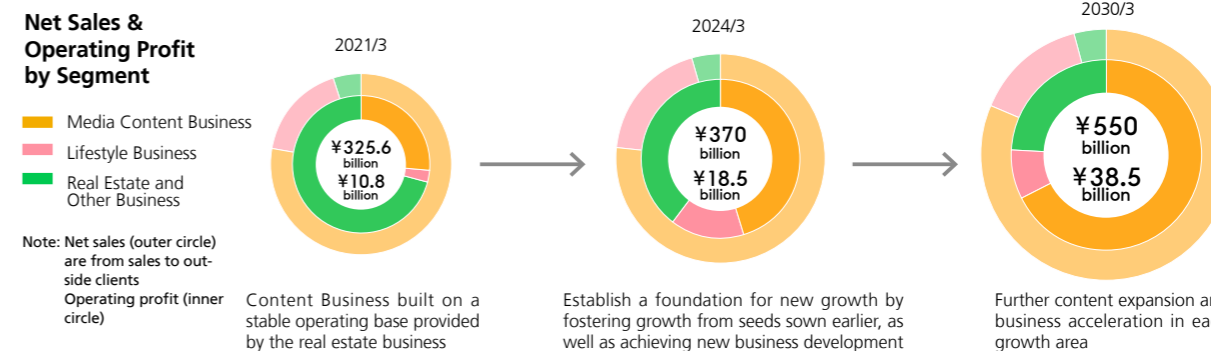


Business Outline

TBS Group does business across three segments.

The Media Content Business is the group's primary line, accompanied the Lifestyle Business aimed at supporting daily life, and the Real Estate and Other Business that generates stable profits.

Building on these three linked pillars, TBS seeks to strike an optimum balance for both growth and stability.



Business segment

Business outline

Main content and platforms

Primary KPI

Media Content Business

P.34

The Media Content Business is the most profitable segment of the Group, which is built around six core companies: TOKYO BROADCASTING SYSTEM TELEVISION, INC., the nucleus of the TBS Group; TBS RADIO, Inc. and BS-TBS, INC., the core broadcasting businesses; TBS SPARKLE, Inc. and TBS GLOWDIA, Inc., which comprise the Group's program production, and audiovisual and culture businesses; and TBS ACT, INC., which handles technical, art and computer graphics related work.

While we grow our primary broadcasting business value, we will also focus on the three growth areas of streaming business, overseas business, and live entertainment to achieve the goals of TBS Group VISION 2030 and further strengthen profitability and drive the performance of the entire TBS Group.

We are also serving as content provider in the Akasaka Entertainment City Plan to help provide wonderful "moments" to everyone.

Content	Platform
<ul style="list-style-type: none"> Television and radio content (Dramas, variety shows, news, sports, anime, etc.) Performance content (Movies, theater, musicals, live music, etc.) Program formats Manga Patents, intellectual property, and music Intellectual training and education (SCHOP Inc., etc.) 	<ul style="list-style-type: none"> Terrestrial & satellite broadcast Radio broadcast Web streaming platforms Recorded media (DVD/BD etc.) Theaters (TBS Akasaka ACT Theater, IHI Stage Around Tokyo, etc.) Overseas broadcast & streaming company Physical stores (TBS Store, THE MARKET, etc.) Licensed Retailers Akasaka Sacas

- Terrestrial broadcast ratings
- Viewer ratings
- Number of videos distributed
- Radio listener ratings
- Number of CS subscribers
- Number of visitors
- Box office revenue

Lifestyle Business

P.36

The StylingLife Group is developing a business based on "demand creation" market development which develops new needs in the market, centered around PLAZASTYLE COMPANY (retail household goods) and BCL COMPANY (cosmetics development, production, and sales) along with LightUp Shopping Club Inc. (mail-order retail) and CP Cosmetics Inc. (beauty salon business). We aim to keep developing and providing products and services with superior profitability in our main field of Beauty & Wellness by taking advantage of our unique integrated manufacturing and sales approach, which combines the development and manufacture of products with a broad distribution network that includes specialty stores, mass merchandisers, beauty salons, and mail order.

