Parties Deciding on Financial and Business Policies of TBS Holdings, Inc.

Consolidated Financial Statements

Consolidated Balance Sheets
 Consolidated Statements of Income
 Consolidated Statements of Changes in Equity
 Notes to Consolidated Financial Statements
 Financial Statements
 Non-Consolidated Balance Sheets
 Non-Consolidated Statements of Income
 Non-Consolidated Statements of Changes in Equity
 Notes to Non-Consolidated Financial Statements
 Audit Reports
 Independent Auditors' Report (Consolidated Statutory Report)
 Independent Auditors' Report (Statutory Report)
 Audit & Supervisory Board's Report

These items are included in the Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements audited by the Accounting Auditor or Audit & Supervisory Board members when preparing the Audit Reports or the Independent Auditors' Report.

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 Fifth 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, the Company takes basic policies to implement annual dividends on a stable and continual basis, with a target of a dividend payout ratio of 30% of the consolidated profit attributable to owners of parent for the fiscal year under review. The Company has decided that dividend per share during the period of this Medium-term Management Plan (FY2021 to FY2023) shall not fall below ¥30. With respect to the year-end dividend for FY2023, 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:
¥22 per share of common stock of the Company
The total dividend amount: ¥3,633,665,530
Including the interim dividend of ¥22, the annual dividend will be ¥44 per share.
- (3) Effective date for dividends from surplus to shareholders:
June 28, 2024

Second Item of Business: Reduction in the Amount of Legal Capital Surplus

1. Reason for reduction in the amount of legal capital surplus

In order to prepare for future flexible capital policies and to ensure the agility and flexibility of financial strategies to promote the Planning of Akasaka Entertainment City Initiative and other growth strategies to achieve the “TBS Group Medium-term Management Plan 2026” and “TBS Group VISION 2030” beyond the plan, it is proposed to reduce the amount of legal capital surplus and transfer it to other capital surplus in accordance with the provisions of Article 448, Paragraph 1 of the Companies Act.

2. Details of reduction in the amount of legal capital surplus

(1) Amount of legal capital surplus to be reduced

Out of ¥35,026,114,648 in legal capital surplus, ¥25,000,000,000 will be reduced and the entire amount of reduction will be transferred to other capital surplus, bringing the amount of legal capital surplus after the reduction to ¥10,026,114,648.

(2) Schedule for reduction in the amount of legal capital surplus

Date of resolution by Board of Directors: May 14, 2024

Date of resolution by General Meeting of Shareholders: June 27, 2024 (plan)

Date of public notice of creditors' objection: July 23, 2024 (plan)

Final date for creditors' objection: August 23, 2024 (plan)

Effective date: August 30, 2024 (plan)

Third Item of Business: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) Toward the realization of “TBS Group VISION2030,” the Company is promoting innovation in content creativity and “EDGE,” an expansion strategy for unlimited expansion of the content we have created. As part of the initiatives, the Company made YARUKI Switch Group Holdings Co., Ltd. a consolidated subsidiary on June 29, 2023 for the purpose of making a full advance into the intellectual training and education business, and also announced its full-scale entry into the gaming industry, through Tokyo Broadcasting System Television, Inc., in July 2023. As a result of this, the purpose of business stipulated in Article 2 of the Articles of Incorporation shall be partially amended.
- (2) In order to maintain an appropriate number of Directors, the number of Directors stipulated in Article 21 of the Articles of Incorporation shall be reduced from “no more than twenty (20)” to “no more than fourteen (14).”

2. Details of the amendments are as follows.

(The underlined portions indicate the changes.)

Current Articles of Incorporation	Proposed amendments
<p>(Purpose) Article 2.</p> <ol style="list-style-type: none"> 1. The purpose of the Company shall be, by holding shares or equity in companies that carry out the following businesses (including foreign companies), associations (including those equivalent to associations in foreign countries), and other similar business entities, to control and manage the business activities thereof, as well as to support the business activities of such companies, etc. 1. through 12. (Omitted) 13. Development and sales of computer-related software 14. through 35. (Omitted) 36. <u>Management of the education business related to broadcasting and communication, language and beauty, etc.</u> 37. All operations incidental or related to any of the preceding items 2. The Company may engage in businesses listed in each item of the preceding paragraph or all businesses incidental or related thereto. <p>(Number and Election of Directors) Article 21.</p> <ol style="list-style-type: none"> 1. Directors of the Company shall not exceed <u>twenty (20)</u>, and shall be elected by a resolution of a General Meeting of Shareholders. 2. A resolution for the election of Directors shall be adopted by a majority vote of the shareholders in attendance who hold one-third or more of the voting rights of shareholders who are entitled to exercise voting rights. 3. Cumulative voting shall not be used for the resolution to elect Directors. 	<p>(Purpose) Article 2.</p> <ol style="list-style-type: none"> 1. The purpose of the Company shall be, by holding shares or equity in companies that carry out the following businesses (including foreign companies), associations (including those equivalent to associations in foreign countries), and other similar business entities, to control and manage the business activities thereof, as well as to support the business activities of such companies, etc. 1. through 12. (Unchanged) 13. <u>Planning</u>, development and sales of computer-related software 14. through 35. (Unchanged) 36. <u>Education business</u> 37. All operations incidental or related to any of the preceding items 2. The Company may engage in businesses listed in each item of the preceding paragraph or all businesses incidental or related thereto. <p>(Number and Election of Directors) Article 21.</p> <ol style="list-style-type: none"> 1. Directors of the Company shall not exceed <u>fourteen (14)</u>, and shall be elected by a resolution of a General Meeting of Shareholders. 2. A resolution for the election of Directors shall be adopted by a majority vote of the shareholders in attendance who hold one-third or more of the voting rights of shareholders who are entitled to exercise voting rights. 3. Cumulative voting shall not be used for the resolution to elect Directors.

Fourth 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 Ordinary General Meeting of Shareholders.

Accordingly, the Company would like to ask shareholders to elect ten (10) Directors at this Ordinary General Meeting of Shareholders. If this item is approved as originally proposed, the Company will continue to be a structure where Outside Directors make up at least 1/3 of the Board of Directors, and where one (1) of the Directors is 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	Newly-appointed	Ryujiro Abe	Male	President and Chief Executive Officer		●*	●*
3	Newly-appointed	Masamine Ryuho	Male	Vice President and Representative Director		●*	●*
4	Re-election	Tatsuo Sugai	Male	Executive Vice President and Board Director	85%		
5	Newly-appointed	Yasushi Gemba	Male	Managing Director		●*	●*
6	Newly-appointed	Shigetoshi Ida	Male	Managing Director			
7	Re-election Outside Independent	Hitoshi Kashiwaki	Male	Outside Director	100%	◎	◎
8	Re-election Outside Independent	Yosuke Yagi	Male	Outside Director	100%	●	●
9	Re-election Outside Independent	Makoto Haruta	Male	Outside Director	100%	●	●
10	Re-election Outside Independent	Natsuko Takei	Female	Outside Director	100%	●	●

◎ Refers to chair of Advisory Committee.

* If Mr. Ryujiro Abe, Mr. Masamine Ryuho, and Mr. Yasushi Gemba are elected as Directors, they will become members of the Nomination Advisory Committee and the Remuneration 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 Ryuhō	●					●	●		
Tatsuo Sugai	●					●	●	●	●
Yasushi Gemba		●				●			●
Shigetoshi Ida			●	●	●	●			
Hitoshi Kashiwaki	●	●			●			●	
Yosuke Yagi	●		●		●			●	
Makoto Haruta	●	●					●		●
Natsuko Takei				●			●	●	

Candidate number 1	Takashi Sasaki Date of birth Jul. 5, 1959	Re-election	Number of shares of the Company owned: 67,607 shares Attendance to meetings of Board of Directors: 13/13 (100%)
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Summary of career and position and areas of responsibility

<p>Apr. 1982: Joined the Company</p> <p>Jun. 2009: Division President of Finance Division of Tokyo Broadcasting System Television, Inc.</p> <p>Nov. 2010: Division President of Group Managerial Planning Division of the Company Division President of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc.</p> <p>Apr. 2012: Division President of Programming Division of Tokyo Broadcasting System Television, Inc.</p> <p>Apr. 2013: Executive Officer, Division President of Programming Division of Tokyo Broadcasting System Television, Inc.</p> <p>Feb. 2014: Executive Officer of the Company Executive Officer of Tokyo Broadcasting System Television, Inc.</p>	<p>Mar. 2015: Director of Tokyo Broadcasting System Television, Inc.</p> <p>Jun. 2015: Director of the Company</p> <p>Apr. 2016: Managing Director of the Company Managing Director of Tokyo Broadcasting System Television, Inc.</p> <p>Jun. 2017: Senior Managing Director of the Company Senior Managing Director of Tokyo Broadcasting System Television, Inc.</p> <p>Jun. 2018: President and Chief Executive Officer of the Company (incumbent) President and Representative Director of Tokyo Broadcasting System Television, Inc. (incumbent) Areas of responsibility: Office of Internal Audit</p>
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Important concurrent position outside the Company

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

Outside Director of The Mainichi Newspapers Group Holdings Co., Ltd.

Reason for nomination as candidate for Director

Mr. Takashi Sasaki currently supervises the policy for enhancing the corporate value of the Group as President and Chief Executive Officer of the Company and Tokyo Broadcasting System Television, Inc. He has extensive experience and achievements in corporate management, as well as a deep understanding and knowledge of the business environment.

Candidate number 2	Ryujiro Abe Date of birth May 11, 1964	Newly-appointed	Number of shares of the Company owned: 17,320 shares
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Summary of career and position and areas of responsibility

<p>Apr. 1988: Joined the Company</p> <p>Apr. 2016: Division President of Group Managerial Planning Division of the Company Division President of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc.</p> <p>Jun. 2017: President and Representative Director of TBS-VISION, Inc.</p> <p>Jun. 2018: Executive Officer of the Company</p>	<p>Jan. 2019: President and Representative Director of TBS Sparkle, Inc.</p> <p>Jun. 2020: Director of Tokyo Broadcasting System Television, Inc.</p> <p>Jun. 2022: Executive Officer in charge of Growth Strategy of the Company (incumbent)</p>
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Reason for nomination as candidate for Director

Mr. Ryujiro Abe contributes to enhancing the corporate value of the Group as Executive Officer in charge of growth strategy and General Manager of EDGE Strategy HQ. He has extensive experience and achievements in corporate management, as well as a deep understanding and knowledge of the business environment.

Candidate number 3	Masamine Ryuho	Date of birth November 1, 1964	Newly-appointed	Number of shares of the Company owned: 20,756 shares
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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. (incumbent)
Jun. 2018:	Director of the Company Director of Tokyo Broadcasting System Television, Inc.		

Reason for nomination as candidate for Director

Mr. Masamine Ryuho contributes to enhancing the corporate value of the Group in the posts of overseeing and promoting DX and distribution strategies, etc., as General Manager of Content Strategy HQ of Tokyo Broadcasting System Television, Inc., a core subsidiary. He has extensive experience and achievements in corporate management, as well as a deep understanding and knowledge of the business environment.

Candidate number 4	Tatsuo Sugai	Date of birth Sep. 28, 1959	Re-election	Number of shares of the Company owned: 42,729 shares Attendance to meetings of Board of Directors: 11/13 (85%)
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Summary of career and position and areas of responsibility

Apr. 1983:	Joined the Company	Mar. 2014:	Director of Tokyo Broadcasting System Television, Inc.
May 2010:	Division President of Sales Division of Tokyo Broadcasting System Television, Inc.	Jun. 2015:	Director of the Company
Apr. 2012:	Division President of Group Managerial Planning Division of the Company	Jun. 2018:	Managing Director of the Company Managing Director of Tokyo Broadcasting System Television, Inc.
Apr. 2013:	Executive Officer, Division President of Group Managerial Planning Division of the Company Executive Officer, Division President of Office of Corporate Planning of Tokyo Broadcasting System Television, Inc.	Jun. 2020:	Director, Head of Growth Strategy of the Company (incumbent) Senior Managing Director of Tokyo Broadcasting System Television, Inc. (incumbent)
Feb. 2014:	Executive Officer of the Company		
Important concurrent position outside the Company		Director of U-NEXT Co., Ltd.	
Senior Managing Director of Tokyo Broadcasting System Television, Inc.			
CEO of THE SEVEN, INC.			

Reason for nomination as candidate for Director

Mr. Tatsuo Sugai contributes to enhancing the corporate value of the Group in the post of Director as the head of the growth strategy division. He has experience and achievements in corporate management, as well as a deep understanding and knowledge of the business environment.

Candidate number 5	Yasushi Gemba	Date of birth Jul. 14, 1965	Newly-appointed	Number of shares of the Company owned: 17,838 shares
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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 (incumbent)
Jul. 2019:	Division President of Group Design Division of Tokyo Broadcasting System Television, Inc.		Director of Tokyo Broadcasting System Television, Inc. (incumbent)

Reason for nomination as candidate for Director

Mr. Yasushi Gemba contributes to enhancing the corporate value of the Group as Executive Officer in charge of financial strategy and General Manager of Financial Strategy HQ. He has experience and achievements in corporate management, as well as a deep understanding and knowledge of the business environment.

