

Corporate Governance Report

Last updated: February 2, 2026

TBS HOLDINGS, INC.

Ryujiro Abe, President & Chief Executive Officer

Contact: Corporate Secretary Department, General Affairs Division

Stock Code: 9401

<https://www.tbsholdings.co.jp/>

The corporate governance of TBS HOLDINGS, INC. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Views

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. At the same time, the Company firmly recognizes its social responsibilities to disseminate fair, just and accurate information, to perform the function of social lifeline particularly at the time of disasters and emergencies as a broadcasting business. In order to realize these social missions and maintain and improve our content production and development capabilities, particularly in the broadcasting business, the Group’s human resources such as employees, as well as the long-term relationships of trust with outsourcers, business partners, and other content supporters, are extremely important management resources and constitute the source of the Company’s corporate value.

To maximize its corporate value and the common interests of shareholders, the Company must develop and strengthen the sources of its corporate value from a medium- to long-term perspective. Based on this recognition, the Company considers that the basic policy for corporate governance is to endeavor to maximize the corporate value of the Company and common interests of shareholders by seeking high quality of contents created and the management efficiency at the same time.

In addition, the Company has formulated the TBS Group Code of Conduct as a basic oath that all officers and employees are required to uphold and also adopted the TBS Group Standards of Conduct as standards for the realization of the Charter and is working to ensure full compliance with them. As such the Company strives to strengthen the corporate governance to ensure that Directors perform their duties in accordance with the laws and regulations and the Articles of Incorporation and their management judgment and business execution are conducted in line with the above basic policy.

[Reasons for Non-compliance with the Principles of Japan's Corporate Governance Code]

The Company implements all of the principles of Japan's Corporate Governance Code.

[Disclosure Based on the Principles of Japan's Corporate Governance Code] [Updated]

[Principle 1-4. Cross-Shareholdings]

The Company has been progressively reducing cross-shareholdings in accordance with Japan's Corporate Governance Code. The Company had sold cross-shareholdings totaling ¥153 billion over the six-year period from FY2018 to FY2023. The Company plans to sell such stocks totaling more than ¥90 billion during the three-year period from FY2024 to FY2026, the period of the "TBS Group Medium-Term Business Plan 2026." If the plan is executed, the cumulative proceeds from the sale of stocks over the nine years beginning from FY 2018 will exceed ¥243 billion.

The Board of Directors examines whether or not it is appropriate to continue to hold the 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. In FY2024, the Board of Directors verified the cross-shareholdings in meetings held in August and September, and the Company conducted the sale of stocks with proceeds amounting to approximately ¥39.6 billion. In FY2025 as well, we have already sold shares worth approximately ¥13.7 billion and will continue an effort to reduce cross-shareholdings.

In exercising voting rights, while respecting the management policy of investees, the Company closely examines the content of proposals and exercises voting rights appropriately from the viewpoint of whether or not it contributes to enhancement of medium- to long-term corporate value. However, in the case where the Company's corporate value may be damaged, the case where any material violation of laws and regulations is seen, or other cases, the Company will have a sufficient dialogue, including confirmation of intent of the proposal, with the investee as needed, and make a careful judgment.

[Principle 1-7. Related Party Transactions]

In the event that competitive transactions or conflict-of-interest transactions with Directors occur, such transactions are conducted, after crucial facts are disclosed to the Board of Directors in advance, and then prior approval of the Board of Directors is obtained, in accordance with the Companies Act and the Regulations of the Board of Directors, and the outcome is reported to the Board of Directors. In addition, transactions with officers and their close relatives are confirmed regularly each year.

Transactions with related parties including major shareholders are to be conducted fairly in accordance with the TBS Group Standards of Conduct, as is the case with general transactions.

<https://www.tbsholdings.co.jp/about/governance/statement.html> (in Japanese)

[Supplementary Principle 2-4-1. Ensuring Diversity in the Appointment of Core Personnel, etc.]

(1) Promotion of female employees to managers

In the TBS Group Medium-Term Business Plan 2026, we have set a target of 20% of female employees in management positions, and we are actively pursuing the appointment of female employees to management positions so as to achieve that target. The percentage at TOKYO BROADCASTING SYSTEM TELEVISION, INC. our core subsidiary, was 15.9% (as of March 2025), and we will strive toward our target.

(2) Promotion of foreign employees to managers

We do not include nationality in our selection criteria for both new graduates and mid-career hires, and recruit employees based on a fair assessment of the individual's abilities, aptitude and other factors. For management positions, we also place importance on whether the person has appropriate skills and insights, and appoint people without distinction of nationality or gender. For this reason, we have not set any specific target figures for the appointment of foreign employees to management positions.

(3) Promotion of mid-career employees to managers

In the TBS Group Medium-Term Business Plan 2026, we have set a target of recruiting 300 mid-career hires by 2026, and we are actively working to expand our pool of career personnel with specialized knowledge and abilities. In FY2024, we hired 52 individuals at our core subsidiary, TBS TELEVISION, INC., and 95 in total across our six main companies, including TBS TELEVISION, INC., and we will continue to actively recruit professional talent to expand our human resources portfolio. As mentioned above, when it comes to management positions, we place emphasis on whether the candidate has the appropriate abilities and insight, and we have not set any specific target figures for promoting mid-career hires to management positions.

For information on the Group's initiatives related to human capital management, including its Human Resource Development Policy, Internal Environment Improvement Policy and the implementation status thereof, please see the TBS Group Integrated Report.

<https://www.tbsholdings.co.jp/en/ir/report/2024.html>

[Principle 2-6. Roles of Corporate Pension Funds as Asset Owners]

As part of employee welfare benefits, the Company has introduced a defined contribution pension plan, and works to provide education on the plan to employees periodically.

[Principle 3-1. Full Disclosure]

(1) Company objectives (e.g., management principles), business strategies and business plans

Management principles, etc. of the Company have been disclosed on its website below.

<https://www.tbsholdings.co.jp/en/about/brand.html>

In addition, business strategies, business plans, etc. have been disclosed on the TBS Group Medium-Term Business Plan 2026.

<https://www.tbsholdings.co.jp/en/about/plan.html>

(2) Basic views and basic policies on corporate governance based on each of the principles of the Code

As described in I-1. "Basic Views" in this report.

(3) Board of Directors policies and procedures in determining the remuneration of the senior management and directors

As described in II-1. "[Directors] Supplementary Explanation" and "[Director Remuneration] Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof" in this report.

(4) Board of Directors policies and procedures in the appointment/dismissal of the senior management and the nomination of director and audit & supervisory board member candidates

Candidates for Directors (including President & Representative Director) are nominated as those with high business execution skills capable of implementing management strategies, and understanding the Company's business characteristics with extensive experience and knowledge as a member of the top management. Furthermore, those who are not involved in business execution but have an important role of supervising Directors with high effectiveness are nominated as candidates for Outside Directors. The structural diversity of the Board of Directors and a good balance between business execution and supervision are taken into account upon nomination.

For candidates for audit & supervisory board members, those with considerable knowledge of internal control and diverse persons who are outside of the industry to which the Company belongs have been nominated.

Candidates for directors, including the President & Representative Director, are selected after deliberation by the Nomination Advisory Committee, and candidates for audit & supervisory board members are selected after obtaining the consent of the Audit & Supervisory Board, which is then decided by the Board of Directors and proposed to the General Meeting of Shareholders.

In cases where it is objectively found appropriate that any Director, including the President & Representative Director, is dismissed, such as due to violation of any laws and regulations, the Articles of Incorporation, etc. by such Director, the dismissal is determined by the Board of Directors through deliberation of the Nomination Advisory Committee, and proposed to the General Meeting of Shareholders.

