



Second Opinion

TBS HOLDINGS, INC.

September 5, 2024

Sustainability Finance Framework

Sustainable Finance Division
Taku Anjo

Rating and Investment Information, Inc. (R&I) has confirmed the alignment of the Sustainability Finance Framework of TBS HOLDINGS, INC. (TBS Holdings) formulated in September 2024 with the following principles and guidelines:

Green Bond Principles (2021, ICMA)	Green Loan Principles (2023, LMA, etc.)
Social Bond Principles (2023, ICMA)	Social Loan Principles (2023, LMA, etc.)
Green Bond Guidelines (2022, Ministry of the Environment)	Green Loan Guidelines (2022, Ministry of the Environment)
Social Bond Guidelines (2021, Financial Services Agency)	Sustainability Bond Guidelines (2021, ICMA)

■ Use of Proceeds (Sustainability)

Eligible Project		
Akasaka Entertainment City Plan		
Green Project Category	Social Project Category	Target Population
Energy efficiency Green buildings	Socioeconomic advancement and empowerment Affordable basic infrastructure	Vulnerable groups, including the elderly, people with disabilities, and victims of natural disasters

■ Use of Proceeds (Green)

Project Category	Eligibility Criteria
Energy efficiency/ Green buildings	Projects for buildings that have been confirmed to meet the following green eligibility requirements, including projects for land acquisitions related to such buildings: <Green Eligibility Requirements> Buildings that have acquired or renewed any of the following building certifications, or buildings that are scheduled to acquire or renew such certifications in the future: • CASBEE for Buildings (New Construction, Existing Buildings, and Renovation) or CASBEE for Real Estate: Rank A or higher • LEED: Silver or higher • DBJ Green Building Certification: 3 stars or higher • BELS (Building Energy Efficiency Performance Labeling System): 5 stars or higher • ZEB Certification: ZEB Oriented or higher
Renewable energy	• Projects related to investment, loan, development, construction, management, operation and maintenance, and other expenditures that generate renewable energy (solar, wind, etc.) • Investment, loan, and expenditures that purchase renewable energy-derived electricity, non-fossil certificates, green power certificates, and J-Credits • Projects related to investment, loan, development, construction, management, operation and maintenance, and other expenditures on the purchase and use of green hydrogen (For clarification purposes, the eligible hydrogen is limited to that which meets the targets set out in Japan's Basic Hydrogen Strategy. In addition, the eligible equipment is limited to those which do not use fossil fuels.)
Energy efficiency	Energy-saving renovations of buildings and facilities that result in an energy reduction rate of 30% or more compared to before the renovation (However, if an energy reduction rate cannot be calculated, the projects are limited to those that meet the energy-saving standards, etc. of the Top Runner Program based on the Energy Conservation Act.)

1. Outline of the Issuer/Borrower

- TBS Holdings is a certified broadcasting holding company for the TBS Group. Tokyo Broadcasting System Television, Inc., the key station of the group's broadcasting network consisting of 28 stations, has a track record in drama and news shows, among others. The group runs a variety of businesses ranging from broadcasting to content creation, culture, lifestyle, and real estate.
- The TBS Group is implementing a number of measures to offer wonderful "moments" to people on Earth (E), in society (S) and at shared workplaces as a group (G) of responsible companies, including media organizations with public and social missions, which are basing management on factors known as the environment, social and governance (ESG) principal.

2. Use of Proceeds

The eligible projects identified for the use of proceeds will deliver clear environmental and social benefits. The use of proceeds is appropriate.

The proceeds will be used for new expenditures or refinancing for projects that meet the eligibility criteria provided in the tables on pages 1 and 2 of this document. The refinancing of existing investments is limited to expenditures for eligible projects made within 24 months prior to the execution of sustainability finance.