Candidate number 6	Shigetoshi Ida	Date of birth Nov. 30, 1965	Newly-appointed	Number of shares of the Company owned: 8,064 shares
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Summary of career and position and areas of responsibility

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

Reason for nomination as candidate for Director

Mr. Shigetoshi Ida contributes to enhancing the corporate value of the Group as Executive Officer in charge of ESG strategy. He has experience and achievements in corporate management, as well as a deep understanding and knowledge of the business environment.

Candidate number	7	Date of birth Hitoshi Kashiwaki Sep. 6, 1957	Re-election Outside Independent	Number of shares of the Company owned: 0 shares Attendance to meetings of Board of Directors: 13/13 (100%)
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Summary of career and position and areas of responsibility

<p>Jun. 2003: President and Representative Director of Recruit Co., Ltd. (current Recruit Holdings Co., Ltd.)</p> <p>Apr. 2012: Director and Senior Advisor of Recruit Holdings Co., Ltd.</p> <p>Dec. 2012: Outside Director of Suntory Beverage & Food Limited</p>	<p>Mar. 2016: Outside Director of ASICS Corporation</p> <p>May 2016: Outside Director of Matsuya Co., Ltd. (incumbent)</p> <p>Jun. 2018: Outside Director of the Company (incumbent) Director of Tokyo Broadcasting System Television, Inc.</p> <p>Feb. 2021: Outside Director of Kewpie Corporation (incumbent)</p>
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Important concurrent position outside the Company

Outside Director of Matsuya Co., Ltd. Outside Director of Kewpie Corporation

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

Mr. Hitoshi Kashiwaki has considerable experience and a high degree of knowledge as a member of top management of an operating company. 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 execution of the growth strategy “EDGE” set forth in “TBS Group VISION 2030” and continuous enhancement of the corporate value of the Group, he is nominated as candidate for Outside Director of the Company.

Candidate number	8	Date of birth Yosuke Yagi Aug. 12, 1955	Re-election Outside Independent	Number of shares of the Company owned: 0 shares Attendance to meetings of Board of Directors: 13/13 (100%)
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Summary of career and position and areas of responsibility

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

Representative Director of People First, Ltd. Chairman and Director of IWNC Inc., Ltd.
Board Member of ICMG Co., 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 an operating company. 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 execution of the growth strategy “EDGE” set forth in “TBS Group VISION 2030” and continuous enhancement of the corporate value of the Group, he is nominated as candidate for Outside Director of the Company.

Candidate number 9	Makoto Haruta 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: 13/13 (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. (incumbent)
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:	Director of Panasonic Corporation (incumbent)
		Apr. 2023:	Representative Director & President of ExaWizards Inc. (incumbent)

Important concurrent position outside the Company

Representative Director and CEO of betaCatalyst Inc.	Adviser of Money Forward, Inc.
Representative Director & President of ExaWizards Inc.	Director of Panasonic Corporation

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 an operating company. 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 execution of the growth strategy “EDGE” set forth in “TBS Group VISION 2030” and continuous enhancement of the corporate value of the Group, he is nominated as candidate for Outside Director of the Company.

Candidate number 10	Natsuko Takei 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: 10/10 (100%)
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Summary of career and position and areas of responsibility

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

Important concurrent position outside the Company

Director of Sony Institute of Higher Education
External Member of the Board of Tokyo Metro Co., Ltd.

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 an 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 execution of the growth strategy “EDGE” set forth in “TBS Group VISION 2030,” especially in promoting activities in the global domain, and 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: Mr. Hitoshi Kashiwaki, Mr. Yosuke Yagi, Mr. Makoto Haruta, and Ms. Natsuko Takei are candidates for Outside Directors.
- Note 3: The following are matters regarding candidates for Outside Directors:
- (1) Independent Directors
The Company has registered Mr. Hitoshi Kashiwaki, Mr. Yosuke Yagi, Mr. Makoto Haruta and Ms. Natsuko Takei as independent directors with the Tokyo Stock Exchange and will continue to appoint them as independent directors if they are reappointed.
 - (2) Number of years since assuming the office of Outside Director (until the conclusion of this General Meeting of Shareholders):
Hitoshi Kashiwaki: 6 years
Yosuke Yagi: 4 years

Makoto Haruta: 4 years

Natsuko Takei: 1 year

- (3) Ms. Natsuko Takei is expected to be appointed as a Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION at their 39th general meeting of shareholders to be held on June 20, 2024.

Note 4: Liability Limitation Agreement:

The Company has entered into an agreement with Mr. Hitoshi Kashiwaki, Mr. Yosuke Yagi, Mr. Makoto Haruta and Ms. Natsuko Takei that limits their liabilities as defined in the provision of Article 423, Paragraph 1 of the Companies Act. The Company will extend such agreement with them provided they are reappointed.

Note 5: 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 for Director is approved, 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.

Fifth Item of Business: Election of Five (5) Audit & Supervisory Board Members

The terms of all five (5) Audit & Supervisory Board Members of the Company will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company would like shareholders to elect five (5) Audit & Supervisory Board Members at this Ordinary General Meeting of Shareholders.

With respect to this item, the Company has obtained consent from the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Members are as follows:

Candidate number	Name			Position in the Company after election	Attendance to meetings of Board of Directors	Attendance to meetings of Audit & Supervisory Board
1	Newly-appointed	Tetsu Fujiwara	Male	Standing Statutory Audit & Supervisory Board Member		
2	Newly-appointed	Naoya Tsukui	Male	Standing Statutory Audit & Supervisory Board Member		
3	Re-election Outside Independent	Mie Fujimoto	Female	Outside Audit & Supervisory Board Member	92%	93%
4	Newly-appointed Outside Independent	Masahiko Oshima	Male	Outside Audit & Supervisory Board Member		
5	Newly-appointed Outside Independent	Junko Kogayu	Female	Outside Audit & Supervisory Board Member		

Candidate number 1	Tetsu Fujiwara	Date of birth Feb. 12, 1962	Newly-appointed	Number of shares of the Company owned: 266 shares
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Summary of career and position

Apr. 1985: Joined the Company
 Jul. 2018: Division President of Compliance Division (current Legal & Compliance Division) of the Company
 Division President of Compliance Division (current Legal & Compliance Division) of Tokyo Broadcasting System Television, Inc.
 Jul. 2020: Division President of Office of Internal Business Audit (current Office of Internal Audit) of the Company (incumbent)
 Division President of Office of Internal Business Audit (current Office of Internal Audit) of Tokyo Broadcasting System Television, Inc. (incumbent)

Reason for nomination as candidate for Audit & Supervisory Board Member

Mr. Tetsu Fujiwara has considerable knowledge of internal controls and audits through his experience as Division President of Legal & Compliance Division and Division President of Office of Internal Audit. Therefore, the Company has judged that he is an appropriate candidate for an Audit & Supervisory Board Member of the Company.

Candidate number 2	Naoya Tsukui	Date of birth Nov. 28, 1964	Newly-appointed	Number of shares of the Company owned: 6,133 shares
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Summary of career and position

Apr. 1987: Joined the Company
 Jul. 2018: Division President of Administration Division of the Company
 Division President of Administration Division of Tokyo Broadcasting System Television, Inc.
 Jun. 2020: Director of TBS Art & Technology Inc. (current TBS ACT, INC.) (incumbent)

Reason for nomination as candidate for Audit & Supervisory Board Member

Mr. Naoya Tsukui has considerable knowledge of finance and accounting through his experience as Head of Accounting Division and Division President of Administration Division. Therefore, the Company has judged that he is an appropriate candidate for an Audit & Supervisory Board Member of the Company.

Candidate number 3	Mie Fujimoto	Date of birth Aug. 17, 1967	Re-election Outside Independent	Number of shares of the Company owned: 0 shares Attendance to meetings of Board of Directors: 12/13 (92%) Attendance to meetings of Audit & Supervisory Board: 13/14 (93%)
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Summary of career and position

Apr. 1993:	Registered as lawyer Joined SHIN-TOKYO SOHGOH LAW OFFICE	Jun. 2016:	Outside Audit & Supervisory Board Member of the Company (incumbent)
Jun. 2009:	Outside Member of Audit & Supervisory Board of Kuraray Co., Ltd.	Jun. 2016:	Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc. (incumbent)
Apr. 2015:	Joined TMI Associates (incumbent)	Mar. 2019:	Outside Director of Kuraray Co., Ltd.
Jun. 2015:	Outside Audit & Supervisory Board Member of SEIKAGAKU CORPORATION	Mar. 2020:	Independent Director of EBARA CORPORATION (incumbent)

Important concurrent position outside the Company

Audit & Supervisory Board Member of Tokyo Broadcasting System Television, Inc. Partner of TMI Associates (lawyer)

Independent Director of EBARA CORPORATION

Reason for nomination as candidate for Outside Audit & Supervisory Board Member

Ms. Mie Fujimoto has extensive experience and high degree of knowledge as a lawyer specialized in corporate legal affairs. Although Ms. Fujimoto has not been involved in corporate management by other means than serving as an outside officer, for the above reason, she is expected to provide beneficial opinions, findings, and the like to the management of the Group from objective viewpoints. Accordingly, the Company has judged that she can appropriately perform the duties as an Outside Audit & Supervisory Board Member of the Company.

Candidate number 4	Masahiko Oshima	Date of birth Sep. 13, 1960	Newly-appointed Outside	Number of shares of the Company owned: 0 shares
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Summary of career and position

Apr. 2019:	Director and Deputy President of Sumitomo Mitsui Banking Corporation Deputy President and Executive Officer of Sumitomo Mitsui Financial Group, Inc.	Apr. 2023:	Deputy Chairman of Sumitomo Mitsui Banking Corporation
		Jun. 2023:	Outside Director of Toyota Motor Corporation (incumbent)
		Apr. 2024:	Advisor of Sumitomo Mitsui Banking Corporation (incumbent)

Important concurrent position outside the Company

Outside Director of Toyota Motor Corporation

Advisor of Sumitomo Mitsui Banking Corporation

Reason for nomination as candidate for Outside Audit & Supervisory Board Member

Mr. Masahiko Oshima has extensive experience and high degree of knowledge as a member of the top management of a financial institution, and has considerable knowledge of finance and accounting. He is expected to provide beneficial opinions, findings, and the like to the management of the Group from objective viewpoints. Accordingly, the Company has judged that he is an appropriate candidate for an Outside Audit & Supervisory Board Member of the Company.

Candidate number 5	Junko Kogayu	Date of birth Oct. 10, 1967	Newly-appointed Outside Independent	Number of shares of the Company owned: 0 shares
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Summary of career and position

Apr. 1991:	Joined Chuo Shinko Audit Corporation	Apr. 2020:	Joined Ayako Takeuchi Tax Accountant Office (incumbent)
Mar. 1994:	Registered as a certified public accountant	Dec. 2020:	Outside Director of NITCHO CORPORATION (incumbent)
Sep. 2006:	Joined PricewaterhouseCoopers Aarata (current PricewaterhouseCoopers Japan LLC)	Jun. 2021:	Outside Director of NISSIN CORPORATION (incumbent)
Jan. 2020:	Established Junko Kogayu Certified Public Accountant Office (incumbent)	Mar. 2022:	Outside Director of CERES INC.
Mar. 2020:	Registered as a tax accountant		

Important concurrent position outside the Company

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

Reason for nomination as candidate for Outside Audit & Supervisory Board Member

Ms. Junko Kogayu has extensive experience and high degree of knowledge as a certified public accountant and tax accountant, and has considerable knowledge of finance and accounting. Although Ms. Kogayu has not been involved in corporate management by other means than serving as an outside officer, for the above reason, she is expected to provide beneficial opinions, findings, and the like to the management of the Group from objective viewpoints. Accordingly, the Company has judged that she can appropriately perform the duties as an Outside Audit & Supervisory Board Member of the Company.