(5) Explanations with respect to individual appointments/dismissals of the senior management and nominations of director and audit & supervisory board member candidates by the Board of Directors
It is provided in “Reference Materials” of the Notice of Convocation of the General Meeting of Shareholders.
<https://www.tbsholdings.co.jp/en/ir/stakeholders/meeting.html>

[Supplementary Principle 3-1-3. Efforts for Sustainability]

<Efforts for Sustainability>

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

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

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

For information on the Group’s sustainability approach and initiatives, please see “Part 2 Overview of Business, 2 Sustainability Approach and Initiatives” of the Annual Securities Report.

<https://www.tbsholdings.co.jp/ir/library/statement.html> (in Japanese)

We also disclose information related to sustainability on the Company website and in the TBS Group Integrated Report.

TBSHD Sustainability website, “Sustainability Policy and System”

https://www.tbs.co.jp/TBS_sustainability/en/vision_goals/system.html

TBS Group Integrated Report

<https://www.tbsholdings.co.jp/en/ir/report/>

[Supplementary Principle 4-1-1. Scope of Matters Delegated to the Senior Management]

Important management matters requiring a resolution of the Board of Directors and matters for reporting concerning Directors’ performance of operations have been stipulated in the Regulations of the Board of Directors. In addition, with regard to individual performance of operations, the scope of matters delegated has been stipulated in the Regulations of the Board of Full-time Directors and Officers and various rules.

[Principle 4-9. Independence Standards and Qualification for Independent Outside Directors]

Judgments are made based on the following criteria in addition to the independence standards of the Tokyo Stock Exchange.

- (1) Executive of a major shareholder who holds 10% or more of shares of the Company
- (2) Executive of a customer of which the ratio of actual sales to the Company’s consolidated net sales is 10% or more
- (3) Executive of a network station of a core subsidiary

[Supplementary Principle 4-10-1. Authority and Role of the Nomination Committee and Remuneration Committee, etc.]

As described in II-1. “[Directors] Supplementary Explanation.”

[Supplementary Principle 4-11-1. Views on Diversity in the Board of Directors, etc.]

<Views on Balance of Knowledge, Experience and Ability, Diversity and Size of the Board of Directors as a Whole>

From the perspective of speeding up management decision-making and ensuring transparency and fairness, four of nine Directors who make up the Board of Directors are Independent Outside Directors. The four Independent Outside Directors excel in fields like “corporate management,” “finance & accounting,” “human resource management,” and “legal & compliance,” and have a wealth of experience and knowledge in each domain of “Digital,” “Global,” and “Experience,” which the Company has set in its growth strategy, thereby ensuring diversity and multifacetedness.

<Combination of Skills, etc. Possessed by Directors>

With respect to the combination of skills, etc. possessed by Directors, the skills matrix is included as reference material for the proposal for the election of Directors in the Notice of Convocation of the Ordinary General Meeting of Shareholders of the Company.

<https://www.tbsholdings.co.jp/en/ir/stakeholders/meeting.html>

<Policies and Procedures for Appointment of Directors>

The policy for the appointment of Directors is as described in [Principle 3-1. Full Disclosure] (4) of this report. As the procedures, candidates for Directors are reported to the Board of Directors following deliberation by the Nomination Advisory Committee, which consists of seven persons including four Outside Directors, and then determined.

[Supplementary Principle 4-11-2. Concurrent Positions Held by Directors and Audit & Supervisory Board Members]

Important concurrent positions outside the Company of Directors and Audit & Supervisory Board Members (including candidates) are disclosed each year in disclosure documents such as “Business Report,” “Reference Materials,” and “Securities Report.”

[Supplementary Principle 4-11-3. Analysis and Evaluation of the Effectiveness of the Board of Directors]

The Company recognizes that it is important for the Board of Directors to fully fulfill its expected role and improve its functions in order to sustainably enhance corporate value and maximize the common interests of shareholders, and in order to obtain a more objective perspective, the Company has been conducting self-evaluations of the Board of Directors with the support of a third-party institution in an effort to improve its effectiveness.

In FY2024, in addition to surveys, we also conducted interviews with each Director and Audit & Supervisory Board Member, in light of the changes to our management structure aimed at achieving the “TBS Group VISION 2030,” the Group’s long-term management vision and the “TBS Group Medium-Term Business Plan 2026,” and also as a review of the initial year of the “TBS Group Medium-Term Business Plan 2026.” Based on the report of the third-party institution, the Board of Directors discussed and evaluated its effectiveness.

[Summary of the questionnaire and interviews]

FY2024 questionnaires and interviews were conducted primarily from the following perspectives:

(1) Composition and management of the Board of Directors, (2) Management strategy and business strategy, (3) Corporate ethics and risk management, (4) Evaluation and remuneration of management (including matters related to the operation and discussions of the Nomination Advisory Committee and the Remuneration Advisory Committee), (5) Dialogue with shareholders and other interested parties, (6) Expectations and roles of directors and audit & supervisory board members, and (7) Self-evaluation

[Progress of improvement measures evaluated in FY2023]

Upon reviewing the improvement measures in response to the evaluation of the effectiveness of the Board of Directors in FY2023, we confirmed that, in general, the matters requiring attention have been appropriately addressed and progress has been made. However, we confirmed that improvement measures such as the

implementation of strategic discussions on human capital and making clear distinctions with agile decision-making at Group companies remain ongoing issues and that these will be addressed going forward.

For FY2023 evaluation results of the Board of Directors' effectiveness, please see page 89 of the TBS Group Integrated Report 2024.

<https://www.tbsholdings.co.jp/en/ir/report/pdf/2024/report2024.pdf>

[FY2024 Summary of evaluation]

As a result of the FY2024 evaluation, the Company's Board of Directors was again deemed to be functioning properly and its effectiveness was ensured, as it was in FY2023. In particular, the following points were evaluated as characteristics and strengths of the Company's Board of Directors.

(1) Lineup of experienced Outside Directors

The Board of Directors consists of a well-balanced group of Outside Directors with extensive experience in areas including corporate management, global business, human resources management, and legal compliance, and has an appropriate composition based on the roles and functions that Outside Directors are expected to fulfill.

(2) Provision of appropriate information to Outside Officers

The Board of Directors provides appropriate information to Outside Officers, such as by providing thorough and careful advance explanations regarding important agenda items and, to the extent possible, responding to requests from Outside Officers for earlier provisions of information.

(3) Open discussions at Board of Directors meetings and appropriate levels of tension and trust between management and Outside Officers

Under the appropriate proceedings of the chairperson of the Board of Directors, Outside Directors and Outside Audit & Supervisory Board Members express their candid opinions based on their own expertise and knowledge, and the management team sincerely listens to the opinions of Outside Officers, and thus discussions and decision-making at Board of Directors meetings are conducted with an appropriate balance of tension and trust.

(4) Appropriate involvement in compliance and risk management

Management independently identifies and responds to various risks, and necessary and sufficient information is shared with the Board of Directors in a timely manner, thereby ensuring that the Board of Directors is appropriately involved.

At the same time, to further enhance the effectiveness of the Board of Directors, the following issues were confirmed as particular priorities that the Board of Directors should address going forward.

(1) Setting appropriate agenda items for the Board of Directors, including strengthening progress management and monitoring of key strategies and medium-term business plans, among others.

The Board of Directors will work to strengthen the progress management and monitoring of global strategies, IP strategies and other critical strategies, medium-term business plans, and M&A and post-investment status. At the same time, to ensure more time for discussion of such important topics, it will also consider appropriate standards for submitting matters to the Board of Directors, including delegation of authority to management within an appropriate scope. In addition, deliberations will be conducted with a bird's-eye view of the entire Group, including setting agenda items related to the Group's management foundations.

(2) Implementing measures for further team-building among officers

The Board of Directors will endeavor to further foster relationships of trust among officers by expanding such things as opportunities for free discussion and exchange of opinions outside of Board of Directors meetings both among Outside Officers and between Outside Officers and Inside Officers including Executive Officers.