(1) Eligible Sustainability Projects and Environmental and Social Benefits

A. Town development aimed to deliver wonderful "moments" through content (Akasaka Entertainment City Plan)

Green Project Category: Energy efficiency, Green buildings

Social Project Category: Socioeconomic advancement and empowerment, Affordable basic infrastructure

Target Population: Vulnerable groups, including the elderly, people with disabilities, and victims of natural disasters

Relevant SDGs: 7. Affordable and clean energy, 11. Sustainable cities and communities, 13. Climate action



- The proceeds will be allocated to the Akasaka 2-6 District Development Plan (Akasaka Entertainment City Plan) in Tokyo's Minato ward, a joint project of TBS Holdings and Mitsubishi Estate Co., Ltd. This Project was certified as part of the National Strategic Special Zone Plan¹ and as a private sector urban renaissance project².
- The development site consists of the east district and the west district. The accommodated facilities include offices, stores, and incubation facilities in the east district and a theater, hall, hotel, and stores in the west district. Construction work for the east and west districts started in January 2024 and February 2024, respectively, with completion scheduled for the end of October 2028 in the entire east district and for the end of March 2028 in the west district.

【本プロジェクトの特徴】

- 東京メトロ千代田線「赤坂駅」に直結し、地下2階～地上にかけて、駅とまちの境界を感じさせない駅前空間や賑わい・交流の場となる広場（合計約4,900㎡）を整備
- 赤坂エリアのランドマークとして相応しい姿を目指し、エンタテインメントを紡いできた赤坂の街の地域性・歴史性の文脈から「舞」をモチーフとした建物計画
- 赤坂エリアを代表するホテルとして、国際水準のハイグレードなホテルを整備
- 最新配信設備を備えた劇場で、世界水準のコンテンツを発信
- 建物計画の効率化等により『ZEB Oriented』の認証取得（事務所部分）を予定
- 帰宅困難者を受け入れる一時滞在施設（合計約1,100㎡、約650人収容可能）、防災備蓄倉庫（約100㎡、約650人分）や災害時の一時待機場所を整備



▲完成イメージ（左：東街区 右：西街区）

[Source: TBS Holdings press release]

¹ National Strategic Special Zones are designated by the Cabinet Order to introduce special regulatory measures aimed at implementing regulatory and institutional reforms that contribute to the national government's growth strategy. Through intensive implementation of socioeconomic structural reforms, this institutional framework boosts the international competitiveness of industry and promotes the creation of centers of international economic activities.

² In the approval system for private sector urban renaissance projects, the Minister of Land, Infrastructure, Transport and Tourism will approve plans for projects in areas requiring emergency improvement measures for urban renaissance under the Act on Special Measures Concerning Urban Renaissance, if such projects are deemed to be effective in promoting the urgent improvement of urban districts in areas requiring emergency improvement measures for urban renaissance and also to be a significant contributor to the revitalization of cities encompassing such areas, or otherwise meet certain requirements.

- Negative environmental impacts will be reduced through the acquisition of green building certifications that address buildings' energy efficiency and other considerations for environmental and social risks. The Project aims to obtain ZEB Oriented certification (for the office area), CASBEE S rank, and grade 3 of the Tokyo Green Building Program by designing buildings with greater efficiency, among others. If certifications are acquired as planned, it will be considered that the Project produces clear environmental benefits.

ZEB Certification (Certification body: Association for Evaluating and Labeling Housing Performance)
A net zero energy building (ZEB) is a building that aims to reduce the annual primary energy consumption balance to zero. It achieves energy savings of at least 50% and reduces energy consumption further through renewable energy generation and other means. There are categories based on the amount of reduction, including <u>ZEB (energy savings of 100% or more)</u> , <u>Nearly ZEB (energy savings of 75% or more and less than 100%)</u> and <u>ZEB Ready (energy savings of 50% or more and less than 75%)</u> . In addition, <u>ZEB Oriented</u> is defined as a building of 10,000 m ² or more that achieves energy savings of at least 30-40% and adopts technologies that are expected to save energy but are not evaluated at present by the energy consumption performance calculation program under the Act on Improvement of Energy Consumption Performance of Buildings.
CASBEE Certification (Certification body: Institute for Building Environment and Energy Conservation)
CASBEE stands for the Comprehensive Assessment System for Built Environment Efficiency. Buildings are evaluated and rated according to their environmental performance. This system evaluates building quality comprehensively, evaluating not only the use of energy efficient and environmentally friendly materials, but also interior comfort and harmony with the surroundings. The evaluation results are rated on a scale of one to five levels ranging from S rank (excellent) to C rank (inferior).
Tokyo Green Building Program
The Tokyo Green Building Program is an environmental program for buildings that was launched by the Tokyo Metropolitan Government in September 2002. When planning and completing the construction or expansion of buildings of certain size or larger, owners are required to submit plans that outline environmental measures. Buildings are rated using three grades (with 3 being the highest) for each of the four categories of (1) efficient energy use, (2) appropriate use of resources, (3) preservation of the natural environment and (4) mitigation of the heat island effect.