- Note 1: Each of candidates has no special interest in the Company.
- Note 2: Ms. Mie Fujimoto, Mr. Masahiko Oshima, and Ms. Junko Kogayu are candidates for Outside Audit & Supervisory Board Members.
- Note 3: The following are special notes regarding candidates for Outside Audit & Supervisory Board Members:
- (1) Independent Audit & Supervisory Board Members
The Company has registered Ms. Mie Fujimoto as an independent audit & supervisory board member with the Tokyo Stock Exchange and will continue to appoint her as an independent audit & supervisory board member if she is reappointed. In addition, Ms. Junko Kogayu meets the requirements for independent audit & supervisory board members as stipulated by the Tokyo Stock Exchange, and she is expected to be appointed as an independent audit & supervisory board member.
 - (2) Number of years since assuming the office of Audit & Supervisory Board Member (until the conclusion of this General Meeting of Shareholders):
Mie Fujimoto: 8 years
 - (3) In November 2019 when Ms. Mie Fujimoto was serving as Outside Director of Kuraray Co., Ltd., Kuraray Co., Ltd. received a cease-and-desist order from the Japan Fair Trade Commission for violations of the Antimonopoly Act in the manufacture and sale of specific activated carbon used in water purification and other facilities. Although Ms. Fujimoto had not been aware of such violations until they were found, she had been bringing people's attention to the importance of complying with laws and regulations on a regular basis at the Board of Directors and other meetings. After being aware of the fact of such violations, she checked the details of the initiatives at the Board of Directors and other meetings, and made suggestions to prevent the recurrence of such violations, thereby fulfilling her responsibility.
 - (4) Ms. Mie Fujimoto is scheduled to be appointed an External Member of the Board of Elematec Corporation at the 78th Ordinary General Meeting of Shareholders of Elematec Corporation to be held on June 26, 2024.
 - (5) While Mr. Masahiko Oshima was serving as Executive Officer of Sumitomo Mitsui Financial Group, Inc. (SMFG) and Director of Sumitomo Mitsui Banking Corporation, SMFG and SMBC Nikko Securities Inc., a subsidiary of SMFG, were issued administrative actions by the Financial Services Agency pursuant to the Financial Instruments and Exchange Act in October 2022, in connection with violation of Article 159, Paragraph 3 of the Financial Instruments and Exchange Act (illegal stabilization transactions) by several former executive officers and employees of SMBC Nikko Securities Inc. In addition, SMBC Nikko Securities Inc. was convicted by the Tokyo District Court in February 2023 in connection with the said violation, and the decision became

final. Furthermore, in October 2022, SMBC Nikko Securities Inc. was issued administrative actions by the Financial Services Agency pursuant to the Financial Instruments and Exchange Act, in connection with the receipt of undisclosed information among executive officers and employees of SMBC Nikko Securities Inc. and Sumitomo Mitsui Banking Corporation. In addition, SMFG and Sumitomo Mitsui Banking Corporation received an Order for Submission of Report from the Financial Services Agency in accordance with the Financial Instruments and Exchange Act and the Banking Act in connection with the said situation. Although Mr. Masahiko Oshima had not been aware of such situations, he had constantly mentioned the importance of complying with laws and regulations and ensuring appropriate operations and risk management at the Board of Directors and other meetings, while giving suggestions to thoroughly ensure the implementation thereof. Even after such situations were found, he promoted initiatives to effectively formulate and carry out measures to prevent recurrence, further strengthen the compliance system and internal control systems of SMBC Group as well as foster a sound corporate culture, mainly through deliberations at the Board of Directors and other meetings.

Note 4: Liability Limitation Agreement:

The Company has entered into an agreement with Ms. Mie Fujimoto that limits her liabilities as defined in the provision of Article 423, Paragraph 1 of the Companies Act. The Company will extend such agreement with her provided she is reappointed. Additionally, if the election of Mr. Masahiko Oshima and Ms. Junko Kogayu is approved, the Company will enter into such agreement with them.

Note 5: 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 for Audit & Supervisory Board Member is approved, 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.

Shareholder Proposal (Sixth Item of Business)

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

Sixth Item of Business: Appropriation of Surplus

Details of Shareholder Proposal

Appropriation of surplus of the company shall be as follows:

If the company's board of directors proposes an appropriation of surplus at the 97th Annual General Meeting of Shareholders, this proposal shall be independent of and in addition to the said board proposal.

- (1) Type of dividend property
Cash
- (2) The dividend amount per ordinary share
360 yen, less the amount of dividends per share of common stock based on the proposal for the appropriation of surplus proposed by the board of directors of the company that was approved at the 97th Ordinary General Meeting of Shareholders and the amount of interim dividends per share of common stock of 22 yen for the fiscal year ended March 31, 2024.
- (3) Allocation of dividend property and total amount thereof
The amount of dividend per share of common stock of the Company shall be the amount of dividend per share as described in (2) above.
The total amount of dividends shall be calculated by multiplying the dividend per share by the total number of common shares outstanding (excluding treasury stock) as of March 31, 2024.
- (4) Effective date of distribution of dividends of surplus
The day of the 97th Ordinary General Meeting of Shareholders of the Company

Reasons for the Proposal

At the end of last year, TBS Holdings held investment securities of 800 billion yen or more, accounting for no less than 80% of the company's total net assets. Hibiki Path Advisors, as the investment manager of the proposing shareholder, sent to the company and publicized a letter "Proposals on Measures to Enhance Corporate Value" ([Letter-to-TBS_final-English-2.pdf \(hibiki-path-advisors.com\)](#)) in May last year. As stated on pages 8-13 of the letter, while management strategy of the company is highly regarded, we believe that improvement in ROE and achieving a >1.0x PBR of the company can only be realized through a decisive Balance Sheet management, i.e., fixed amount dividend (exceeding the level of profit of the company) for certain consecutive years.

Our proposed dividend amount is approximately ten times as much as the average of amounts of the past three years. We consider that the company's financial soundness would not be deteriorated, through disciplined liquidation of investment securities.

If the proposed agenda is approved, we would request the company to keep the same amount fixed dividend for a minimum of 5 years, and ideally for 10 years, to strive for continuous improvement in ROE.

Opinion of the Company's Board of Directors

The Company's Board of Directors is opposed to this item of business.

Reasons for opposition

The Company announced the "TBS Group Medium-Term Management Plan 2026" ("Medium-Term Management Plan 2026") on May 14, 2024.

Medium-Term Management Plan 2026 corresponds to Phase 2 of the Company group's long-term management vision, "TBS Group VISION 2030" ("VISION 2030"), announced in May 2021, and presents the growth strategy for the TBS Group to evolve from a media group to a content group and the financial strategy to achieve it.

Medium-Term Management Plan 2026 has been deliberated over a long period of time by inside and outside directors who have various skill sets. In particular, with respect to the financial strategy, Medium-Term Management Plan 2026 manifests that while fulfilling the Company's social mission as a key news media outlet, expected to perform the function of a social lifeline, the Company will propel measures both (i) to achieve sustainable growth as a company and enhance its corporate value in the medium to long term by continuing to actively make investments that advance the Company's growth strategies or its growth investments and (ii) to further increase the return of profits to its shareholders.

Regarding the return of profits to shareholders, the Company has steadily expanded its returns based on a diligent study and analysis, taking into account changes in the capital market. As a result, while the former medium-term management plan ("Medium-Term Management Plan 2023") initially planned a return of profits to shareholders in a total amount of 25 billion yen (in the Updated Medium-Term Management Plan 2023 published in May 2022) by way of a dividend through appropriation of surplus and acquisition of treasury shares (based on the assumption that a year-end dividend for the fiscal year ended March 31, 2024 is approved at the General Meeting of Shareholders, as stated in the Company's proposal "First Item of Business: Appropriation of Surplus"), the actual value will be expanded greatly to a total amount of 44 billion yen. Moreover, while Medium-Term Management Plan 2023 aimed for a 30% dividend payout ratio on a consolidated basis, Medium-Term Management Plan 2026 intends to increase it to approximately 40%, in which the Company plans to conduct a return of profits to its shareholders in a total amount of 60 billion yen by flexibly acquiring treasury shares with the total payout ratio in mind.

At the same time, in order for the Company group to continue to grow sustainably, it is essential to expand its business portfolio. During Medium-Term Management Plan 2023, the Company made a total of 145.1 billion yen in growth investments (planned value: 140 billion yen) to actively promote its EDGE strategy set in VISION 2030, including having made YARUKI Switch Group Holdings its consolidated subsidiary and U-NEXT Co., Ltd. its equity-method affiliate. During Medium-Term Management Plan 2026, the Company plans to continue to make a total of 160 billion yen in growth investments.

As stated above, for purposes of achieving a return of profit to shareholders and securing financial sources of capital for growth investments, as well as compliance with the Corporate Governance Code and balance sheet improvement, the Company has steadily carried out sales of cross-shareholdings, and during Medium-Term Management Plan 2023, the Company sold 81.4 billion yen of cross-shareholdings, which far exceeds the planned value of 60 billion yen. During Medium-Term Management Plan 2026, the Company plans to expand the size further and sell a total amount of 90 billion yen or more of cross-shareholdings.

The Company believes that its corporate value in the medium to long term can be enhanced by, among others, realizing the growth and financial strategies set forth in Medium-Term Management Plan 2026 as well as the return of profit to shareholders as part of the strategies above.

For details of Medium-Term Management Plan 2026, including the financial strategy set forth therein, please see the following document disclosed on the Company's website:

https://www.tbsholdings.co.jp/about/pdf/plan_2026.pdf

On the other hand, the Shareholder Proposal requests an annual dividend of 360 yen per share. If this proposal is adopted, the dividend payout ratio will reach approximately 155%. In addition, the Proposing Shareholder requests that the Company continue to provide a fixed dividend in the same amount for at least five years, or if possible, for ten years. If this excessive level of appropriation of surplus is provided for five years, the total amount thereof will be approximately 300 billion yen, and for ten years, 600 billion yen. An appropriation of surplus on such scale is highly likely to have a significant impact on both the stable management of the Company group, as a key news media outlet, and its financial foundation necessary for sustainable growth, including the total of 160 billion yen in growth investments expected to be made during Medium-Term Management Plan 2026. Accordingly, the Company has to conclude that the Shareholder Proposal does not take into account enhancement of the Company's corporate value in the medium to long term.

Furthermore, the Shareholder Proposal designates the date of the General Meeting of Shareholders as the effective date of the appropriation of surplus; however, it would be practically impossible to correctly and smoothly distribute dividends to shareholders if we were to adopt such effective date, in light of which, the Company also considers the Shareholder Proposal to be inappropriate.

For the reasons above, the Company's Board of Directors opposes the Shareholder Proposal as it conflicts 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 Management Plan 2026 in pursuit of the achievement of VISION 2030.

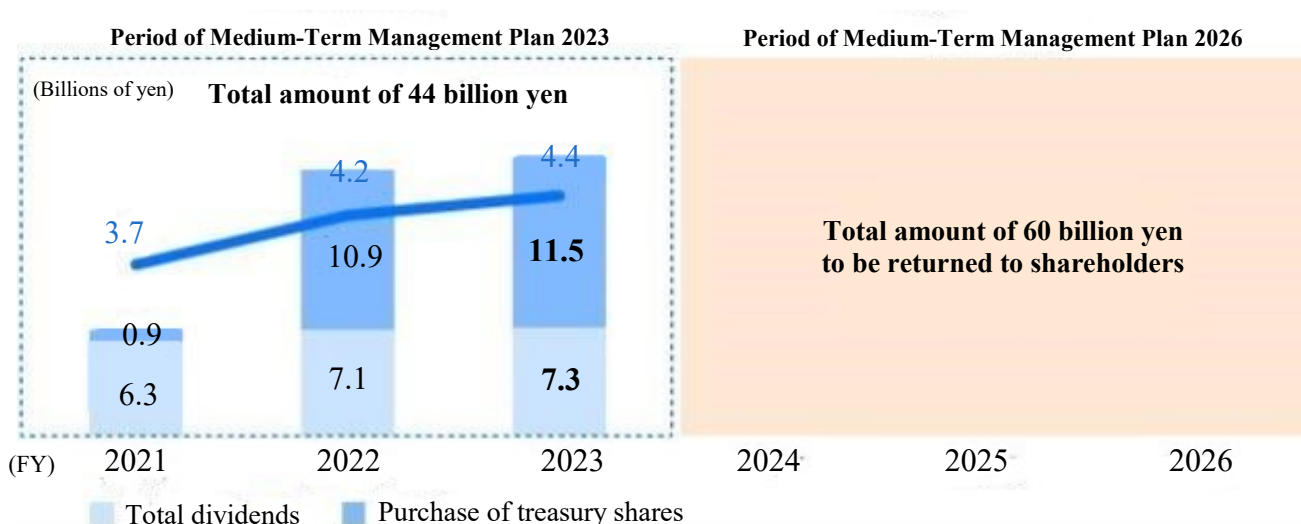
(Reference) Shareholder Return Results and Policy

The Company regards the return of profits to shareholders as an important management issue.

During the period of the “TBS Group Medium-Term Management Plan 2023,” TBS has implemented a consistent and continuous dividend payout ratio of around 30% on a consolidated basis, and together with the flexible acquisition of treasury stock, shareholder returns (total dividends plus share buybacks) are expected to amount to approximately 44 billion yen.

Under the new “TBS Group Medium-Term Management Plan 2026,” in order to further enhance the return of profits to shareholders, TBS will raise the dividend payout ratio to around 40% and implement consistent and continuous dividend payments, while flexibly implementing share buybacks in consideration of the total return ratio. The Company plans to return a total of 60 billion yen to shareholders over the three-year period of the plan.