(3) Further enhancing the efficient management of the Board of Directors

To ensure time for the discussion of crucial agenda items and to further enrich the content of discussions, the Board of Directors will work to improve the efficiency of Board of Directors meetings, including by providing prior explanations.

[Supplementary Principle 4-14-2. Training Policy for Directors and Audit & Supervisory Board Members]

To newly appointed outside officers, the Company's management principles, Medium-Term Business Plans, important strategies, various regulations, and internal control/risk management systems, among others, are explained. To newly appointed officers from the Company, the Company provides an opportunity to acquire necessary knowledge on the role and responsibilities based on important laws and regulations including the Companies Act upon assuming the office.

To incumbent Directors and Audit & Supervisory Board Members, the Company provides an opportunity to acquire and update necessary knowledge on the role and responsibilities.

[Principle 5-1. Policy for Constructive Dialogue with Shareholders]

Recognizing that shareholders' and investors' understanding is necessary to achieve sustainable growth and enhancement of the corporate value of the Group, the Company intends to provide information to shareholders and investors and hold a dialogue with them. The main policies concerning the system development and measures for promoting constructive dialogue with the Company's shareholders and investors are as follows.

- (1) Overall dialogue with shareholders and investors is overseen by the Director who is the Chief Financial Officer (CFO) and the Executive Officer who assists the Director.
- (2) Contact points and materials related to dialogue with shareholders and investors are handled by the Investor Relations Office, which cooperates with the Finance Department, Corporate Development Department, and Corporate Secretary Department.
- (3) In principle, results briefings are held twice a year (May and November) for analysts and investors in the presence of the President & Representative Director, where the long-term vision and progress of the Medium-Term Business Plan are also explained.
- (4) Any opinions or requests from shareholders and investors obtained through dialogues are reported at meetings of the Board of Full-time Directors and Officers and the Board of Directors, as deemed appropriate.
- (5) In dialogues with shareholders and investors, insider information is managed appropriately in accordance with internal regulations "Insider Trading Prevention Rules."

Status of Dialogue Between Management and Shareholders for the Previous Fiscal Year

The Investor Relations Office mainly handles dialogue with shareholders and investors, while the Directors and Executive Officers in charge of each department conduct dialogue depending on the content of the meetings and other matters.

For the IR activities in FY2024, the Company held quarterly meetings with more than 40 analysts from sell-side securities firms and domestic and foreign institutional investors for a total of approximately 150 meetings during the year. Apart from financial results and business prospects, the face-to-face meetings included dialogue on the progress of TBS Group VISION 2030 and TBS Group Medium-Term Business Plan 2026, as well as growth strategies centered on content production. When explaining our financial, we continued to enhance quantitative explanations, and as a priority measure going forward, we also strengthened our qualitative explanations, focusing on growth areas that are of great interest to shareholders and investors, in an effort to make the information easier to understand. Additionally, to coincide with the appointment of our new President & Representative Director, we implemented flexible dialogue, such as holding small meetings with sell-side analysts and arranging facility tours of Midoriyama Studio City in response to requests from institutional investors.

The Director who serves as CFO (Chief Financial Officer), the Executive Officer assisting the Director, as well as the Director who serves as CSO (Chief Sustainability Officer) oversaw SR activities in FY2024. We held approximately 40 face-to-face meetings with the persons in charge of ESG and voting rights from domestic institutional investors, primarily engaged in passive management. A lively exchange of opinions was held on themes such as the results of voting rights exercised at the General Meeting of Shareholders, the reduction of cross-shareholdings, policies for responding to takeover proposals, capital cost management, human capital management, and efforts to address human rights issues. The content of such dialogues is fed back to the Board of Directors and other areas within the Company. We use that feedback, combined with opinions and insights gained from surveys conducted with each investor after interviews since FY2023, to enhance corporate value and reflect them in the formulation of Medium-Term Business Plans, the establishment of an effective Board of Directors structure, updates to our integrated report, and other measures. In FY2025, we also proactively held meetings with ESG and proxy voting personnel from overseas institutional investors.

[Response to Realize Management with an Awareness of Capital Costs and Share Price]

Content of Disclosure (Updated)	Disclosure of Initiatives (Update)
Availability of English Disclosure (Updated)	Available

Date of Disclosure Update (Updated)	July 4, 2025
Explanation of Responses (Updated)	
In May 2021, the Company announced “TBS Group VISION 2030,” the Group’s long-term management vision. Also, in May 2024, the Company announced the “TBS Group Medium-Term Business Plan 2026,” Phase 2 of the Medium-Term Business Plan, which is divided into three-year periods, and it is promoting management based on those plans. In the “TBS Group Medium-Term Business Plan 2026,” the Company aims to grow sustainably as a company and enhance its corporate value in the medium to long term by continuing to actively make investments that advances the Company’s growth strategies for the TBS Group to evolve from a media group to a content group, while fulfilling the Company’s social mission as a key news media outlet, expected to perform the function of a social lifeline. At the same time, the Company has clearly stated its policy to further increase the return to its shareholders through such growth. The two pillars of the growth strategies are “strengthening planning and production capabilities for content IP” and “promoting global business,” and in terms of the growth investments to realize them, the Company plans total investment of ¥160 billion, exceeding the actual results of the “TBS Group Medium-Term Business Plan 2023” (total amount of ¥145.1 billion). The Company is also steadily expanding shareholder returns based on serious consideration of changes in the capital markets. In the “TBS Group Medium-Term Business Plan 2026,” the Company has clearly stated its policy of raising a target of dividend payout ratio from the previous 30% to 40% of the consolidated profit and flexibly acquiring treasury shares with the total payout ratio in mind. As a result of those, the Company plans shareholder returns totaling approximately ¥60 billion (the actual result for the period of the “TBS Group Medium-Term Business Plan 2023” is approximately ¥44 billion.) As stated above, for purposes of securing financial sources of capital for growth investments, and expanding shareholder returns as well as compliance with the Corporate Governance Code and balance sheet improvement, the Company has steadily carried out sales of cross-shareholdings. During the period of the “TBS Group Medium-Term Business Plan 2026,” the Company plans to sell a total amount of ¥90 billion or more of cross-shareholdings (the actual result during the period of the “TBS Group Medium-Term Business Plan 2023” is approximately ¥81.4 billion). Through such growth and financial strategies, the Company aims to improve return on capital, and in the “TBS Group Medium-Term Business Plan 2026,” the Company clearly states that it aims to achieve ROIC of 5% or more by FY2030. Further, the TBS Group VISION 2030 and TBS Group Medium-Term Business Plan 2026 are available on the Company’s website. https://www.tbsholdings.co.jp/en/about/plan.html In our FY2024 Consolidated Financial Results released on May 14, 2025, we announced the progress made in the first year of the “TBS Group Medium-Term Business Plan 2026” (Medium-Term Plan 2026). With regard to the growth strategy, the Company has announced several initiatives, such as making active investments worth ¥30.0 billion by establishing a new company to acquire and monetize content IP, promoting joint productions such as dramas and related content with overseas producers and distribution platforms that meet global standards to steadily advance the Company’s global strategy, while pushing forward with the “Edu Tainment” business, a new Inquiry-Based Learning platform that combines entertainment and education. Regarding shareholder returns, the Company currently forecasts that the total amount of cash-based dividend payments and share buybacks for FY2025 will be approximately ¥35.0 billion, progressing at a pace exceeding the planned value. In addition, we are steadily working to reduce our cross-shareholdings as described in Section I. of this report [Disclosure Based on the Principles of Japan’s Corporate Governance Code] [Principle 1-4]. In FY2024, we made steady progress, posting consolidated net sales of ¥406.7 billion and consolidated operating profit of ¥19.4 billion, exceeding sales and income by ¥6.7 billion and ¥2.9 billion, respectively, compared to the initial forecasts, and will continue to steadily implement the growth strategies and financial strategies set out in our Medium-Term Plan 2026 to accomplish our VISION2030. For details of the above progress, please refer to our FY2024 Consolidated Financial Results, released on May 14, 2025. https://ssl4.eir-parts.net/doc/9401/ir_material_for_fiscal_ym5/178710/00.pdf	