Content	Platform
<ul style="list-style-type: none"> Household goods, Apparel etc. Cosmetics, Quasi-drugs etc. Character licenses Facial aesthetic care etc. 	<ul style="list-style-type: none"> Physical stores (PLAZA, VECUA Honey) Wholesale (Domestic drug stores) Licensed retailers (CP Salon) E-Commerce & Catalog sales Overseas general trade

- Number of purchasers & Unit purchase price
- Customer base
- Shops, mail order membership, membership base
- Number of shops (retailers, wholesale customers, etc.)
- Number of licensed beauty salons
- Number of beauty salons
- Ratio of overseas sales (BCL)
- Ratio of operating profit to net sales

Real Estate and Other Business

P.38

This segment covers all the business involving real estate management, such as TBS Broadcast Center, Akasaka Sacas, and Midoriyama Studio City.

TBS is also working on urban development to help turn Akasaka into "the city offering the greatest emotional experiences in the world" with the Akasaka Entertainment City Plan.

Content	Platform
<ul style="list-style-type: none"> Building leasing Residential condominiums Studios, parking lots Heating & cooling, electricity 	<ul style="list-style-type: none"> Akasaka Biz Tower, The Hexagon etc. Akasaka The Residence Midoriyama Studio, Kinuta Studio

- Capacity rate
- Occupancy rate
- Renewable energy rate
- CO₂ reduction rate

Media Content Business

Offering timeless and beloved content and services to people all over the world



Segment Strengths and Issues

Strengths

- Largest reach in the media industry
- Content production and comprehensive promotion capabilities cultivated over years
- Information reliability in the midst of information overload
- Company owned theaters
- Format sales expertise
- Extensive program video materials & archives
- TBS Group content strength concentrated through Group reorganization

Issues

- Dependence on advertising income in terrestrial TV
- Contraction of the TV advertising market

Growth Trajectory and Overview for FY2020

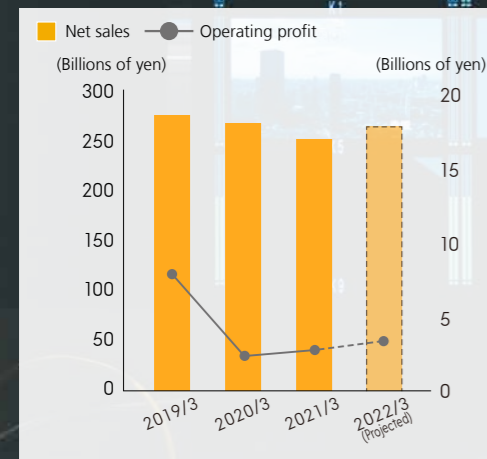
Growth trajectory

- As a broadcaster built around a core of television and radio, where television remains a media king, the company has been delivering high-quality content to viewers through a variety of platforms
- With widespread internet adoption, there has been a shift to "digital first" broadcasting along with terrestrial and satellite broadcasting
- Our comprehensive production capabilities allow us to offer entertainment through not only audiovisual content but on the live stage as well
- Started the subscription video streaming service Paravi (from April 2018)
- IHI Stage Around Tokyo (From March 2017)
- SASUKE: Developed in 165 nations around the world

Overview for FY2020

- **2020 advertising expenditures in Japan (calendar year, as per Dentsu)**
 - Total advertising expenditures in Japan: ¥6,159.4 billion (-11.2% YoY)
 - Terrestrial TV advertising expenditures: ¥1,538.6 billion (-11.3% YoY)
 - Internet advertising expenditures: ¥2,229 billion (+5.9% YoY)
- **Spot sales revenues decrease due to contraction of spot advertising market**
 - Spot sales revenues: ¥69.8 billion (-11.9% YoY)
 - Kanto area advertising broadcast decrease: -13.6% YoY
 - Share among 5 stations: 19.7% (up 0.4 points YoY)

Media Content Business Net Sales and Operating Profit



Cancellation or reduction of sporting and live events due to the COVID-19 pandemic

- Time sales revenues: ¥78.4 billion (-10.0% YoY)
- Event & box-office revenue: ¥2.6 billion (-63.2% YoY)

Strong performance in streaming and shopping businesses due to home nesting demand

- Content revenue: ¥15.8 billion (+45.7% YoY)
 - Free catch-up streaming: First of the five Tokyo stations with 32.85 million monthly views
- Licensing business revenue: ¥2.2 billion (+76.8% YoY)

Market Overview

Risks

Dependence on terrestrial TV advertising revenue and domestic economic fluctuations

Television advertising revenue accounts for a large percentage of Group revenue, but it is strongly linked to advertising company performance and the domestic economy, and so is susceptible to sharp downward trending.