TBS Group Medium-Term Management Plan 2026:
https://www.tbsholdings.co.jp/about/pdf/plan_2026.pdf

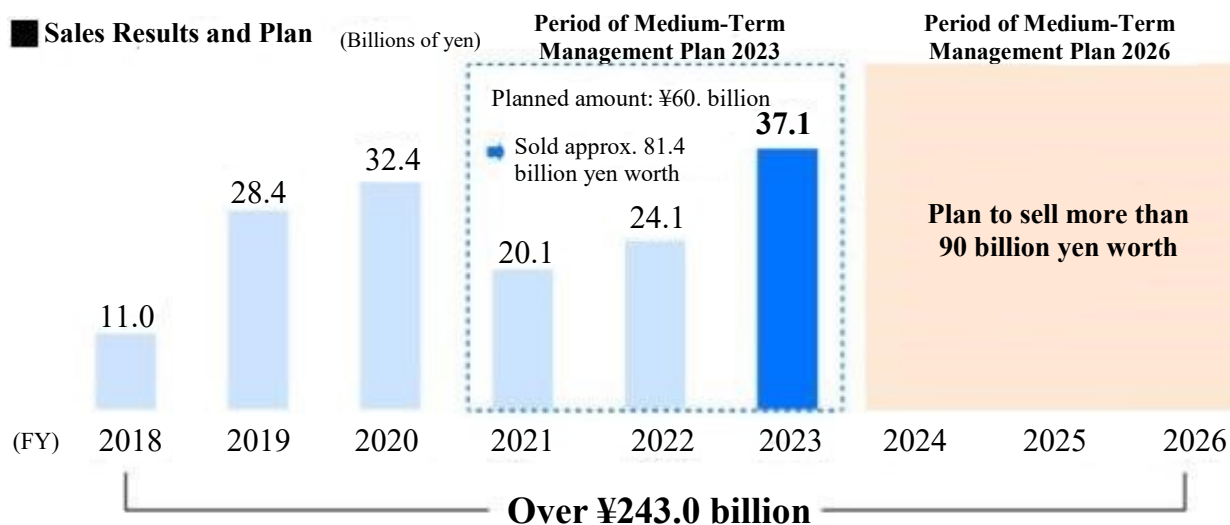


(Reference) Cross-shareholdings

The Company has been progressively reducing cross-shareholdings in accordance with the Corporate Governance Code.

The Board of Directors 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. 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. Stocks categorized in (1) and (2) are sold as appropriate if their significance of holding has deteriorated. Stocks categorized in (3) are sold for funding strategic investments in a flexible manner.

TBS has sold approximately 81.4 billion yen worth of shares during the three years of the “TBS Group Medium-Term Management Plan 2023,” and plans to sell more than 90 billion yen worth of shares during the three years starting in fiscal 2024, the year of the new “TBS Group Medium-Term Management Plan 2026.” If the plan is implemented, the sale value will be over 243 billion yen over the nine years starting from FY2018.



Business Report

From April 1, 2023 to March 31, 2024

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

(1) Business Activities and Results

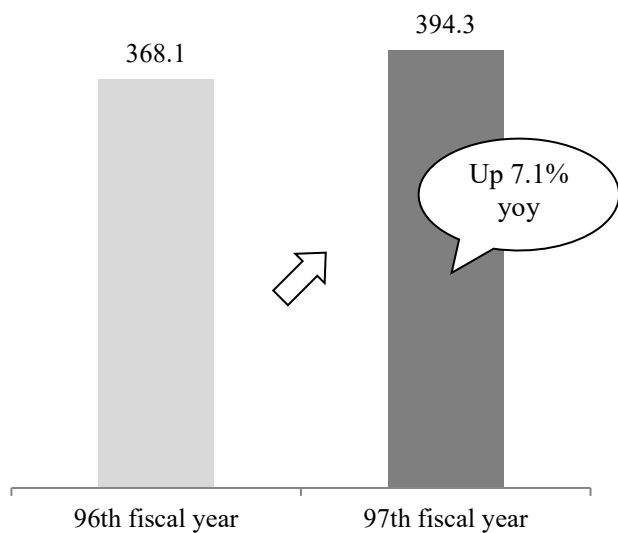
During the fiscal year under review (from April 1, 2023 to March 31, 2024), economic activities in Japan showed signs of returning to normality following, among others, the reclassification of the category of the novel coronavirus disease (COVID-19) to Class 5 and the further lifting of restrictions on behavior. At the same time, however, a recovery in personal consumption came to a standstill, mainly due to rising prices caused by surging raw material prices, and caution was required against risks of downturns in overseas economies that could put downward pressure on the domestic economy, such as fluctuating exchange rates, uncertainty in the Chinese economy, and the situation in the Middle East.

Against this backdrop, consolidated net sales of the Group for the fiscal year ended March 31, 2024 increased 7.1% from the previous fiscal year to ¥394,309 million, thanks to growth in the streaming business and the new consolidation of YARUKI Switch Group, despite a decrease in TV advertising revenue.

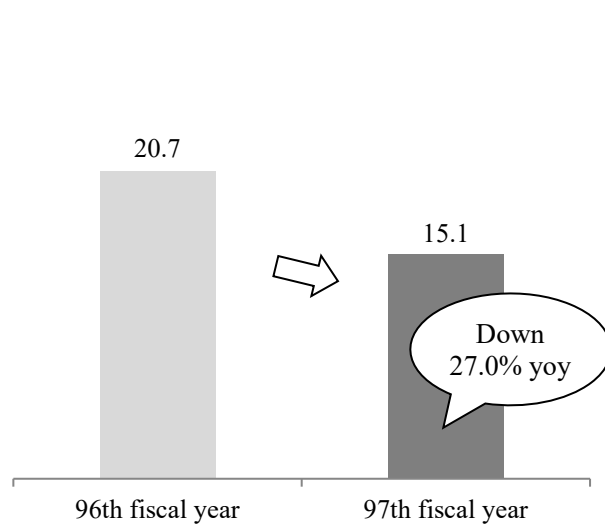
Operating expenses (i.e., cost of sales and selling, general and administrative expenses) increased 9.2% from the previous fiscal year to ¥379,134 million, mainly due to an increase in program production expenses and the new consolidation of YARUKI Switch Group.

As a result, operating profit decreased 27.0% from the previous fiscal year to ¥15,175 million, while ordinary profit decreased 21.2% to ¥27,653 million and profit attributable to owners of parent increased 8.4% to ¥38,126 million, mainly due to an increase in gain on sale of investment securities.

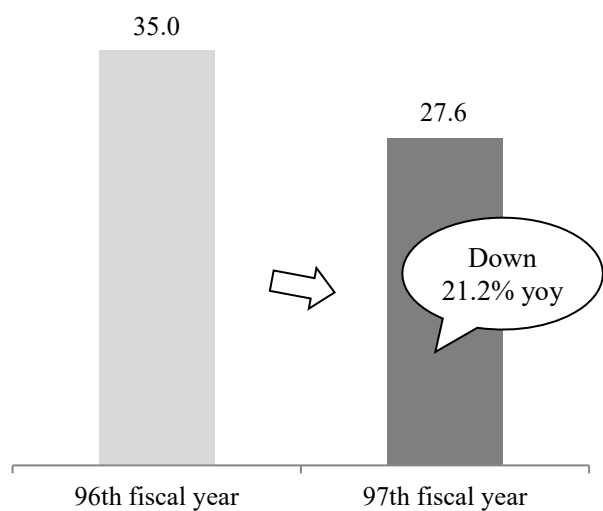
Net sales (billions of yen)



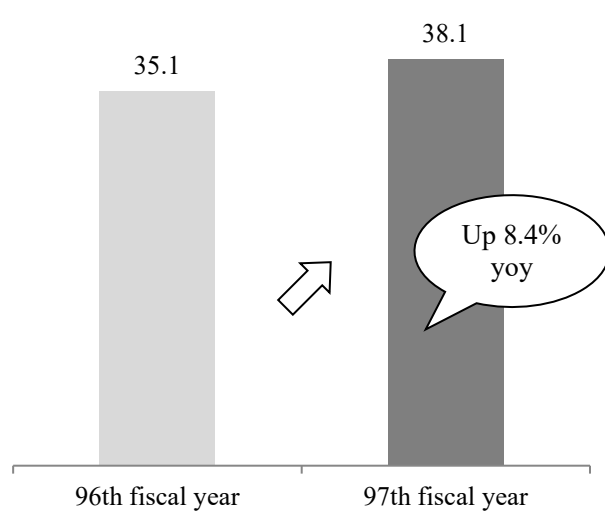
Operating profit (billions of yen)



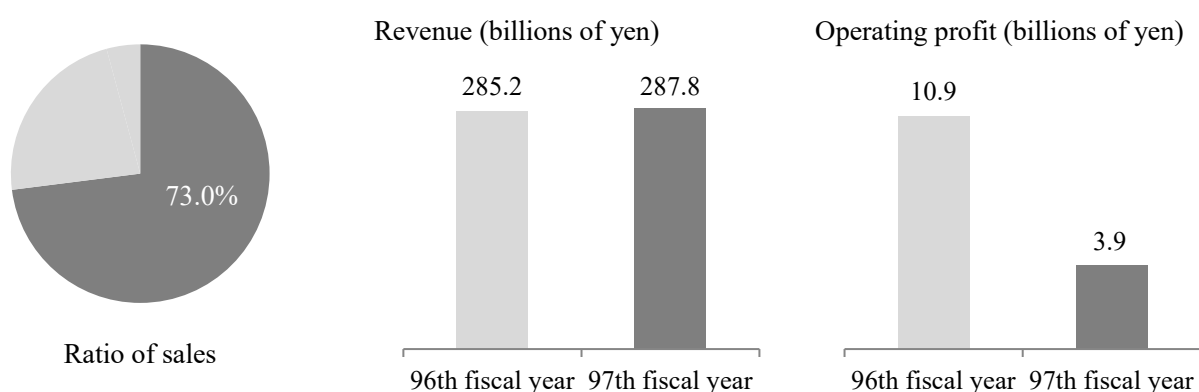
Ordinary profit (billions of yen)



Profit attributable to owners of parent (billions of yen)



<<Media & Content>> Revenue ¥287.8 billion (Up 0.9% year-on-year)



In the Media & Content business segment, revenue for the fiscal year under review were ¥287,854 million (up 0.9% year-on-year) and operating profit was ¥3,927 million (down 64.0% year-on-year).

Revenue in the Television division of Tokyo Broadcasting System Television, Inc. for the fiscal year under review increased ¥7,836 million to ¥201,128 million (up 4.1% year-on-year), with a drop in broadcasting revenue being covered by the streaming business. Of this total, time revenue was ¥81,590 million (up 2.1% year-on-year), thanks to strong sales in regular programs, as well as contributions from sales of large-scale one-off sports event programs, such as “*World Athletics Championships Budapest 23*” and “*Asian Games in Hangzhou, China,*” and special year-end and new-year programs, which achieved record high sales. Spot revenue was ¥77,777 million (down 6.3% year-on-year), due to very difficult market conditions as advertisers’ investment in the Kanto region was estimated to be 94.2% year-on-year and fell significantly below the previous fiscal year’s level.

On the other hand, advertising revenue through streaming rose to ¥8,243 million (up 45.4% year-on-year), reflecting the strong performance of popular dramas and variety shows, such as “*VIVANT*” and “*Extremely Inappropriate!*,” mainly through TVer. Revenue from paid subscription streaming services grew to ¥12,146 million (up 36.5% year-on-year), thanks to revenue from overseas streaming programs such as “*Takeshi’s Castle*” and “*Let’s Get Divorced.*” Other revenue increased to ¥21,371 million (up 34.9% 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 ¥8,893 million to ¥18,923 million (down 32.0% year-on-year). Movie revenue also increased thanks to hit movies such as “*TOKYO MER: Mobile Emergency Room - THE MOVIE,*” “*My Happy Marriage,*” and “*Fragments of The Last Will.*” In live entertainment, although the long-run performance of “*Harry Potter and the Cursed Child*” on the TBS 70th anniversary stage and “*Sleeping Beauty*” by K-BALLET performed strongly, it was not enough to cover the rebound of the successful “*Paris Saint-Germain JAPAN TOUR 2022*” in the previous fiscal year, and as a result revenue decreased. Animation revenue also decreased due to a rebound from the huge hit movie “*The Quintessential Quintuplets*” in the previous fiscal year. In addition, with the transfer of the media business to the Television division in the second quarter of the fiscal year under review, overall division revenue decreased.

Revenue of TBS Radio Inc. decreased ¥352 million to ¥8,137 million (down 4.1% year-on-year) due to lower spot revenue in advertising revenue, although time revenue exceeded that of the previous year.

Revenue of BS-TBS Corporation decreased ¥110 million to ¥17,108 million (down 0.6% year-on-year) due to struggling time and business revenues, despite strong spot revenue and shopping.