[Translation]

2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%
----------------------------	---------------------------

[Status of Major Shareholders]

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,938,500	9.74
The Master Trust Bank of Japan, Ltd. (Pension Account-Pension Trust Account held for DENTSU INC.)	9,310,500	5.69
MBS MEDIA HOLDINGS, INC.	8,848,100	5.40
Custody Bank of Japan, Ltd. (Trust Account)	5,769,236	3.52
Mitsui Fudosan Co., Ltd.	5,713,728	3.49
NTT DOCOMO, INC.	5,713,000	3.49
Nippon Life Insurance Company	5,006,235	3.06
STATE STREET BANK AND TRUST COMPANY 505001	4,934,352	3.01
BIC CAMERA INC.	4,190,000	2.56
Kodansha Ltd.	3,771,200	2.30

Controlling Shareholder (except for Parent Company)	—
Parent Company	N/A

Supplementary Explanation

The status of major shareholders presented above is based on information in the register of shareholders as of March 31, 2025. In addition, the “Shareholding Ratio (%)” is calculated by deducting the number of treasury shares held as of March 31, 2025 from the denominator.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Information & Communication
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 10 to less than 50

[Translation]

4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Special Circumstances Which May Have Material Impact on Corporate Governance

—

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board Members
-------------------	--

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	14
Term of Office Stipulated in Articles of Incorporation	1 year
Chair of Board of Directors	Chairman (excluding the case where the person concurrently serves as President)
Number of Directors	9
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Officers Designated from among Outside Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yosuke Yagi	From another company											
Makoto Haruta	From another company											
Natsuko Takei	From another company											
Noriko Makino-Villanti	From another company											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category; and

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category; and

"▲" when a close relative of the director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Non-executive director or executive of the parent of the Company

c. Executive of a fellow subsidiary of the Company

d. Party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)

i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)

[Translation]

- j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)
- k. Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Yosuke Yagi	○	—	Mr. Yosuke Yagi has considerable experience and a high degree of knowledge as the head of human resources strategy and a member of top management of operating companies in Japan and abroad. As he is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, he is appointed as Outside Director of the Company. In addition, since he meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for Outside Directors established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated him as Independent Officer.
Makoto Haruta	○	—	Mr. Makoto Haruta has considerable experience and a high degree of knowledge as the head of financial strategy and a member of top management of operating companies in the IT and entertainment sectors. As he is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, he is appointed as Outside Director of the Company. In addition, since he meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for Outside Directors established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated him as Independent Officer.

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Natsuko Takei	○	—	Ms. Natsuko Takei has considerable experience and a high degree of knowledge as the head of legal affairs and compliance at a global operating company. As she is expected to continuously offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, she is appointed as Outside Director of the Company. In addition, since she meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for Outside Directors established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated her as Independent Officer.
Noriko Makino-Villanti	○	—	Ms. Noriko Makino-Villanti has considerable experience and a high degree of knowledge in global business and human resources development. As she is expected to offer useful opinions and suggestions to the management as well as supervision over and advice regarding duties executed by Directors toward the continuous enhancement of the corporate value of the Group, she is appointed as Outside Director of the Company. In addition, since she meets the independence requirements set by the Tokyo Stock Exchange and the independence standards for Outside Directors established by the Company, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated her as Independent Officer.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Remuneration Committee	Established
--	-------------

Committee's Name, Composition, and Chairperson's Attributes

	Committee Equivalent to Nomination Committee	Committee Equivalent to Remuneration Committee
Committee's Name	Nomination Advisory Committee	Remuneration Advisory Committee
Total Committee Members	7	7
Full-time Members	0	0
Inside Directors	3	3
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Outside director	Outside director

Supplementary Explanation [

The Nomination Advisory Committee consists of seven members, including four Independent Outside Directors, and its members are selected by resolution of the Board of Directors. As for the composition of the committee, a majority of the members shall be Outside Directors, and the committee is chaired by an Outside Director to ensure its independence and objectivity as a committee. The Nomination Advisory Committee holds a meeting regularly and as necessary, deliberates on appointment and dismissal of Directors and President & Representative Director from an objective and fair standpoint at the request of the Board of Directors, and makes recommendations to the Board of Directors.

In addition, the committee discusses a succession plan for President & Representative Director and the situation of training of a candidate, and reports the results to the Board of Directors as appropriate.

(Members of Nomination Advisory Committee)

Chairperson: Yosuke Yagi, Outside Director

Members: Makoto Haruta, Outside Director, Natsuko Takei, Outside Director, Noriko Makino-Villanti, Outside Director, Ryujiro Abe, President & Chief Executive Officer, Masamine Ryuho, Vice President and Representative Director, Yasushi Gemba, Senior Managing Director

The number of meetings held in FY2024 is five (the number of meetings held in FY2023 is five), and all the members attended the committee meetings held.

Mr. Ryujiro Abe, Mr. Masamine Ryuho, and Mr. Yasushi Gemba were appointed as members of the Nomination Advisory Committee on June 27, 2024, and Ms. Noriko Makino-Villanti on June 27, 2025.

The Remuneration Advisory Committee consists of seven members, including four Independent Outside Directors, and its members are selected by resolution of the Board of Directors. As for the composition of the committee, a majority of the members shall be Outside Directors, and the committee is chaired by an Outside Director to ensure its independence and objectivity as a committee. The Remuneration Advisory Committee holds a meeting regularly and as necessary, deliberates on the system and level of Directors' remuneration of the Company from an objective and fair standpoint at the request of the Board of Directors in accordance with the policy established by the Board of Directors, and makes recommendations to the Board of Directors.

(Members of Remuneration Advisory Committee)

Chairperson: Yosuke Yagi, Outside Director

Members: Makoto Haruta, Outside Director, Natsuko Takei, Outside Director, Noriko Makino-Villanti, Outside Director, Ryujiro Abe, President & Chief Executive Officer, Masamine Ryuho, Vice President and Representative Director, Yasushi Gemba, Senior Managing Director

The number of meetings held in FY2024 is three (the number of meetings held in FY2023 is three), and all the members attended the committee meetings held.

Mr. Ryujiro Abe, Mr. Masamine Ryuho, and Mr. Yasushi Gemba were appointed as members of the Remuneration Advisory Committee on June 27, 2024, and Ms. Noriko Makino-Villanti on June 27, 2025.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditor and Internal Audit Department

Audit & supervisory board members maintain close cooperation with KPMG AZSA LLC, the Accounting Auditor, by holding a regular meeting with the firm and other means, and proactively exchanges opinions and information, working to conduct efficient audits. Audit & supervisory board members receive a summary of audit plan from the Accounting Auditor and reports on risk assessments, etc. on internal controls related to financial reporting as well as explanation on priority items to be audited and others, and exchange opinions. Standing statutory audit & supervisory board members and the Internal Audit Division, an internal audit department, hold a meeting every two weeks in principle to share information on development and implementation of internal controls. Outside audit & supervisory board members will receive reports on matters to be audited from the Internal Audit Division as needed. In addition, the Audit & Supervisory Board regularly receives reports on an annual audit plan, the results of implemented internal audits, etc. from the Internal Audit Division.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Independent Officers Designated from among Outside Audit & Supervisory Board Members	3

Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Mie Fujimoto	From another company													
Masahiko Oshima	From another company										△			
Junko Kogayu	From another company													

[Translation]