Intermedia competition and content acquisition

As we shift from broadcasting to streaming, the number of competitor services has increased and competition intensified, and the demand for quality content has led to greater competition in content acquisition.

Film and event business

Despite initial profitability assessments before any decisions on planning, production, and investment, there is a risk that funds might become uncollectable due to issues with audience attraction or merchandising.

Copyrights and other intellectual property rights

Many people, like original authors, scriptwriters, and performers are bound up with copyright and adjacent intellectual rights. If the appropriate measures are not taken when developing multi-use products, there is a risk that broadcast-

ing and distribution could be stopped or that liability for damages could arise.

Capital expenditures

In addition to maintaining and updating our broadcasting infrastructure, the expansion of digital media will require investment in new technologies, but those additional costs may not be commensurate with revenues and so may not be fully recovered.

Technology, systems, security

We are updating and renovating core systems in the terrestrial and satellite broadcasting business, developing systems in the video streaming business, and responding to new technologies such as 5G, but we may need to reinvest more than initially planned in order to respond to the speed of technological innovation and changes in consumer needs.

In addition, although we have taken security measures against the recently increasing precision and sophistication of cyber-attacks, there is a risk that even more significant investment and costs for response and countermeasures may be required in the event of new, even stronger security threats, or if any risk such as a personal information breach is exposed.

Growth Strategies

Opportunities

- Development and expansion of digital business, including streaming
- Borderless content distribution
- "Goods - Time - Emotion" consumption behavior, experience, and fulfillment needs
- Corporate, organizational, and individual social issue initiatives

Issues needing addressing

- Enhancing and expanding content
- Platform diversification
- Innovation acceleration
- Responsibilities as a broadcaster
- Staff education & workstyle improvements
- Human resources investment & organizational reform
- Growth strategy investment & R&D

As seen in TBS Group VISION 2030

- Growth in video streaming business and earnings expansion
- Business development through XR content, etc.
- Content creation for global distribution
- Taking live entertainment at Akasaka Sacas to the next stage
- Expanding broadcasting business in existing regions
- Increasing value of broadcast business
- Growing Intellectual training and education business

Lifestyle Business

Bringing customers a more comfortable, more individual lifestyle



Segment Strengths and Issues

Strengths

- Leveraging integrated manufacturing and sales for improved profitability
 - Leveraging BCL's development and manufacturing strengths to introduce private brand products (retail business)
 - Develop products using retail business data (cosmetics business)
- Target Generation Z by leveraging PLAZA's name recognition

Issues

- Enhance digital functions for emergency situations, such as the COVID-19 pandemic
 - Encourage shop customers to adopt e-commerce, and offer greater supplementary service to regions with no shops
 - Maintain customer contact through reinforced web and social media presence
- Compensate for rural gaps in the currently urban-focused network of directly managed shops
 - Promote franchise (FC) business
- Accelerate overseas business to reduce Japanese business focus

Growth Trajectory and Overview for FY2020

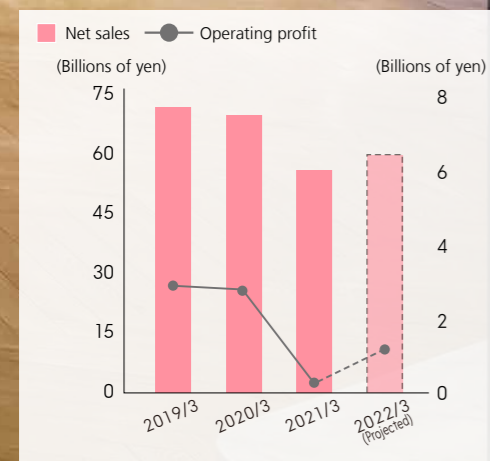
Growth Trajectory

- Retail Business: PLAZASTYLE COMPANY, which operates the general merchandise retail store PLAZA, has seen sales growth driven in part by an increase in young female customer numbers and strong sales in the cosmetics field.
- Cosmetics Business: BCL COMPANY which develops, manufactures, and sells cosmetics generated significant sales and profits around the major hit "Saborino," which created demand in the new market for morning face masks.

Overview for FY2020

- The StylingLife Group faced difficult market conditions due to temporary closures and shortened business hours in response to emergency declarations and other factors related to the COVID-19 pandemic, as well as a significant trend towards a stop in human traffic because of telework and remote classes.
- Under these circumstances, LightUp Shopping Club Inc. (mail-order retail) and CP Cosmetics Inc. (beauty salon business), both of which target the Group's membership-style customer base segment, performed well. LightUp Shopping Club Inc., in particular, successfully captured consumers' home nesting demand and achieved a significant increase in sales and profits over the previous year, mainly in the food and household goods fields.