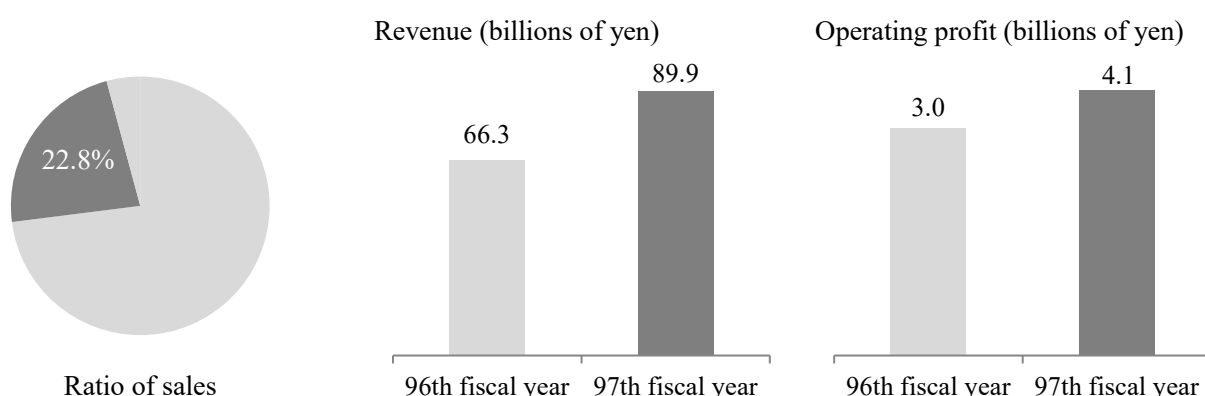
Revenue of TBS GLOWDIA, Inc. increased ¥2,103 million to ¥30,193 million (up 7.5% year-on-year) due mainly to an increase in DVD revenue.

Revenue of Nichion, Inc. increased ¥696 million to ¥9,271 million (up 8.1% year-on-year) due mainly to an increase in revenue from Japanese and Western music.

Revenue of TC Entertainment, Inc. increased ¥2,251 million to ¥9,373 million (up 31.6% year-on-year) due to an increase in DVD sales.

In terms of expenses, expenses increased due mainly to an increase in program production costs, and also increased in line with streaming revenue. As a result, operating profit in this segment decreased ¥6,983 million to ¥3,927 million (down 64.0% year-on-year).

<<Lifestyle>> Revenue ¥89.9 billion (Up 35.4% year-on-year)



In the Lifestyle business segment, both revenue and profit increased. Revenue for the fiscal year under review was ¥89,903 million (up 35.4% year-on-year), and operating profit was ¥4,178 million (up 36.3% year-on-year).

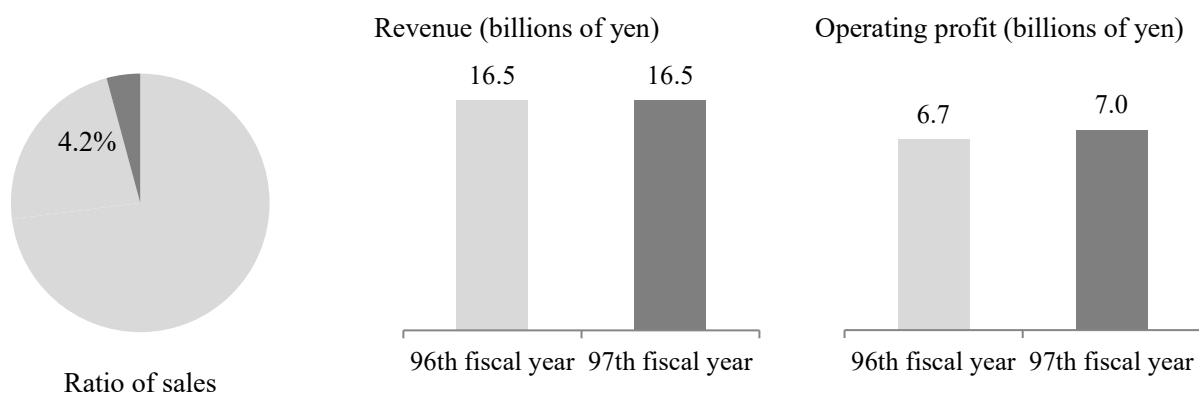
In the StylingLife Group, the core general merchandise retailing business, PLAZASTYLE COMPANY, achieved an increase in both revenue and profit due to growth in cosmetics and general merchandise, despite a rise in the cost of sales ratio and an increase in store operating costs.

The mail-order business, Light-Up Shopping Club Inc., posted declines in both revenue and profit due to a decrease in orders.

In the Beauty & Wellness business, the BCL Company, which engages in development, production and sales of cosmetics, saw continued strong sales in Japan and overseas, and as a result both revenue and profit increased. As a result, both revenue and profit increased for the StylingLife Group as a whole.

YARUKI Switch Group is involved in the individual education cram school business and the early childhood education business. With its new consolidation, both revenue and operating profit in the segment increased.

<<Real Estate & Other>> Revenue ¥16.5 billion (Up 0.3% year-on-year)



In the Real Estate & Other business segment, revenue for the fiscal year under review was ¥16,552 million (up 0.3% year-on-year), and operating profit was ¥7,066 million (up 3.9% year-on-year).

Both revenue and profit increased mainly due to an increase in rent income.

(2) Capital Investment

Total capital investment in the fiscal year under review was ¥14.9 billion.

Capital investment consists of ¥4,700 million for the Company, ¥6,900 million in Tokyo Broadcasting System Television, Inc., and ¥1,000 million in the StylingLife Group.

The Company's major capital investments were related to the M6 studio built in the Midoriyama Studio and 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, due to the new consolidation of YARUKI Switch Group Holdings Co., Ltd., the borrowing balance of ¥3,783 million of YARUKI Switch Group was recognized as interest-bearing debt of the Group. Meanwhile, ¥20.0 billion 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 ¥3,783 million. (Excluding lease obligations.)

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 ¥5.0 billion with Sumitomo Mitsui Banking Corporation and other one financial institutions (the balance of the funds drawn is nil, and the available balance is ¥5.0 billion).

(4) Status of Important Reorganization

On June 29, 2023, the Company acquired 78% of the shares of YARUKI Switch Group Holdings Co., Ltd. and made YARUKI Switch Group Holdings Co., Ltd. and three of its subsidiaries consolidated subsidiaries of the Company as part of the growth strategy in the intellectual training and education business. The Company also acquired additional shares of YARUKI Switch Group Holdings Co., Ltd. on July 31, 2023, bringing the percentage of voting rights held by the Company to 81%.

In addition, the Company acquired shares of "U-NEXT Co., Ltd." on April 1, 2023, and acquired additional shares on June 29, 2023 to strengthen the capital and business alliance, making the company an equity-method affiliate.

(5) 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 managerial issues that we need to address in consideration of the Group's strengths, and are aiming for the vision set forth in VISION 2030.

Outline of "TBS Group VISION 2030"

The Group's greatest core competence is its ability to "create content." Amid drastic changes in the media environment, such as the diversification of lifestyles and the rise of the Internet, we must respond more than ever to the "trust" of people, "create" wonderful content that enriches their minds and lives, and "expand" (deliver) it beyond the boundaries of broadcasting. Defining content as all that "moves people's hearts and minds," we aim to become a content 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. In the future, the broadcasting business will further deepen the value of “trust” that we have cultivated to date, go beyond the function of an advertising medium to become a value co-creation hub, and propose new value with partners. We will also aim to evolve our media power by promoting data marketing.

As a group that encompasses media with a public 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 Management Plan 2026”

The “TBS Group Medium-term Management Plan 2026” (“Medium-term Management Plan 2026”) 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 Management Plan 2026, we have positioned the expansion of the business portfolio developed in the first phase into the Global domain as the top priority and formulate a plan for a medium- to long-term global strategy to accelerate growth, in order to make this the “TBS Global Business Inaugural Year.” Furthermore, we have formulated a plan to promote the growth of the seeds sown in the first phase, 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 Management Plan 2026”

[Strengthening and leveraging content IP creation capabilities]

The core competence of the TBS Group is content production capabilities, from which 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 Management Plan 2026, the TBS Group will create an environment in which all of its 8,000 employees can generate diverse ideas, 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, and in the broadcasting business, we approach this with the unyielding resolve that we must aim for number one in order to survive.

[Expansion of business portfolio through new business creation]

In the Medium-term Management 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 areas to be aggressively addressed, such as new IP strategy, as “seeding areas.” By clarifying 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 and use the proceeds from the sale of cross-shareholdings 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.

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.

In the Medium-term Management Plan 2026, we will continue to promote corporate management from the perspectives of both improving corporate value and fulfilling our social responsibility.

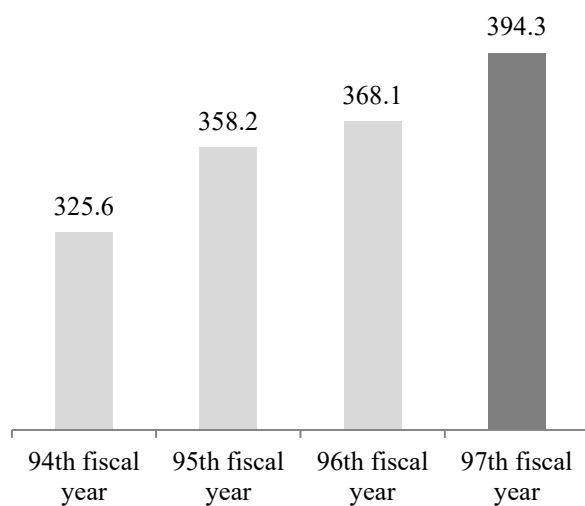
(6) Assets and Profit/Loss

Assets and Profit/Loss of the Group

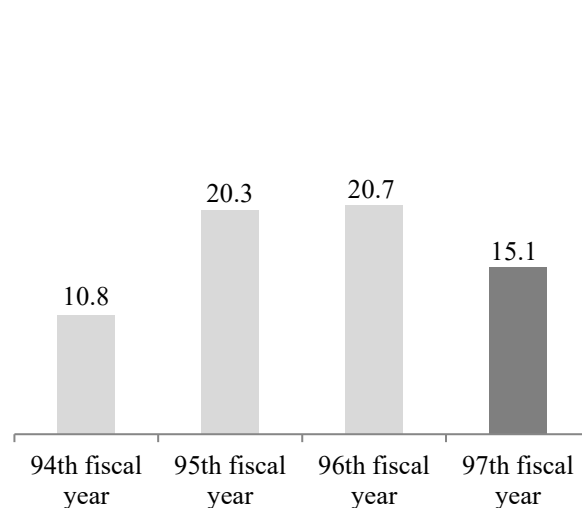
Category	94th Business Term Year ended March 31, 2021	95th Business Term Year ended March 31, 2022	96th Business Term Year ended March 31, 2023	97th Business Term Year ended March 31, 2024 (fiscal year under review)
Net sales (millions of yen)	325,682	358,269	368,130	394,309
Operating profit (millions of yen)	10,841	20,346	20,782	15,175
Ordinary profit (millions of yen)	19,233	30,707	35,086	27,653
Profit attributable to owners of parent (millions of yen)	28,072	32,008	35,182	38,126
Earnings per share (yen)	164.32	187.35	208.76	232.28
Net assets (millions of yen)	794,884	883,002	796,184	1,149,947
Total assets (millions of yen)	1,100,223	1,201,632	1,067,865	1,567,504

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the 95th business term.

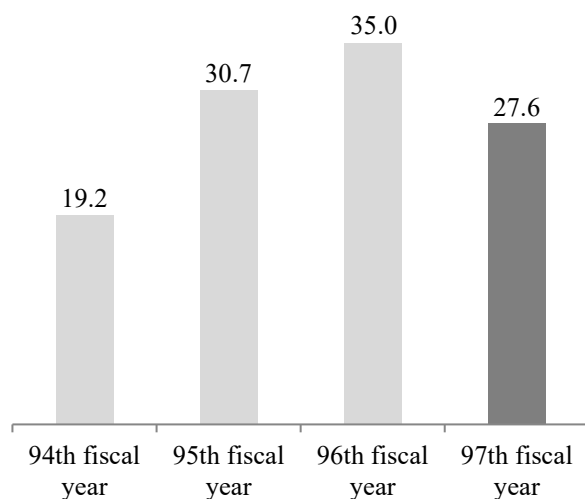
Net sales (billions of yen)



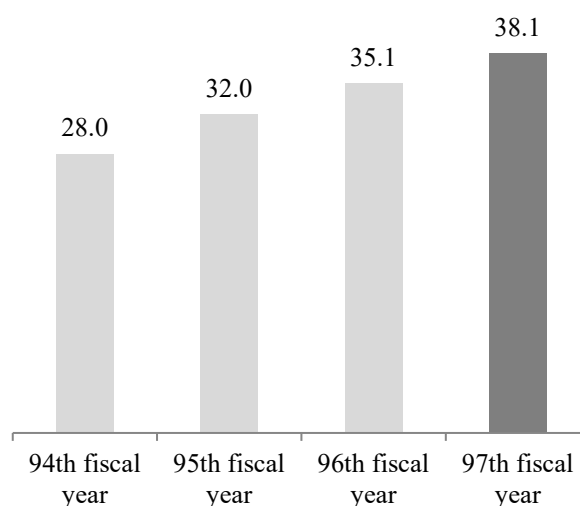
Operating profit (billions of yen)



Ordinary profit (billions of yen)



Profit attributable to owners of parent (billions of yen)



(7) Status of Parent Company and Principal Subsidiaries

1. Parent Company

TBS Holdings, Inc. has no parent company.