- * Categories for “Relationship with the Company”
 - * “○” when the audit & supervisory board member presently falls or has recently fallen under the category; and
“△” when the audit & supervisory board member fell under the category in the past
 - * “●” when a close relative of the audit & supervisory board member presently falls or has recently fallen under the category; and
“▲” when a close relative of the audit & supervisory board member fell under the category in the past
- a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
 - b. Non-executive director or accounting advisor of the Company or its subsidiary
 - c. Non-executive director or executive of the parent of the Company
 - d. Audit & supervisory board member of the parent of the Company
 - e. Executive of a fellow subsidiary of the Company
 - f. Party whose major client or supplier is the Company or an executive thereof
 - g. Major client or supplier of the Company or an executive thereof
 - h. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director
 - i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
 - j. Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the audit & supervisory board member himself/herself only)
 - k. Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the audit & supervisory board member himself/herself only)
 - l. Executive of a corporation to which outside officers are mutually appointed (the audit & supervisory board member himself/herself only)
 - m. Other

Outside Audit & Supervisory Board Members’ Relationship with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Mie Fujimoto	○	—	Ms. Fujimoto has extensive experience and a high degree of knowledge, etc. as a lawyer specialized in corporate legal affairs. Although she has no experience being involved in corporate management by means other than serving as an outside officer, for the above reason, she is expected to offer valuable opinions and comments to the management of the Group from an objective standpoint. Therefore, the Company has determined that she can execute the duties as its outside audit & supervisory board member appropriately. In addition, since she meets the independence requirements set by the Tokyo Stock Exchange, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated her as Independent Officer.

[Translation]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Masahiko Oshima	○	j. Sumitomo Mitsui Banking Corporation, where he previously served as executive (Director and Deputy President) until March 2023, is a business partner of the Company. However, the nature of these transactions consists of ordinary banking transactions. In addition, he has already retired from his position as executive of the said company (in March 2023) and left the said company in July 2024. Therefore, the Company has determined that there is no risk of his independence being affected.	Mr. Oshima has extensive experience and high degree of knowledge, etc. as a member of the top management of a financial institution. He is expected to offer valuable opinions and comments to the management of the Group from an objective standpoint. Therefore, the Company has determined that he can appropriately execute the duties as its outside audit & supervisory board member. In addition, since he meets the independence requirements set by the Tokyo Stock Exchange, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated him as Independent Officer.
Junko Kogayu	○	—	Ms. Kogayu has extensive experience and high degree of knowledge, etc. as a certified public accountant and tax accountant. Although she has not been involved in corporate management by other means than serving as an outside officer, for the above reason, she is expected to offer valuable opinions and comments to the management of the Group from an objective standpoint. Therefore, the Company has determined that she can appropriately execute the duties as its outside audit & supervisory board member. In addition, since she meets the independence requirements set by the Tokyo Stock Exchange, the Company has judged that there is no possibility of conflict of interest arising with general shareholders and designated her as an Independent Officer.

[Independent Officers]

Number of Independent Officers	7
--------------------------------	---

[Translation]

Matters relating to Independent Officers

The Company designates outside officers qualified to be Independent Officers as such.

[Incentives]

Implementation of Measures to Provide Incentives to Directors

Performance-linked remuneration

Supplementary Explanation

For information on the content, etc. of the policy for determining the ratio of provision between performance-linked remuneration and remuneration, etc. other than performance-linked remuneration, please refer to “Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof” below.

Recipients of Share Options

Supplementary Explanation

—

[Director Remuneration]

Disclosure of Individual Directors’ Remuneration

No individual disclosure

Supplementary Explanation

The Company has a policy of disclosing Directors’ remuneration in the Business Report and others in accordance with laws and regulations, etc.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof

Established

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

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

<Basic remuneration policy>

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

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

Based on the above-stated basic remuneration policy, Directors’ remuneration of the Company consists of a. base remuneration, b. performance-linked remuneration, c. non-performance-linked share-based

remuneration, and d. medium- to long-term incentive share-based remuneration. The Company does not provide b. performance-linked remuneration and d. medium- to long-term incentive share-based remuneration to Outside Directors.

The details of each type of remuneration are described below.

a. Base remuneration

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

b. Performance-linked remuneration

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

c. Non-performance-linked share-based remuneration

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

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

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

<Composition of Directors’ remuneration, etc.>

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

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

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

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

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

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

Directors (excluding the following Directors)	A : B : C : D = 50% : 20% : 20% : 10%
Chairman and Director	A : B : C : D = 50% : 30% : 20% : 0%
President & Chief Executive Officer	A : B : C : D = 40% : 20% : 30% : 10%
Outside Directors	A : B : C : D = 80% : 20% : 0% : 0%

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

A: Base remuneration

B: Non-performance-linked share-based remuneration

C: Performance-linked remuneration (performance-linked assessment remuneration)

D: Performance-linked remuneration (qualitative assessment remuneration)

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

Supporting System for Outside Directors and/or Outside Audit & Supervisory Board Member

The Corporate Secretary Department, General Affairs Division provides assistance to Outside Directors, and the Office of Audit & Supervisory Board Members provides assistance to Outside Audit & Supervisory Board Members. The officer in charge of the Board of Directors and standing statutory audit & supervisory board members have a face-to-face meeting with outside directors and outside audit & supervisory board members as needed, and communicate information or explain the situation to them before/after a meeting of the Board of Directors and the Audit & Supervisory Board. In addition, a report is made on the situation of audits by the audit department and on progress of developing the internal control system by the internal control department.

Status of Persons Who Have Retired from a Position Such as President & Representative Director

Retired President & Representative Director, etc. Holding Advisory or Any Other Position in the Company

Name	Title/Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
—	—	—	—	—	—

Total Number of Retired President & Representative Director, etc. Holding Advisory or Any Other Position in the Company

—

Other Matters

—

2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Updated]

(1) Board of Directors

The Board of Directors meets once a month in principle to make decisions on the company's important business operations and to report on important matters. Please refer to the TBS Group Integrated Report for information on the composition of the Board of Directors, attendance status, main topics of discussion, and other such items.

<https://www.tbsholdings.co.jp/en/ir/report>

The Board of Directors consists of 9 persons, including 3 women, and 4 of whom are Outside Directors. Details of the four Outside Directors are as stated in the Notice of General Meeting of Shareholders, and we ensure diversity and multifacetedness by selecting individuals with a wealth of experience and knowledge.

<https://www.tbsholdings.co.jp/en/ir/stakeholders/meeting.html>

(2) Nomination Advisory Committee

The Nomination Advisory Committee is as described in the Supplementary Explanation section of II. 1. Organizational Composition and Operation [Directors] of this report.

(3) Remuneration Advisory Committee

The Remuneration Advisory Committee is as described in the Supplementary Explanation section of II. 1. Organizational Composition and Operation [Directors] of this report.

(4) Audit & Supervisory Board

Standing statutory audit & supervisory board members (two persons) proactively work to improve the audit environment and collect information internally, and monitor and examine the status of building and operating internal control systems on a daily basis in collaboration with the internal audit department, etc. Standing statutory audit & supervisory board members hold a meeting with President regularly and exchange opinions on management policy, risks to be addressed by the Company, and important audit issues. Standing statutory audit & supervisory board members also attend important meetings, peruse documents concerning important decisions, and receive reports concerning the performance of operations.

In addition, standing statutory audit & supervisory board members endeavor to share information obtained in the course of duties with outside audit & supervisory board members (three persons).

For details of the attendance record of the Audit & Supervisory Board and the main matters discussed, please refer to "4. Status of Corporate Governance. (3) Status of Audits" in our Securities Report.

<https://www.tbsholdings.co.jp/ir/library/statement.html> (in Japanese)

(5) Internal audits

The Internal Audit Division (nine persons, including one Certified Internal Auditor), which reports directly to the President, performs internal audits of each department of the Company and group companies based on the annual audit plan reported to the Board of Directors, and assesses appropriateness, effectiveness and efficiency of the Group's business operations. Audit results are reported to the President, and follow-up is done with regard to matters pointed out for improvement to relevant departments and companies. Results of an annual audit are reported to the Board of Directors. In addition, this Division performs "evaluation of internal controls over financial reporting" under the Financial Instruments and Exchange Act.