Lifestyle Business Net Sales and Operating Profit



Market Overview

Risks

Response to changes in demographics and lifestyle

As Japan's population ages and decreases, and domestic lifestyles change, resulting impacts on product development and sales could impede Group growth, even as it responds with reinforced expansion into overseas markets.

Response to increased frequency and severity of disasters and increase in unseasonal weather

We can assume that future disasters like earthquakes, typhoons, and new pandemics may halt production, logistics, or operations, and although we have countermeasures in place, they could have a significant impact on our financial position and business performance.

Growth Strategies

Opportunities

- Respond to changes in consumer mindset or behavior
 - Strengthen targeting for younger demographic, which has increasing demand for cosmetics, by integrating production and sales
 - Expand customer contact opportunity and time through enhanced coordination between retail shops and web/social media presence

Response to market changes

- Life Post-/With-COVID: Enhanced mail-order and regional (FC) development
- Reorganized drugstore market: Faster proposals to major distributors

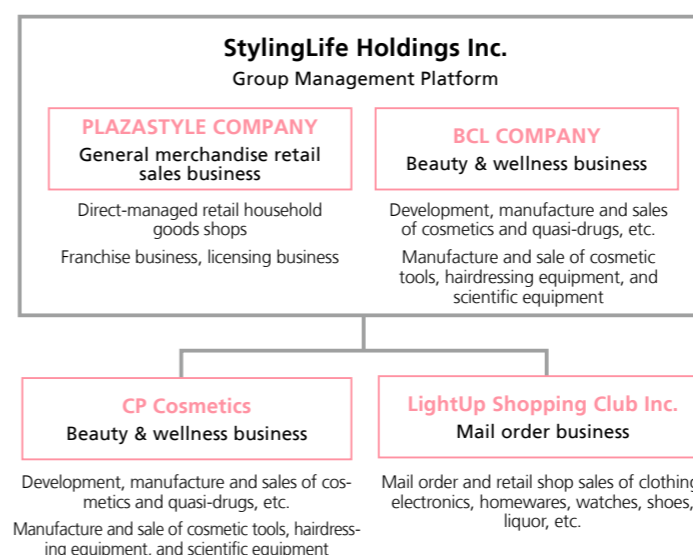
- Issues needing addressing**

 - Early recovery into a growth trajectory after the COVID-19 pandemic
 - Recreating profitability through PLAZASTYLE COMPANY restructuring
 - Expanding highly profitable fields (beauty & wellness)
 - Strengthening proposals to major distributors in the reorganized drugstore market

As seen in TBS Group VISION 2030

 - Expansion of "lifestyle proposal" style business: food, clothing, home, and beauty
 - Accelerate digital (web/social media/e-commerce) measures
 - Identify and nurture "seeds" within the group
 - Increase brand value
 - Strengthen overseas development (production & sales)
 - Establish alliances outside the group

StylingLife Holdings Group Organization



StylingLife Holdings Inc.

Number of shops			
PLAZA	CP Salon	LightUp	BCL (VECUA-ROA)
122	1,240	4	28

PLAZA PASS	
PLAZA Members	PLAZA App
4.16million	3.5million
105% YoY	186% YoY

Note: All figures are current as of the end of March 2021; PLAZA App number is the total number of downloads.

Real Estate and Other Business

Transforming Akasaka to provide wonderful "moments" to every visitor

Segment Strengths and Issues

Strengths

- Property owned in the Akasaka area, including Akasaka Biz Tower
- Achieving profit generation from stable tenants

Issues

- Limits to future growth due to limited tenant capacity
- Significant impact from external environmental changes, such as the decline in occupancy due to the slump in the restaurant business and the trend toward office-less work due to the pandemic

Growth Trajectory and Overview for FY2020

Growth Trajectory

- The company has been generating stable profits in the real estate leasing business
- We have continued acquiring land and buildings in the Akasaka area, including The Hexagon
- We established TBS HEXA Inc. to promote a stronger real estate operation and management system

Overview for FY2020

- Decrease in tenant occupancy and rent income due to the COVID-19 pandemic
- Further capital expenditures in relation to the Akasaka Entertainment City Plan