2. Principal Subsidiaries (As of March 31, 2024)

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\$3.28 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
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. (Note 3)	100	70	Planning of management strategy as an operating holding company, general imported merchandise retail business, production and sales of cosmetics etc.
LightUp Shopping Club Inc.	100	* 100	Store and non-store sales of cloths, sports and leisure goods, electronic products, and household products
CP Cosmetics Inc.	100	* 100	Development, production and sales of cosmetics and quasi drugs etc.
YARUKI Switch Group Holdings Co., Ltd. (Note 4)	208	81	Management and administration of a holding company and the entire group, etc.
YARUKI Switch Group Co., Ltd. (Note 4)	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. (Note 4)	30	* 100	Hiring-related operations, etc. within YARUKI Switch Group
YP Switch Co., Ltd. (Note 4)	50	* 50	Management of programming schools, etc.
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 26 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 September 27, 2023, the StylingLife Holdings Inc., carried out purchase of treasury shares, thus changing the ratio of voting rights owned by the Company.

Note 4: On June 29, 2023, the Company made YARUKI Switch Group Holdings Co., Ltd. and three of its subsidiaries consolidated subsidiaries of the Company as part of a growth strategy in the intellectual training and education business (refer to 1. (4) "Status of Important Reorganization" of Business Report).

Note 5: 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.
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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	¥1,211,256 million

(8) Main Business Activities (As of March 31, 2024)

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	* Broadcasting-related business Broadcasting, program production, video technology, art production, VFX, audio technology, lighting technology, camera filming, video investment, surveys and research etc. * 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.
Lifestyle	Mail-order marketing, retail of general merchandise, production and sales of cosmetics, early childhood development and education business, etc.
Real Estate & Other	* 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.

(9) Principal Sales Office (As of March 31, 2024)

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) LightUp Shopping Club Inc. 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
Seven Arcs Co., Ltd.	Musashino City, Tokyo
Midoriyama Studio City Inc.	Yokohama City, Kanagawa Prefecture
Tokyo Broadcasting System International, Inc.	New York, U.S.A.

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 132 “PLAZA” and “MINiPLA” stores, 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 2,397 schools, etc. through its subsidiaries and affiliates (as of February 29, 2024).

Note 5: YARUKI Switch Group Co., Ltd. has a Western Japan Branch Office in Kobe City, Hyogo Prefecture.

(10) Work Force (As of March 31, 2024)

Segment	Number of employees	Change since end of previous fiscal year
Media & Content	4,529	Decrease of 18
Lifestyle	2,839	Increase of 1,421
Real Estate & Other	67	Decrease of 17
Corporate (shared)	557	Increase of 20
Total	7,992	Increase of 1,406

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

(11) Main Lenders (As of March 31, 2024)

Lender	Amount (millions of yen)
Syndicated loan (Note 1)	–
MUFG Bank, Ltd. (Note 2)	3,043
Mizuho Bank, Ltd. (Note 2)	740

Note 1: As described in the “Capital Procurement” of Business Report, a syndicated loan became due for repayment on October 13, 2023 and was repaid in full.

Note 2: The lender is a lender of YARUKI Switch Group Co., Ltd., a consolidated subsidiary of the Company.

Note 3: StylingLife Holdings Inc., a consolidated subsidiary of the Company, has signed agreements with Sumitomo Mitsui Banking Corporation and one other financial institution to establish ¥5.0 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 ¥5.0 billion)

2. The Current Position of TBS Holdings, Inc.

(1) Common Stock (As of March 31, 2024)

1. Total Number of Shares Issuable 400,000,000 shares
2. Issued Number of Shares 168,591,065 shares
3. Number of Shareholders 15,275
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)	14,514,600	8.78
The Master Trust Bank of Japan, Ltd. (Pension Account-Pension Trust Account held for DENTSU INC.)	9,310,500	5.63
MBS MEDIA HOLDINGS, INC.	8,848,100	5.35
Mitsui Fudosan Co., Ltd.	5,713,728	3.45
NTT DOCOMO, INC.	5,713,000	3.45
Nippon Life Insurance Company	5,006,235	3.03
STATE STREET BANK AND TRUST COMPANY 505001	4,317,555	2.61
BIC CAMERA INC.	4,190,000	2.53
KODANSHA LTD.	3,771,200	2.28
Custody Bank of Japan, Ltd. (Trust Account)	3,556,300	2.15

- Note 1: Percentage of shares held was calculated excluding its treasury share (3,424,450 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 16.74%.
- 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)	33,748 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 10, 2023, 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 returning profits to shareholders and improving capital efficiency.

Purchase of treasury shares

Type of shares purchased	Common stock
Total number of shares purchased	3,363,800 shares
Total purchase price of shares	¥10,999,671,661
Period of purchase	From November 13, 2023 to February 29, 2024 (on an agreement basis)

Cancellation of treasury shares

Type of shares canceled	Common stock
Total number of shares canceled	3,000,000 shares
Date of cancellation	November 30, 2023

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, 2024, 3,437,230 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, 2024, 62,500 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, 2024)

Position	Name	Areas of responsibility
Chairman and Director	Shinji Takeda	Chair of Board of Directors
President and Chief Executive Officer	Takashi Sasaki	Office of Internal Audit
Representative Director	Toshiaki Kawai	Head of financial strategy
Director	Tatsuo Sugai	Head of growth strategy
Director	Shoichi Watanabe	Head of competitive strategy
Director	Masaya Chisaki	Head of ESG strategy
Director	Hitoshi Kashiwaki	
Director	Yosuke Yagi	
Director	Makoto Haruta	
Director	Natsuko Takei	
Standing Statutory Audit & Supervisory Board Member	Tomohiko Nishino	
Standing Statutory Audit & Supervisory Board Member	Tetsuya Ichikawa	
Audit & Supervisory Board Member	Teisuke Kitayama	
Audit & Supervisory Board Member	Mie Fujimoto	
Audit & Supervisory Board Member	Somitsu Takehara	

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, Mr. Teisuke Kitayama, Ms. Mie Fujimoto and Mr. Somitsu Takehara are Outside Audit & Supervisory Board Members.

Note 3: The Company has registered Directors Mr. Hitoshi Kashiwaki, Mr. Yosuke Yagi, Mr. Makoto Haruta and Ms. Natsuko Takei, and Audit & Supervisory Board Members, Mr. Teisuke Kitayama, Ms. Mie Fujimoto and Mr. Somitsu Takehara as Independent Directors/Audit & Supervisory Board Members with the Tokyo Stock Exchange.

Note 4: Audit & Supervisory Board Member Mr. Somitsu Takehara is well versed in accounting and finance as a certified public accountant, and has considerable knowledge of accounting and finance as a certified public accountant.

Note 5: Important positions of other organizations concurrently assumed by Directors and Audit & Supervisory Board Members relevant to the fiscal year under review are as follows. There are no special relationships between the Company and the companies where Outside Officers (*) hold concurrent positions.

Category	Name	Company in which Directors and Audit & Supervisory Board Members of the Company hold a concurrent position	Concurrent position held
Directors	Shinji Takeda	Tokyo Broadcasting System Television, Inc. MBS MEDIA HOLDINGS, INC. CHUBU-NIPPON BROADCASTING CO., LTD.	Chairman and Director Outside Director Outside Director
	Takashi Sasaki	Tokyo Broadcasting System Television, Inc. The Mainichi Newspapers Group Holdings Co., Ltd.	CEO Outside Director
	Toshiaki Kawai	Tokyo Broadcasting System Television, Inc.	Executive Vice President and Board Director
	Tatsuo Sugai	Tokyo Broadcasting System Television, Inc. THE SEVEN, INC. U-NEXT Co., Ltd.	Senior Managing Director CEO Director
	Shoichi Watanabe	Tokyo Broadcasting System Television, Inc.	Managing Director
	Masaya Chisaki	Tokyo Broadcasting System Television, Inc.	Managing Director
	Hitoshi Kashiwaki (*)	Matsuya Co., Ltd. Kewpie Corporation	Outside Director Outside Director
	Yosuke Yagi (*)	People First, Ltd. ICMG Co., Ltd. IWNC Inc., Ltd. GE Healthcare Japan Corporation	Representative Director Director Chairman and Director Audit & Supervisory Board Member
	Makoto Haruta (*)	betaCatalyst Inc. ExaWizards Inc. Money Forward, Inc. Panasonic Corporation	Representative Director and CEO Representative Director & President Adviser Director
	Natsuko Takei (*)	Sony Institute of Higher Education Tokyo Metro Co., Ltd.	Director External Member of the Board
Audit & Supervisory Board Member	Tomohiko Nishino	Tokyo Broadcasting System Television, Inc. TBS GLOWDIA, Inc. BS-TBS, INC. TBS ACT, INC.	Audit & Supervisory Board Member Audit & Supervisory Board Member Audit & Supervisory Board Member Audit & Supervisory Board Member
	Tetsuya Ichikawa	Tokyo Broadcasting System Television, Inc. TBS Radio, Inc. TBS SPARKLE, Inc. Nichion, Inc. StylingLife Holdings Inc.	Audit & Supervisory Board Member Audit & Supervisory Board Member Audit & Supervisory Board Member Audit & Supervisory Board Member Audit & Supervisory Board Member
	Teisuke Kitayama (*)	Tokyo Broadcasting System Television, Inc. Sumitomo Mitsui Banking Corporation Daicel Corporation	Audit & Supervisory Board Member Adviser Independent Director
	Mie Fujimoto (*)	Tokyo Broadcasting System Television, Inc. TMI Associates EBARA CORPORATION	Audit & Supervisory Board Member Partner (lawyer) Independent Director
	Somitsu Takehara (*)	ZECO Partners Inc.	Director and Chairman

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)	436 (36)	238 (36)	109 (-)	88 (-)	10 (4)
Audit & Supervisory Board Members (subtotal: Outside Audit & Supervisory Board Members)	87 (27)	87 (27)	-	-	5 (3)
Total (subtotal: Outside Officers)	523 (63)	325 (63)	109 (-)	88 (-)	15 (7)

Note 1: The above total amount of remuneration etc. for Directors does not include salaries paid to directors who were also employees.

Note 2: Outside Audit & Supervisory Board Members, who concurrently serve at the subsidiaries of the Company, do not receive remuneration from said subsidiaries.

Note 3: 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 86% 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 4: 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 retirement from office, lifting of transfer restrictions, and handling in case of reorganization, etc. are specified for the shares issued.

Note 5: 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

<Determination method of the determination policy>

At the meeting of the Board of Directors held on April 22, 2021, the Company resolved a determination policy on details of remuneration, etc. for each individual Director.

<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.

<System and other aspects of Directors' remuneration>

The system, level, structure, etc. of Directors' remuneration of the Company are 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.

<Determination policy of remuneration>

The Company has developed a determination policy in regard to details of remuneration, etc. for each individual Director (hereinafter referred to as "Determination Policy") as follows.

In regard to the determination policy on amount of remuneration, etc. for each individual Director or the method of calculating such, the base remuneration, representing the basis of remuneration, shall be a fixed monetary 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.

In regard to the determination policy on the contents of performance indicators associated with performance-linked remuneration, etc., and amount or method of calculating such, the performance-linked remuneration shall be a variable monetary remuneration. As an annual incentive remuneration, performance-linked remuneration shall be determined by the Board of Directors following a qualitative assessment of the level of achievement of the numerical target for consolidated operating profit under the Medium-term Management Plan and achievement status of the strategic divisions each Director is responsible for, and deliberation by the Remuneration Advisory Committee. The remuneration shall be paid with the aim of motivating Directors to achieve good single-fiscal-year performance.

The contents of the said performance indicators and the reason for selecting them is to motivate Directors to achieve good single-fiscal-year performance and continuously enhance corporate value, adequately sharing the profits with shareholders.

In regard to the determination policy on the contents of non-monetary remuneration, etc. and amount or method of calculating such, share-based remuneration, as long-term incentive remuneration linked to stock price, with restricted shares shall be annually issued to motivate Directors to enhance the medium- to long-term shareholder value and to share the value with shareholders.

In regard to the determination policy on the ratio between the base remuneration, performance-linked remuneration, and non-monetary remuneration for the remuneration, etc. for each individual Director, Directors' remuneration shall be composed of base remuneration, performance-linked remuneration, and non-monetary remuneration, while Outside Directors' remuneration shall be only base remuneration. The said remuneration shall be 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 contents of remuneration, etc. for each individual Director for the fiscal year concerned shall be deliberated by the Remuneration Advisory Committee at the request of the Board of Directors, and further determined by the Board of Directors based on a report therefrom. Therefore, the Board of Directors judges that contents are in accordance with the determination policy.

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 Takashi Sasaki 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 Tokyo Broadcasting System Television, Inc.

(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	13/13	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 execution of the growth strategy "EDGE" set forth in TBS Group VISION 2030 and continuous enhancement of the corporate value of the Group, appropriately playing his role.
Yosuke Yagi	13/13	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 execution of the growth strategy "EDGE" set forth in TBS Group VISION 2030 and continuous enhancement of the corporate value of the Group, appropriately playing his role.