Audit & supervisory board members maintain close cooperation with KPMG AZSA LLC, the Accounting Auditor, by holding a regular meeting with the firm and other means, and proactively exchanges opinions and information, working to conduct efficient audits. Audit & supervisory board members receive a summary of audit plan from the Accounting Auditor and reports on risk assessments, etc. on internal controls related to financial reporting as well as explanation on priority items to be audited and others, and exchange opinions. Standing statutory audit & supervisory board members and the Internal Audit Division, an internal audit department, hold a meeting every two weeks in principle to share information on development and implementation of internal controls. Outside audit & supervisory board members will receive reports on matters to be audited from the Internal Audit Division as needed.

In addition, the Audit & Supervisory Board regularly receives reports on an annual audit plan, the results of implemented internal audits, etc. from the Internal Audit Division.

(6) Accounting audits

The Company uses KPMG AZSA LLC as Accounting Auditor under the Companies Act and for accounting audits under the Financial Instruments and Exchange Act. The said auditing firm and its engagement partners who are engaged in audits of the Company have no special interest in the Company.

Names of certified public accountants who executed operations

Designated and Engagement Partner; Takeshi Nakatani, Daiki Sato

In accordance with the provision of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with five non-executive Directors and five audit & supervisory board members that limits their liabilities as defined in the provision of Article 423, paragraph (1) of the said act. The maximum amount of the liabilities for damages based on this agreement shall be the amount stipulated by laws and regulations. This limited liability is accepted only in the case of absence of ill intent and gross negligence on the part of the relevant non-executive Director or audit & supervisory board member in the execution of his or her duties that caused the liability.

3. Reasons for Adoption of Current Corporate Governance System [Updated]

The Company has adopted a governance system based on the Board of Directors and the Audit & Supervisory Board. In addition to the system in which the Audit & Supervisory Board audits the performance of duties by Directors, we have appointed multiple Outside Directors to invigorate deliberations at Board of Directors meetings and strengthen supervisory functions, thereby building a system that ensures effective corporate governance. Currently there are nine Directors, of which four are Outside Directors. Outside Directors excel in fields like “corporate management,” “finance & accounting,” “human resource management,” and “legal & compliance,” and have a wealth of experience and knowledge in each domain of “Digital,” “Global,” and “Experience,” which the Company has set in its growth strategy, thereby ensuring diversity and multifacetedness. There are five audit & supervisory board members, which consist of two standing statutory audit & supervisory board members and three outside audit & supervisory board members. The Company believes that the outside audit & supervisory board members play an adequate role as the management supervisory function from an independent and neutral standpoint.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The convocation notice is sent out 24 days prior to the date of the General Meeting of Shareholders and measures to provide the content in electronic format are taken to post the notice on the Company's website on the same day (including the English translation).
Allowing Electronic or Magnetic Exercise of Voting Rights	Available
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company has participated in ICJ's voting rights platform since 2016.
Providing Convocation Notice in English (Translated Fully or Partially)	The notice has been posted on websites of the Tokyo Stock Exchange and the Company. The Company's website: https://www.tbsholdings.co.jp/en/ir/stakeholders/meeting.html

2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The content of the TBS Group Information Disclosure Policies, which was formulated by the Board of Directors, has been disclosed on the Company's website. https://www.tbsholdings.co.jp/about/governance/internalcontrol.html (in Japanese)	
Holding Regular Investor Briefings for Individual Investors	With regards to results briefings held in conjunction with announcement of annual results and semi-annual results, the Company has enhanced the provision of information to individual investors by delivering a video of the presentation by the top management on its website, and also posting materials for the briefings distributed at the venue. https://www.tbsholdings.co.jp/en/ir/library/presentation.html	Yes
Holding Regular Investor Briefings for Analysts and Institutional Investors	Results briefings are held in conjunction with announcement of annual results and semi-annual results, and the top management explains the operating results there. In addition, a meeting and site visit to acquire a further understanding of the Company's business operations are held though they are irregular, and requests for individual meetings, interviews, etc. from institutional investors and analysts are accepted as needed.	Yes

Holding Regular Investor Briefings for Overseas Investors	Overseas IR activities are performed where appropriate. The English version of explanatory materials for earnings summary and annual results has been posted for overseas investors on the Company's website, and many materials in English summarizing operating results have also been placed. https://www.tbsholdings.co.jp/en/ir/stakeholders/ In addition, requests for individual meetings, interviews, etc. from overseas investors are also accepted as needed.	Yes
Posting IR Materials on Website	With regard to matters posted in Investor Relations on the Company's website (https://www.tbsholdings.co.jp/ir/) (in Japanese), in addition to explanatory materials for quarterly earnings summary and annual results, video and distributed documents of IR briefings, stock information, securities reports, timely disclosure information, etc., the Company has posted a wide range of materials to enhance investors' understanding by providing fact sheets and earnings highlights visually summarizing operating results using many charts.	
Establishment of Department and/or Manager in Charge of IR	Investor Relations Office, Corporate Secretary Department, General Affairs Division	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	In 2023, the Group created a new brand message "Moments in motion." to communicate with its customers. We will incorporate this message, derived from our corporate philosophy and brand promise, into various content and services to further enhance our Group's communication. For details on our brand statement, including our corporate philosophy, brand promise, and brand message, please refer to our website below. https://www.tbsholdings.co.jp/en/about/brand.html In addition, the Company has formulated the TBS Group Code of Conduct as a basic oath that all officers and employees are required to uphold and also adopted the TBS Group Standards of Conduct as standards for the realization of the Charter. For details on the TBS Group Code of Conduct and the TBS Group Standards of Conduct, please refer to our website below. https://www.tbsholdings.co.jp/about/governance/statement.html

Implementation of Environmental Activities, CSR Activities, etc.	The TBS Group Code of Conduct stipulates that, as part of our contribution to society and environmental conservation, “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, our Sustainability Policy states “We will work to resolve environmental and social issues by disseminate fair, just and accurate information , content, and services.” Thus, we have made efforts to contribute to the international community’s aims to conserve the environment and reduce the burden on the environment. Especially in regard to the environment, we formulated an environmental policy in April 2025 that details our policies and initiatives regarding the above. We have also set a goal of achieving Groupwide 100% renewable electricity by FY2026 as our materiality and are working on measures to achieve that goal. In addition, to pursue sustainability throughout the entire Group, we have established the “Sustainability Transformation (SX) Center,” with the “SDGs Planning Department” ,” CSR Promotion Department”, and “ESG Management Department” as sub-organizations, through which we are proactively undertaking environmental conservation and CSR activities. For details, please see the following pages of the Company’s website. [Information on our TCFD disclosures, environmental initiatives, and related topics] https://www.tbs.co.jp/TBS_sustainability/esg/environment/TCFD.html (in Japanese) [Information on our Sustainability Policy, Environmental Policy, and related topics] https://www.tbs.co.jp/TBS_sustainability/vision_goals/system.html (in Japanese) [Information on our CSR activities and related topics] https://www.tbs.co.jp/csr/ (in Japanese)
Formulation of Policies for Information Provision to Stakeholders	The TBS Group Information Disclosure Policies have been established and published on the Company’s website. https://www.tbsholdings.co.jp/about/governance/internalcontrol.html
Other	The TBS Group has adopted “Delivering wonderful ‘moments’ to everyone we work with” as its materiality and is actively working to create a fair and physically and mentally safe working environment where diverse human resources can thrive. For details, please see the following page of the Company’s website. https://www.tbs.co.jp/TBS_sustainability/esg/society/ (in Japanese)

IV. Matters Related to Internal Control System

1. Basic Views on Internal Control System and Progress of System Development

Basic policy on the internal control system is as follows.