- One of TBS's key issues (materiality) is "Delivering wonderful "moments" to all the lives on earth." TBS was the first news organization to announce its endorsement of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and is working to create a roadmap to achieve carbon neutrality by 2050. For this materiality, TBS intends to reduce energy consumption and CO₂ emissions, and the Project was planned based on such ambition. The Project, which plans to acquire green building certifications that prove expected environmental benefits, will contribute to climate change mitigation.

○北側Sacasエリアと繋がる「みどりの空間づくり」

計画地において良質な緑のオープンスペースを創出し、既存敷地との融和による快適で豊かな歩行空間の創造を目指します。



○建築物の環境負荷低減も目指します。

熱負荷の低減

高性能ガラス・外装デザインの工夫等

エネルギーの効率的利用 (省エネルギー化)

高効率CGS、人感センサー・明るさセンサー等

資源エネルギーの有効活用

雨水・雑排水再利用等

ヒートアイランド現象の抑制

屋上・壁面・広場等の緑化

[Source: TBS Holdings press release]

- In the wake of the Great East Japan Earthquake, approximately 3.52 million people were stranded in Tokyo according to the Cabinet Office's estimate. In response to this, the Tokyo Metropolitan Government established a guidance for disaster management and the Ordinance for Measures Concerning Stranded Persons, while the Office of Minato City, where TBS Holdings is headquartered and the site of the Akasaka 2-6 District Development Plan is located, enacted a basic ordinance for disaster management. The area around the development site does not have sufficient facilities and open spaces to accommodate a large number of people, in light of the Minato ward's largest daytime population among Tokyo's 23 wards and its very high ratio of daytime population to nighttime population compared to other cities nationwide, as well as the capacity of evacuation sites for ward residents (regional disaster management bases) and parks in the ward.

順位 ¹⁾	区	昼間人口（人）		夜間人口（人）		昼夜間人口比率		ポイント差 2015年 ～2020年
		2015年 (平成27年)	2020年 (令和2年)	2015年 (平成27年)	2020年 (令和2年)	2015年 (平成27年)	2020年 (令和2年)	
	特別区部	12,422,921	12,870,173	9,272,740	9,733,276	134.0	132.2	-1.7
1 (1)	千代田区	1,096,555	1,169,399	58,406	66,680	1,877.5	1,753.7	-123.7
2 (2)	中央区	735,352	771,583	141,183	169,179	520.9	456.1	-64.8
3 (3)	港区	1,131,660	1,181,809	243,283	260,486	465.2	453.7	-11.5
4 (4)	渋谷区	619,985	633,452	224,533	243,883	276.1	259.7	-16.4
5 (5)	新宿区	873,822	903,456	333,560	349,385	262.0	258.6	-3.4
6 (6)	文京区	377,567	387,128	219,724	240,069	171.8	161.3	-10.6
7 (7)	台東区	315,063	322,438	198,073	211,444	159.1	152.5	-6.6
8 (8)	品川区	575,751	623,482	386,855	422,488	148.8	147.6	-1.3
9 (9)	豊島区	424,546	425,646	291,167	301,599	145.8	141.1	-4.7
10 (10)	江東区	635,428	663,805	498,109	524,310	127.6	126.6	-1.0
11 (11)	墨田区	278,448	280,440	256,274	272,085	108.7	103.1	-5.6
12 (12)	目黒区	283,258	292,724	277,622	288,088	102.0	101.6	-0.4
13 (13)	大田区	678,479	703,426	717,082	748,081	94.6	94.0	-0.6
14 (14)	北区	307,566	315,072	341,076	355,213	90.2	88.7	-1.5
15 (15)	中野区	285,320	298,711	328,215	344,880	86.9	86.6	-0.3
16 (16)	世田谷区	772,500	804,830	903,346	943,664	85.5	85.3	-0.2
17 (17)	荒川区	181,227	182,358	212,264	217,475	85.4	83.9	-1.5
18 (18)	板橋区	472,431	480,957	561,916	584,483	84.1	82.3	-1.8
19 (19)	足立区	554,364	566,277	670,122	695,043	82.7	81.5	-1.3
20 (20)	葛飾区	344,242	349,865	442,913	453,093	77.7	77.2	-0.5
21 (21)	杉並区	435,308	450,008	563,997	591,108	77.2	76.1	-1.1
22 (22)	江戸川区	511,890	519,824	681,298	697,932	75.1	74.5	-0.7
23 (23)	練馬区	532,159	543,483	721,722	752,608	73.7	72.2	-1.5