Name	Attendance to meetings of the Board of Directors	Status of expression of opinions and summary of duties performed in regard to expected roles
Makoto Haruta	13/13	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 regarding duties executed by Directors, toward the execution of the growth strategy "EDGE" set forth in TBS Group VISION 2030 and continuous enhancement of the corporate value of the Group, appropriately playing his role.
Natsuko Takei	10/10	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 execution of the growth strategy "EDGE" set forth in TBS Group VISION 2030, especially in promoting activities in the global domain, and continuous enhancement of the corporate value of the Group, appropriately playing her role.

Note: Audit & Supervisory Board Member Ms. Natsuko Takei was newly elected at the 96th Ordinary General Meeting of Shareholders held on June 29, 2023, and therefore the number of meetings of the Board of Directors differs from that of other Audit & Supervisory Board Members.

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
Teisuke Kitayama	12/13	12/14	Mr. Kitayama 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.
Mie Fujimoto	12/13	13/14	Ms. Fujimoto asks questions and gives advice based on extensive experience and high degree of knowledge as a lawyer specialized in corporate legal affairs.
Somitsu Takehara	13/13	14/14	Mr. Takehara asks questions and gives advice based on extensive experience and high degree of knowledge as a certified public accountant and a member of the top management of a company.

(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	¥53 million
B. Total amount of cash and other asset-based benefits payable to the accounting auditors of TBS Holdings, Inc. and its subsidiaries	¥101 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.

(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) 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 Legal & 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 Office of Internal Audit 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 Legal & 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. and BS-TBS, INC., 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 Office of Internal Audit 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.

(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 Office of Internal Audit.
 - (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 Office of Internal Audit and the Legal & 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 Office of Internal Audit 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 Office of Internal Audit, which reports directly to the President. The Office of Internal Audit, 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 Management Plan 2023,” a medium-term management 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 management plan as follows at the Board of Directors’ meeting on May 14, 2024.

(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 plans to formulate "TBS Group Medium-term Management Plan 2026" on May 14, 2024 as a new medium-term management plan of the Group. The Company will work on management with the aim of further strengthen capital efficiency based on this plan.

(2) Raising Corporate Value and Maximizing the Common Interests of Shareholders by Formulating and Implementing the "TBS Group Medium-term Management 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 will formulate the second phase of VISION 2030, the "TBS Group Medium-term Management Plan 2026." Through the formulation and implementation of "TBS Group Medium-term Management Plan 2026," the Company will work on management with the aim of further strengthening capital efficiency, 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. Details of the Plan are as indicated below. It is partially simplified/rationalized to secure the understandability of descriptions as in a business report.

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

The Plan will automatically renew for a successive period of three years unless a resolution is passed to abolish the Plan at the Company's Ordinary General Meeting of Shareholders held every three years after the resolution approved at the 2007 shareholders' meeting.

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 register of shareholders 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 instruments 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 amendment was made of the Board of Directors on April 3, 2009 within the necessary and minimum scope, which we assessed that the amendment made was 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"), the "Partially Revised Listing Examination Criteria for Share Certificates Following an Overhaul of the Listing System Pertaining to the Introduction of Takeover Defense Policies" released by Tokyo Stock Exchange Inc. on March 7, 2006, and various Tokyo Stock Exchange Inc. rules, with sufficient regard to the shareholder's rights, the exercise thereof, and the Company shares' impact on the stock markets on which the Company's shares are listed, and 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	97th Business Term As of March 31, 2024	Accounting Item	97th Business Term As of March 31, 2024
ASSETS		LIABILITIES	
Current assets:	154,399	Current liabilities:	94,993
Cash and deposits	43,718	Notes and accounts payable - trade	44,914
Notes and accounts receivable - trade, and contract assets	74,375	Current portion of long-term borrowings	400
Securities	20	Accounts payable - other	17,875
Inventories	19,201	Income taxes payable	10,692
Prepaid expenses	11,115	Accrued consumption taxes	2,550
Other	6,158	Accrued expenses	2,011
Allowance for doubtful accounts	(190)	Provision for bonuses	4,571
		Provision for bonuses for directors (and other officers)	19
		Other	11,957
Non-current assets:	1,413,105		
Property, plant and equipment:	264,159	Non-current liabilities:	322,564
Buildings and structures	84,271	Long-term borrowings	3,383
Machinery, equipment and vehicles	7,650	Retirement benefit liability	15,088
Tools, furniture and fixtures	3,312	Provision for share awards	3,497
Land	165,808	Lease liabilities	102
Leased assets	144	Deferred tax liabilities	283,578
Construction in progress	2,972	Other	16,913
		Total liabilities	417,557
Intangible assets:	53,033	NET ASSETS	
Software	7,056	Shareholders' equity:	488,696
Goodwill	22,794	Share capital	54,986
Other	23,183	Capital surplus	34,257
		Retained earnings	416,582
Investments and other assets:	1,095,912	Treasury shares	(17,129)
Investment securities	1,083,289		
Long-term loans receivable	17	Accumulated other comprehensive income:	648,962
Deferred tax assets	2,124	Valuation difference on available- for-sale securities	647,812
Long-term prepaid expenses	260	Deferred gains or losses on hedges	24
Other	10,295	Foreign currency translation adjustment	311
Allowance for doubtful accounts	(75)	Remeasurements of defined benefit plans	813
		Non-controlling interests	12,287
		Total net assets	1,149,947
Total assets	1,567,504	Total liabilities and net assets	1,567,504

Consolidated Statements of Income

(Millions of yen)

Accounting Item	97th Business Term From April 1, 2023 to March 31, 2024
Net sales	394,309
Cost of sales	273,889
Gross profit	120,420
Selling, general and administrative expenses	105,244
Operating profit	15,175
Non-operating income	13,641
Interest income	13
Dividend income	12,003
Share of profit of entities accounted for using equity method	1,221
Other	402
Non-operating expenses	1,163
Interest expenses	29
Non-deductible consumption tax, etc.	266
Loss on retirement of non-current assets	178
Other	689
Ordinary profit	27,653
Extraordinary income	34,911
Gain on sale of investment securities	34,911
Extraordinary losses	4,844
Retirement benefit expenses	3,257
Restructuring-related expenses	859
Removal expenses of non-current assets	427
Business restructuring expenses	218
Loss on sale of investment securities	52
Impairment losses	14
Loss on valuation of investment securities	14
Profit before income taxes	57,719
Income taxes - current	20,657
Income taxes - deferred	(2,403)
Profit	39,465
Profit attributable to non-controlling interests	1,339
Profit attributable to owners of parent	38,126

Consolidated Statements of Changes in Equity

(Fiscal Year from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	54,986	42,547	385,868	(11,354)	472,047
Changes during period					
Dividends of surplus			(7,412)		(7,412)
Profit attributable to owners of parent			38,126		38,126
Purchase of treasury shares				(11,716)	(11,716)
Disposal of treasury shares		135		339	475
Cancellation of treasury shares		(5,601)		5,601	–
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(2,824)			(2,824)
Net changes in items other than shareholders' equity					
Total changes during period	–	(8,290)	30,714	(5,775)	16,648
Balance at end of period	54,986	34,257	416,582	(17,129)	488,696

	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	308,393	10	168	47	308,619	15,517	796,184
Changes during period							
Dividends of surplus							(7,412)
Profit attributable to owners of parent							38,126
Purchase of treasury shares							(11,716)
Disposal of treasury shares							475
Cancellation of treasury shares							–
Change in treasury shares arising from change in equity in entities accounted for using equity method							0
Change in ownership interest of parent due to transactions with non-controlling interests							(2,824)
Net changes in items other than shareholders' equity	339,419	14	142	766	340,343	(3,229)	337,114
Total changes during period	339,419	14	142	766	340,343	(3,229)	353,763
Balance at end of period	647,812	24	311	813	648,962	12,287	1,149,947

Notes to Consolidated Financial Statements

Basis of Preparing Consolidated Financial Statements

1. Scope of Consolidation

(1) Consolidated subsidiaries

Number of consolidated subsidiaries: 26

Names of principal consolidated subsidiaries

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

YARUKI Switch Group Holdings Co., Ltd. and its subsidiaries and associates, YARUKI Switch Group Co., Ltd., YARUKI Switch Careers Co., Ltd., and YP Switch Co., Ltd. were included in the scope of consolidation effective from the fiscal year under review due to the acquisition of shares of YARUKI Switch Group Holdings Co., Ltd.

(2) Non-consolidated subsidiaries

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

The 20 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: 7

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

U-NEXT Co., Ltd. was included in the scope of application of the equity method effective from the fiscal year under review due to acquisition of its shares. In addition, YGC Co., Ltd., an affiliated company of YARUKI Switch Group Holdings Co., Ltd., was included in the scope of application of the equity method effective from the fiscal year under review due to the acquisition of shares of YARUKI Switch Group Holdings Co., Ltd. Furthermore, Taiwan Tact Education Co., Ltd. was included in the scope of application of the equity method effective from the fiscal year under review due to additional acquisition of its shares by YARUKI Switch Group Holdings Co., Ltd.

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

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

The 20 non-consolidated subsidiaries and 28 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. had fiscal year that ended on December 31. YARUKI Switch Group Holdings Co., Ltd., YARUKI Switch Group Co., Ltd., YARUKI Switch Careers Co., Ltd., and YP Switch Co., Ltd. had fiscal years that ended on February 29. 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, 2023.

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) 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.
- (6) 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 Consolidated Balance Sheets

- | | |
|--|------------------|
| 1. Inventories | |
| Merchandise and finished goods: | ¥9,300 million |
| Programs and work in progress: | ¥9,052 million |
| Raw materials and supplies: | ¥848 million |
| 2. Accumulated Depreciation of Property, Plant and Equipment | ¥223,242 million |
| Accumulated depreciation includes accumulated impairment loss. | |
| 3. Guarantee Liabilities | |
| Employees' housing loans | ¥272 million |

4. Amount Deducted From Acquisition Prices of Property, Plant and Equipment for State Subsidies Etc. Received

¥1,742 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)	171,591,065	–	3,000,000	168,591,065
Total	171,591,065	–	3,000,000	168,591,065
Treasury shares				
Common Stock (Notes 2, 3, 4)	6,435,939	3,718,548	3,190,660	6,963,827
Total	6,435,939	3,718,548	3,190,660	6,963,827

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 3,437,230 shares of the Company held by the Stock-Granting ESOP (Employee Stock Ownership Plan) Trust and 62,500 shares of the Company held by the Share Grant Trust Account for Directors.

Note 3: An increase of 3,718,548 treasury shares of common stock was due to the purchase of 3,363,800 treasury shares by the resolution of the Board of Directors, the purchase of 279,900 treasury shares by the Stock-Granting ESOP Trust, the purchase of 62,500 treasury shares by the Share Grant Trust Account for Directors, the purchase of 11,120 shares from retirees with restricted share-based incentives for the Employees' Shareholding Association, and the purchase of 1,228 shares as less-than-one-unit shares.

Note 4: A decrease of 3,190,660 treasury shares of common stock was due to the cancellation of 3,000,000 treasury shares, the disposal of 162,822 treasury shares as restricted share-based remuneration, the disposal of 27,670 treasury shares by the Stock-Granting ESOP Trust, a decrease of 118 shares arising from change in equity in entities accounted for using the equity method, and a decrease of 50 shares arising from requests for the additional purchase of shares as less-than-one-unit shares.

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 29, 2023	Common stock	3,704	22	Mar. 31, 2023	Jun. 30, 2023
Board of Directors' meeting on November 10, 2023	Common stock	3,707	22	Sep. 30, 2023	Dec. 6, 2023

Note 1: The amount of "Total Dividends" resolved at the Ordinary General Meeting of Shareholders on June 29, 2023 includes dividends of ¥70 million for shares of the Company held by the Stock-Granting ESOP Trust.

Note 2: The amount of "Total Dividends" resolved at the Board of Directors held on November 10, 2023 includes dividends of ¥76 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.

(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, 2024	Common stock	3,633	Retained earnings	22	Mar. 31, 2024	Jun. 28, 2024

Note: The amount of "Total Dividends" 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.

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, 2024 (the consolidated balance sheets date) are as follows. Shares without a market price, etc. (consolidated balance sheet amount of ¥53,184 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	74,375	74,288	-87
(2) Securities and investment securities			
a. Held-to-maturity securities	70	68	-1
b. Shares of subsidiaries and associates	9,904	5,181	-4,722
c. Available-for-sale securities:	1,020,150	1,020,150	-
(3) Long-term borrowings (including current portion of long-term borrowings)	(3,783)	(3,783)	-

(*) 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 ¥4,151 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	1,020,150	–	–	1,020,150
Total assets	1,020,150	–	–	1,020,150

(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	–	74,288	–	74,288
Securities and investment securities				
Held-to-maturity securities				
Bonds payable	–	68	–	68
Shares of subsidiaries and affiliated companies				
Shares of affiliated companies	5,181	–	–	5,181
Total assets	5,181	74,356	–	79,537
Long-term borrowings (including current portion of long-term borrowings)	–	(3,783)	–	(3,783)
Total liabilities	–	(3,783)	–	(3,783)

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 the Business Combination

(Business Combination through Acquisition)

At the Board of Directors meeting held on May 12, 2023, the Company resolved to acquire the shares of YARUKI Switch Group Holdings Co., Ltd. and make it a consolidated subsidiary, and the shares in the company were acquired on June 29, 2023. The Company also acquired additional shares of YARUKI Switch Group Holdings Co., Ltd. on July 31, 2023.