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 Code of Conduct, 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 Standards of Conduct, 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, TBS 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 Full-time 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 Full-time Directors and Officers, which is in principle held once a week. Decisions on executive actions are taken after these deliberations.
 - (c) Important matters pertaining to major Group companies are discussed at the Group Executive Officers' Meeting, which is in principle held once a month. Decisions on executive actions are taken after these deliberations.
 - (d) The Board of Full-time Directors and Officers, which advises the President, directly supports comprehensive long-term management planning by facilitating and coordinating long-term management planning activities.
- (5) Systems Ensuring that Employees Perform their Duties in Compliance with Laws and Regulations and the Articles of Incorporation
- (a) We have formulated the TBS Group Activities Charter as a basic oath that all officers and employees are required to uphold. We have also adopted the TBS Group Activities Standards as standards for the realization of the Charter.
 - (b) We will ensure that the Compliance Division is able to function effectively and appropriately as the coordinating unit for the development and operation of our internal control and compliance system, and that the Internal Audit Division can function effectively and appropriately as the internal audit unit.
 - (c) We will maintain the TBS Hotline as an internal reporting system for the Group, and we will make effective use of the Compliance Division and outside law offices as contact points for the reporting of problems, such as situations that contravene laws and regulations or corporate rules.
 - (d) We will maintain internal checks and balances, such as personnel-related systems, to eliminate the concentration of authority in the hands of individual employees.
- (6) Systems Ensuring the Appropriateness of Business Operations of the Group Consisting of TBS Holdings, Inc. and Its Subsidiaries
- (a) We will apply the TBS Group Activities Charter and the TBS Group Activities Standards as the oath and behavior guidelines for the Group. The Company will conduct a review of each company in the Group on a regular basis, in order to ensure strict compliance therewith.
 - (b) TBS TELEVISION, INC., TBS RADIO, Inc. BS-TBS, INC., and CS-TBS, Incorporated, broadcasters under its umbrella, will set the Council of Program Practice in accordance with the Broadcasting Act, and Broadcast Council will be the committee for consultation and proposal of all queries, aiming for the improvement and the development of broadcast programs.
 - (c) The Company will set the Internal Audit Division to conduct internal audits of all related Group companies.

- (d) Each company within the Group will lay down the TBS Group Corporate Governance, aim the penetration of formulation and operation of internal control systems, and straighten the system to maintain the soundness of the parent and subsidiary relationships in the Group.
 - (e) Each company within the Group will participate in the TBS Hotline and set out and operate a structure to raise awareness of the participation.
 - (f) We have formulated the Subsidiaries and Affiliates Management Regulations as the basis for ensuring the appropriateness of business operations and enhancing the management efficiency of the Group, as well as accelerating their development through the provision of guidance, while developing a system under which directors of subsidiaries report matters concerning the execution of duties to the Company.
 - (g) We seek to share information on business conditions of the Group through reports from each group company at the Group Executive Committee.
- (7) Systems Ensuring the Effectiveness of Audits Conducted by the Audit & Supervisory Board Members and Systems Concerning Reports to the Audit & Supervisory Board Members
1. Items Pertaining to Employees in the Audit & Supervisory Board Member Support Organization and the Independence of those Employees from Directors
 - (a) We will ensure that the Office of Audit & Supervisory Board Members is able to function as a support unit for the activities of the audit & supervisory board members, and employees who provide that support will assist in the work of the audit & supervisory board members pursuant to instructions from the audit & supervisory board members. We will also maintain a system whereby approval of the audit & supervisory board members will be obtained for personnel appraisals and transfers of such employees, and for any disciplinary action against such employees.
 - (b) The Audit & Supervisory Board will establish an Audit & Supervisory Board Headquarters if required, such as when there are matters requiring investigation by the audit & supervisory board members. Employees nominated by the Audit & Supervisory Board will provide assistance to the Audit & Supervisory Board or the audit & supervisory board members. The Company will appropriately bear expenses incurred for the investigation by the Audit & Supervisory Board Headquarters.
 2. Systems for Reporting to the Audit & Supervisory Board Members by Directors and Employees and for Other Reports to the Audit & Supervisory Board Members
 - (a) The directors and employees will report to the audit & supervisory board members whenever there are important matters affecting operations or performance. A system will also be secured to ensure they are not treated unfavorably based on facts reported or details thereof.
 - (b) The audit & supervisory board members may require reports from directors or employees as required at any time.
 - (c) We will operate the TBS Group Information Liaison Conference and the TBS Hotline appropriately and maintain appropriate reporting systems, so that the audit & supervisory board members can be informed of any compliance issues, including violations of laws and regulations.
 - (d) The audit & supervisory board members will receive reports on the results of internal audits conducted by the Internal Audit Division.
 - (e) The audit & supervisory board members can attend important meetings, peruse documents concerning important decisions, and require directors to provide reports concerning the performance of operations. If necessary, the audit & supervisory board members can also hold direct hearings in any department.
 - (f) The audit & supervisory board members, accounting auditors, the Internal Audit Division and the Compliance Division will share information to maintain effective and efficient internal control systems.
 - (g) The Company will appropriately bear expenses that arise from executing the duties of the audit & supervisory board members, respecting the will of audit & supervisory board members.
 3. Systems under Which Directors and Employees of Subsidiaries of the Company and Directors and Employees Who Received Reports from them Report to Audit & Supervisory Board Members and Other Systems Concerning Reports to the Audit & Supervisory Board Members
 - (a) We will secure a system at Group companies under which directors and employees report serious risks and matters concerning internal controls to audit & supervisory board members of the Company and a system under which audit & supervisory board members of the Company may require reports from directors, audit & supervisory board members, or employees of Group companies as required at any time.
 - (b) We will secure a system to ensure that directors, audit & supervisory board members, or employees of Group companies who report to audit & supervisory board members and directors or employees who

receive reports from them will not be treated unfavorably based on the facts reported to audit & supervisory board members and details thereof.

2. Basic Views on Eliminating Antisocial Powers and Progress of Related Efforts

The TBS Group Activities Standards specify that the Company shall steadfastly confront antisocial powers and organizations that pose a threat to social order and security and shall not provide any favors to them regardless of names, and that if any wrongdoing is found, efforts shall be made to report it promptly. Based on the said standards, the Company has developed operational regulations for an internal reporting system.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Adopted
------------------------------------	---------

Supplementary Explanation

<Purpose of introduction>

As a listed company, the Company has a responsibility to contribute to the development of the market economy, and in addition to this, we believe it is necessary to maintain both our public nature as a broadcasting station entrusted with the precious and finite resource of airwaves that form part of the radio spectrum, and our autonomy, diversity and independence in order to uphold our impartiality as a new organization. In this regard, the certified broadcast holding company structure under the Broadcasting Act stipulates that the percentage of voting rights held by any one person is in principle limited to no more than one-third. However, we believe that, in order to maintain our autonomy and independence as a core media company in Japan, it is necessary for us to maintain our policy for responding to takeover proposals (the “Plan”) rather than relying solely on the regulations of the Broadcasting Act. Naturally, the Company does not hold negative views on any acquisition of controlling shares.

In addition, in May 2021 we formulated the “TBS Group VISION 2030” (hereinafter referred to as “VISION 2030”), setting out our policy of evolving “from a media group to a content group.” In May 2024, we formulated the TBS Group Medium-Term Business Plan 2026, which is the second phase of VISION 2030, and are actively working on management reforms such as expanding our business portfolio and further pursuing growth strategy investments.

Currently, the Financial Instruments and Exchange Act provides certain measures to regulate abusive takeovers. However, it is possible that those measures may not function effectively in terms of providing shareholders with sufficient information or ensuring sufficient time for consideration. Therefore, we believe that it is currently effective to maintain the Plan as a necessary and reasonable measure against large-scale acquisitions that are aimed at pursuing short-term profits and that could impede our efforts to transform the Company and may damage our corporate value.