Market Overview

Risks

- Impact on rental income due to changes in the real estate & lease market
- Increase in capital expenditures due to soaring real estate market value in the Akasaka area
- Increase in operating costs due to real estate acquisitions

Growth Strategies

Opportunities

- Increase in rent income due to the acquisition of properties in the Akasaka area
- Increase in revenues from attracting customers to existing facilities because of the Akasaka Entertainment City Plan

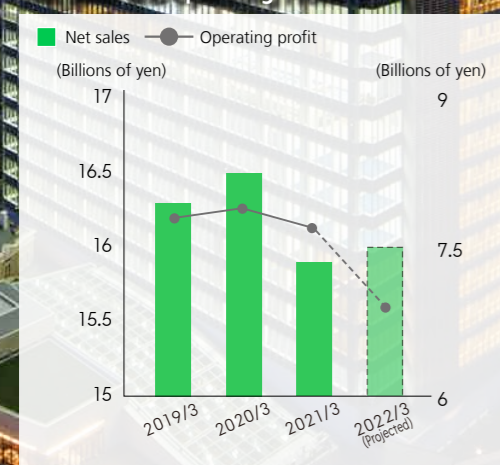
Issues needing addressing

- Current state of "the city offering the greatest emotional experiences in the world"
- Efforts to address global environmental problems

As seen in TBS Group VISION 2030

- Completion and operation of Akasaka Entertainment City Plan
- Making Asakasa another Broadway

Real Estate and Other Business Net Sales and Operating Profit



Topics

The Group is seeing a variety of seeds sprouting that explore and usher in the TBS Future Vision. They are creating a vision of TBS that pursues content to appeal to a wide, global audience; a TBS which nurtures practical creativity in the children who will shape our future; and a TBS which embodies the group's inherent spirit of challenge. Here, we introduce three examples.

Topic 1 Signing a strategic partnership agreement with Korea's CJ ENM

CJ ENM is South Korea's largest content creator. It invested in and distributed the film *Parasite*, winner of numerous awards at the Cannes Film Festival and US Academy Awards, and it is parent company to Studio Dragon, which created the popular Netflix series *Crash Landing on You*.

Moving forward, CJ ENM and TBS Group's top creators will collaborate in developing and producing television dramas, variety shows, movies, and other content targeting the global market, and the two companies will cooperate in fields where both have strengths, such as live entertainment (music, theater, etc.), anime, and manga. In addition, they will work together to promote multifaceted initiatives such as mutual exchange of creators.



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Topic 2 Fostering Practical Creativity: Fulfilling intellectual training and education business like Schop School

TBS established Schop, a next-generation education development company, in collaboration with Dentsu and Edusol.

At Schop School, children not only learn, but also develop the essential skills to survive and thrive in an uncertain society through understanding the essence of issues and how they work, and then letting their imaginations run to explore new ideas.

This school will bring in a growth cycle for of "practical creativity" through our uniquely designed methods. Those methods are based on both educational theories from around the world, and the efforts of creators with the real-world achievements and knowledge, who are engaged in socially-relevant education.

In addition, TBS's intellectual training and education business supports learning for a wide range of generations through investments in Place Holder, Inc., which plans and operates experience-based digital theme parks, and through a business alliance with UZABASE, known for the social, economic media NewsPicks.



Topic 3 Connecting cross-organizational ideas JNN Business Challenge

Based on the starting question "What will it take to survive in the general media industry in five years?", we launched the business proposal system "TBS Group Business Challenge" in 2018 with two goals: 1) create new business models and 2) foster business mindsets in our staff.

We have adopted two proposals each from the three past sessions, and commercialization for each is underway. From 2021, the call for proposals will be extended beyond the TBS Group to JNN affiliate stations, and the name will be changed to JNN Business Challenge (details on page 45).

List of Adopted Proposals

- FY2018** Smartphone-first Video Content Event Business (PURPOSE)
VR/AR Business (*Kaiju no Sumika* Kaiju Haven VR Adventure)
- FY2019** Animal Content-based Educational Entertainment Business (*Amazing Animals/WAKUWAKU* YouTube Channel)
Wellness Business Offering the Wonderful "Moments" (Akasaka Sauna Project)
- FY2020** Rental Space Service to Relive TV Drama Experience (*The Full-Time Wife Escapist* Space)
Video Upload Service for Dance Lovers (CYPHER (Provisional Name))