1. Outline of the business combination

(1) Name and business description of the acquired company

Name of the acquired company: YARUKI Switch Group Holdings Co., Ltd.

Business description: Comprehensive education conducted nationwide, starting with individual education cram schools and also including pre-school education, English childcare, bilingual kindergartens, and kids sports

(2) Main reason for conducting the business combination

To strengthen and promote the intellectual training and education business, which is one of the priority items of the EDGE strategy that forms the core of the “TBS Group VISION 2030”

(3) Date of business combination

June 29, 2023

(4) Legal form of business combination

Share acquisition for cash

(5) Name of company after combination

No change has been made.

(6) Percentage of voting rights acquired

Percentage of voting rights acquired: 80.7%

(7) Main grounds for determining the acquired company

Due to the acquisition of the shares by the Company for cash consideration.

2. Period of the acquired company's results that are included in the consolidated financial statements

From June 1, 2023 to February 29, 2024

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	¥30,066 million
Acquisition cost		¥30,066 million

4. Details and amount of main costs related to the acquisition

Advisory fees, etc.: ¥197 million

5. Amount of goodwill incurred, cause of goodwill, amortization method and amortization period

(1) Amount of goodwill incurred

¥17,585 million

(2) Cause of goodwill

Goodwill was incurred due to expected future excess earning power from future business development.

(3) Amortization method and amortization period

Amortized on a straight-line basis over 20 years

6. Amounts of assets and liabilities assumed on the date of business combination and their main breakdown

Current assets	¥5,761 million
Non-current assets	¥31,123 million
Total assets	¥36,884 million
Current liabilities	¥3,921 million
Non-current liabilities	¥13,521 million
Total liabilities	¥17,443 million

7. Amount allocated to intangible assets other than goodwill, the breakdown thereof by major type, and the weighted average amortization period

Type	Amount	Weighted average amortization period
Customer-related assets	¥12,711 million	18 years
Trademark right	¥8,437 million	20 years
Total	¥21,148 million	

8. Estimated amount and method used to calculate the impact of the business combination on the Consolidated Statements of Income for the fiscal year under review as if the business combination had been completed at the beginning of the fiscal year
This information is omitted as it is immaterial.

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
71,627	316,296

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	80,579	–	–	80,579
	Spot	77,645	–	–	77,645
Other broadcasting-related revenue		45,584	–	–	45,584
Other real estate revenue		–	–	16,552	16,552
Other business revenue		84,045	89,903	–	173,949
Net sales to external customers		287,854	89,903	16,552	394,309

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, 2023	As of March 31, 2024
Receivables arising from contracts with customers	65,869	73,751

(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 ¥7,038.78
2. Profit per Share ¥232.28

Note 1: 3,437,230 shares of the Company held by the Stock-Granting ESOP Trust and 62,500 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: 3,445,342 shares of the Company held by the Stock-Granting ESOP Trust and 43,545 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 4, 2024, 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 April 5 and April 8, 2024. As a result, the Company will record a gain on sale of investment securities (extraordinary income) in the fiscal year ending March 31, 2025.

(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

April 5 and April 8, 2024

(3) Details of sale of investment securities

- (i) Type of assets sold: Listed securities held by two wholly-owned subsidiaries of the Company: 3 stocks
- (ii) Gain on sale: ¥8,385 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 ¥6,372 million and 3,437,230 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 retirement.

(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 ¥162 million and 62,500 shares, respectively.

Financial Statements

Non-Consolidated Balance Sheets

(Millions of yen)

Accounting Item	97th Business Term As of March 31, 2024	Accounting Item	97th Business Term As of March 31, 2024
ASSETS		LIABILITIES	
Current assets:	6,488	Current liabilities:	130,822
Cash and deposits	3,746	Accounts payable - trade	1,863
Accounts receivable - trade	814	Short-term borrowings from subsidiaries and associates	120,468
Programs and work in progress:	0	Accounts payable - other	2,675
Prepaid expenses	141	Income taxes payable	5,057
Short-term loans receivable from subsidiaries and associates	155	Accrued consumption taxes	183
Accounts receivable - other	1,249	Accrued expenses	157
Other	381	Provision for bonuses	289
		Other	125
Non-current assets:	1,204,768	Non-current liabilities:	218,526
Property, plant and equipment:	110,125	Long-term deposits received	20,560
Buildings	31,979	Provision for retirement benefits	6,544
Structures	890	Provision for share awards	28
Machinery and equipment	180	Deferred tax liabilities	191,253
Vehicles	0	Other	139
Tools, furniture and fixtures	925		
Land	73,996	Total liabilities	349,348
Construction in progress	2,152		
Intangible assets:	1,195	NET ASSETS	
Software	1,181	Shareholders' equity:	421,611
Other	13	Share capital	54,986
Investments and other assets:	1,093,447	Capital surplus	44,634
Investment securities	670,198	Legal capital surplus	35,026
Shares of subsidiaries and associates	411,487	Other capital surplus	9,607
Investments in capital of subsidiaries and associates	4,002	Retained earnings	339,068
Long-term loans receivable	14	Legal retained earnings	4,217
Long-term loans receivable from subsidiaries and associates	5,300	Other retained earnings	334,851
Long-term prepaid expenses	38	General reserve	194,312
Other	2,432	Retained earnings brought forward	140,538
Allowance for doubtful accounts	(27)	Treasury shares	(17,078)
		Valuation and translation adjustments:	440,296
		Valuation difference on available- for-sale securities	440,296
		Total net assets	861,907
Total assets	1,211,256	Total liabilities and net assets	1,211,256

Non-Consolidated Statements of Income

(Millions of yen)

Accounting Item	97th Business Term From April 1, 2023 to March 31, 2024
Operating revenue	18,905
Real estate lease revenue	16,389
Other revenue	2,515
Operating expenses	18,588
Real estate lease expenses	7,589
Other business expenses	322
General and administrative expenses	10,676
Operating profit	317
Non-operating income	24,165
Interest and dividend income	24,121
Other	44
Non-operating expenses	1,309
Interest expenses	335
Share-related expenses	532
Non-deductible consumption tax, etc.	171
Other	269
Ordinary profit	23,173
Extraordinary income	36,700
Gain on sale of investment securities	25,432
Gain on exchange associated with dividends-in-kind	11,268
Extraordinary losses	2,199
Loss on valuation of shares of subsidiaries and associates	1,928
Business restructuring expenses	218
Loss on sale of investment securities	52
Profit before income taxes	57,674
Income taxes - current	9,638
Income taxes - deferred	95
Profit	47,941

Non-Consolidated Statements of Changes in Equity

(Fiscal Year from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of period	54,986	35,026	15,074	50,100	4,217	194,312	100,009	298,538
Changes during period								
Dividends of surplus							(7,412)	(7,412)
Profit							47,941	47,941
Purchase of treasury shares								
Disposal of treasury shares			135	135				
Cancellation of treasury shares			(5,601)	(5,601)				
Net changes in items other than shareholders' equity								
Total changes during period	–	–	(5,466)	(5,466)	–	–	40,529	40,529
Balance at end of period	54,986	35,026	9,607	44,634	4,217	194,312	140,538	339,068

	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	(11,302)	392,323	189,442	189,442	581,765
Changes during period					
Dividends of surplus		(7,412)			(7,412)
Profit		47,941			47,941
Purchase of treasury shares	(11,716)	(11,716)			(11,716)
Disposal of treasury shares	339	475			475
Cancellation of treasury shares	5,601	–			–
Net changes in items other than shareholders' equity			250,854	250,854	250,854
Total changes during period	(5,775)	29,288	250,854	250,854	280,142
Balance at end of period	(17,078)	421,611	440,296	440,296	861,907

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. 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.
6. 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 Non-Consolidated Balance Sheets

1. Accumulated Depreciation of Property, Plant and Equipment ¥45,642 million
2. Guarantee Liabilities
Employees' housing loans ¥272 million
3. Receivables from and payables to subsidiaries and associates (excluding accounting items presented separately)

Short-term receivables from subsidiaries and associates	¥6,361 million
Short-term payables to subsidiaries and associates	¥571 million

Notes on Non-Consolidated Statements of Income

1. Transactions with subsidiaries and associates

Operating revenue	¥3,497 million
Operating expenses	¥2,160 million
Transactions other than ordinary operation	¥16,087 million
Gain on exchange associated with dividends-in-kind	¥11,268 million

Notes on Non-Consolidated Statements of Changes in Equity

1. Class and number of treasury shares

	Number of shares at the beginning of fiscal year under review	Increase during fiscal year under review	Decrease during fiscal year under review	(Shares)
Common stock (Notes 1,2,3)	6,396,174	3,718,548	3,190,542	6,924,180
Total	6,396,174	3,718,548	3,190,542	6,924,180

Note 1: The number of treasury shares at the end of the fiscal year under review includes 3,437,230 shares of the Company held by the Stock-Granting ESOP (Employee Stock Ownership Plan) Trust and 62,500 shares of the Company held by the Share Grant Trust Account for Directors.

Note 2: An increase of 3,718,548 treasury shares of common stock was due to the purchase of 3,363,800 treasury shares by the resolution of the Board of Directors, the purchase of 279,900 treasury shares by the Stock-Granting ESOP Trust, the purchase of 62,500 treasury shares by the Share Grant Trust Account for Directors, the purchase of 11,120 shares from retirees with restricted share-based incentives for the Employees' Shareholding Association, and the purchase of 1,228 shares as less-than-one-unit shares.

Note 3: A decrease of 3,190,542 treasury shares of common stock was due to the cancellation of 3,000,000 treasury shares, the disposal of 162,822 treasury shares as restricted shared-based remuneration, the disposal of 27,670 treasury shares by the Stock-Granting ESOP Trust, and a decrease of 50 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	20,961
Provision for retirement benefits	2,004
Accrued enterprise taxes	383
Provision for bonuses	89
Valuation difference on available-for-sale securities	(194,254)
Other	691
Subtotal	<u>(170,124)</u>
Valuation reserve	<u>(21,129)</u>
Total	<u><u>(191,253)</u></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	0.11%
Dividend income	(9.76%)
Increase or decrease in valuation reserve	(4.50%)
Other	0.40%
Effective income tax rate after applying tax effect accounting	<u><u>16.87%</u></u>

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:	(50,910) Note 2:	Short-term borrowings from subsidiaries and associates	53,078
Subsidiaries	THE SEVEN, INC.	Directly owning: 100%	Operation management Sharing of officers Borrowing of funds	Borrowings Note 1:	364 Note 2:	Short-term borrowings from subsidiaries and associates	29,308
Subsidiaries	BS-TBS, INC.	Directly owning: 100%	Operation management Sharing of officers Borrowing of funds	Borrowings Note 1:	90 Note 2:	Short-term borrowings from subsidiaries and associates	12,521

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.

Per Share Information

- | | |
|-------------------------|-----------|
| 1. Net Assets per Share | ¥5,331.38 |
| 2. Profit per Share | ¥292.01 |

Note 1: 3,437,230 shares of the Company held by the Stock-Granting ESOP Trust and 62,500 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: 3,445,342 shares of the Company held by the Stock-Granting ESOP Trust and 43,545 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, 2024

The Board of Directors
TBS Holdings, Inc.

KPMG AZSA LLC
Tokyo Office

Katsunori Tsukahara
Designated and Engagement Partner
Certified Public Accountant

Takeshi Nakatani
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, 2024 and for the 97th business term from April 1, 2023 to March 31, 2024 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.
- Obtain sufficient and appropriate audit evidence about the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated statutory report. The auditor is responsible for the direction, supervision and implementation 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, 2024

The Board of Directors
TBS Holdings, Inc.

KPMG AZSA LLC
Tokyo Office

Katsunori Tsukahara
Designated and Engagement Partner
Certified Public Accountant

Takeshi Nakatani
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, 2024 and for the 97th business term from April 1, 2023 to March 31, 2024 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 97th business term from April 1, 2023 through March 31, 2024 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

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.

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, Legal & Compliance Division, the Office of Internal Audit and other employees, made efforts to gather information and establish the audit environment, in addition to attending the meetings of the Board of Directors and other important meetings, receiving reports from the directors and other managers on their duties, requesting explanations when necessary, inspecting documents concerning matters such as important decisions, and investigating 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.

In addition, 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 expressed opinions. 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.

Furthermore, 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, 2024

Audit & Supervisory Board of
TBS Holdings, Inc.

Standing Statutory Audit & Supervisory Board Member
Tomohiko Nishino

Standing Statutory Audit & Supervisory Board Member
Tetsuya Ichikawa

Outside Audit & Supervisory Board Member
Teisuke Kitayama

Outside Audit & Supervisory Board Member
Mie Fujimoto

Outside Audit & Supervisory Board Member
Somitsu Takehara