<The Company’s assessment of the rationality of the Plan>

The Plan calls for the Acquirer Group to disclose information in advance so as to ensure that shareholders have sufficient information and time to make appropriate decisions, and that the Company’s management is able to evaluate, consider and negotiate on any proposals made by the Acquirer Group regarding large-scale acquisition actions, including alternative proposals. In addition, any dealings with the Acquirer Group will be subject to review and recommendations by the Special Committee for Appraising Corporate Value, a third-party organization independent of the Company’s management, and the Plan cannot be used as a means for the Company’s management to protect itself. Thus, we believe that, by disclosing it in advance, the Plan provides a necessary and appropriate method to ensure that in the event that a potential Acquirer Group emerges, it will be possible to request timely and appropriate disclosure of information and other items, and ensure that shareholders have an opportunity to make appropriate decisions after conducting consideration and negotiations based on sufficient information.

<Regarding the Plan's Effective Period>

Following the resolution of the General Meeting of Shareholders in 2007, the Plan was to be automatically renewed for an additional three years as long as no resolution to abolish the Plan is passed at the Ordinary General Meeting of Shareholders to be held every three years.

Since updating the Plan in 2022, we have thoroughly studied changes in social and economic conditions, the "Guidelines for Corporate Takeovers—Enhancing Corporate Value and Securing Shareholders' Interests" released by the Ministry of Economy, Trade and Industry in August 2023, and recent trends in court cases, as well as listened to the opinions of market participants and similar parties, and we have carefully considered the makeup of the Plan from the perspective of the common interests of our shareholders and maintaining and enhancing our corporate value.

As a result, at the Board of Directors meeting held on April 24, 2025, we decided to maintain the Plan at this time, but to change its effective period from three years to one year, so that we will be able to respond promptly if, after further discussions at the Board of Directors and other meetings, it is determined at the appropriate time that the Plan is no longer necessary.

We will continue to work to maximize the corporate value of the Company and our Group as well as the common interests of our shareholders by implementing management strategies to accomplish VISION 2030, and we aim to live up to the expectations of our shareholders.

Please refer to our corporate website for the details of this policy, including an outline of the scheme, as of the submission of this report.

(<https://www.tbsholdings.co.jp/about/governance/decision.html> (in Japanese))

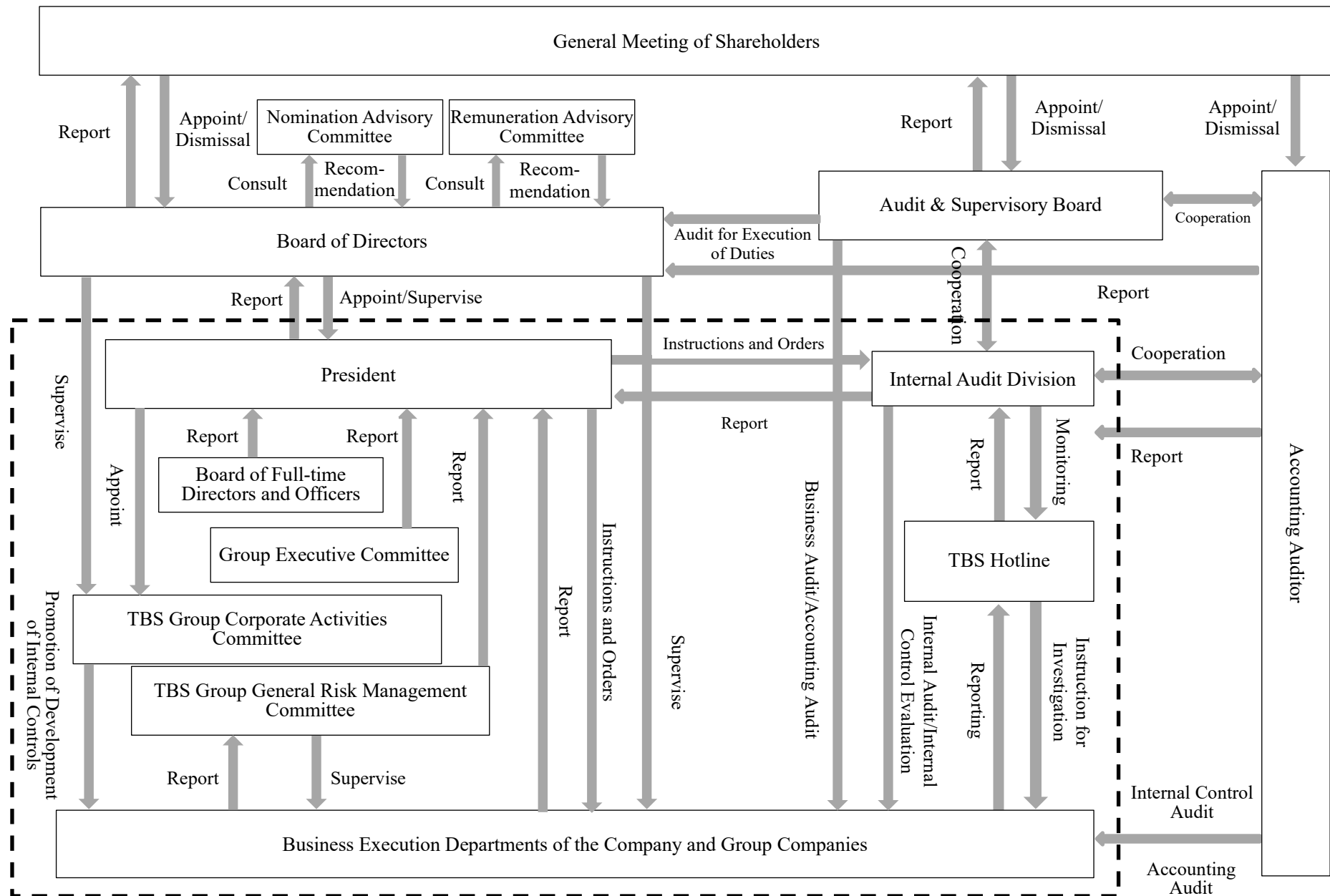
2. Other Matters Concerning Corporate Governance System[Updated]

Decisions on important matters of the Company and decisions and reports on financial results, etc. are made by the Board of Full-time Directors and Officers and the Board of Directors. The Division President of General Affairs Division, who attends the Board of Full-time Directors and Officers and the Board of Directors, serves as the Information Handling Manager, and the system where important information is consolidated to the Information Handling Manager has been established.

As for information disclosure, information is disclosed without delay pursuant to instructions from the Information Handling Manager after decision is made on the important matter or the important fact occurs.

With regard to management of important information, the Company strives to ensure thorough information management by stipulating in internal regulations that officers and employees, etc. who are involved in operations for preparation of proposals on important matters and others shall particularly keep tight control over relevant information before a decision and report is made on important matters, etc. at the Board of Directors meeting and other occasions, in addition to maintaining general confidentiality, to prevent leakage. Furthermore, the Information Disclosure Committee has been set up to further ensure the understanding and management of important information as well as the timely and appropriate information disclosure. The Information Disclosure Committee is made up of Division President of General Affairs Division, Division President of Compliance Division, Division President of Accounting Service Division and Division President of Group Managerial Planning Division, and its responsibilities are for matters related to formulation of the basic policy for management of important information, determination of measures for information disclosure, etc. In addition, the Executive Meeting, which consist of those in manager level positions such as the Head of General Affairs Department, Head of Corporate Secretary Department, and Head of Finance Department, has been put in place under the Information Disclosure Committee. The Executive Meeting shall summarize and closely examine information related to important information and provide reports and opinions on management and disclosure methods for the information to the committee, and also conduct checks of materials for disclosure and other tasks.

Corporate governance system



Internal System regarding Timely Disclosure of Corporate Information