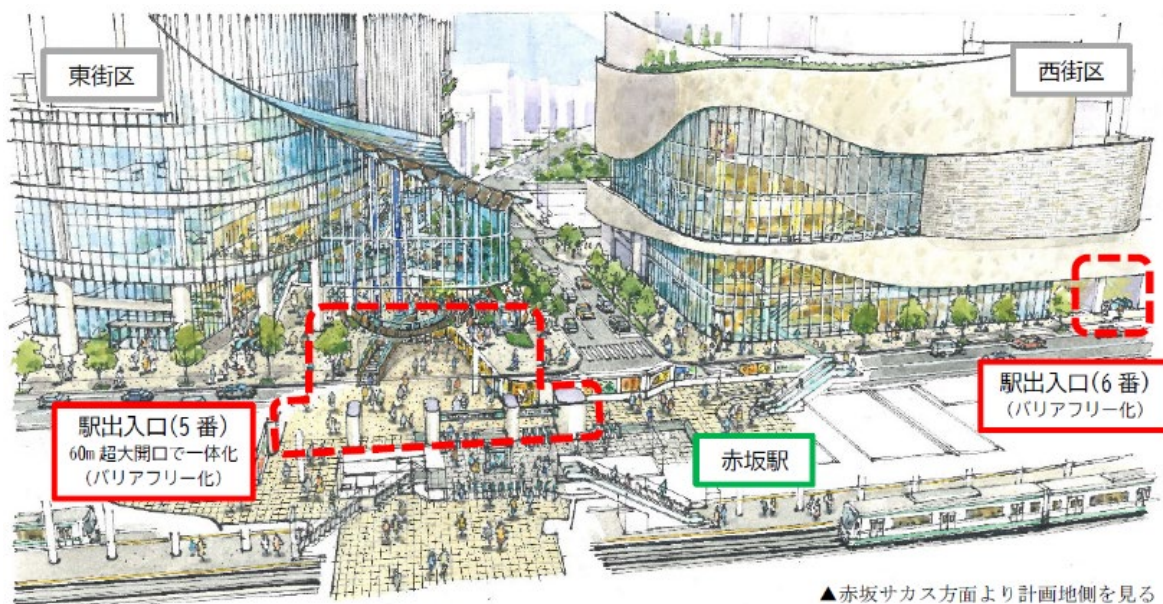
注) 不詳補完値による。

1) 2020年の昼夜間人口比率による。なお、() は、2015年の昼夜間人口比率による。

昼夜間人口比率の高い市区町村				
順位	市区町村	昼間人口 (人)	夜間人口 (人)	昼夜間 人口比率
1	東京都 千代田区	1,169,399	66,680	1,753.7
2	福島県 大熊町	5,827	847	688.0
3	大阪府 大阪市中央区	535,834	103,726	516.6
4	東京都 中央区	771,583	169,179	456.1
5	東京都 港区	1,181,809	260,486	453.7
6	大阪府 大阪府北区	487,123	139,376	349.5
7	愛知県 名古屋市中区	324,156	93,100	348.2
8	愛知県 飛島村	14,731	4,575	322.0
9	東京都 渋谷区	633,452	243,883	259.7
10	東京都 新宿区	903,456	349,385	258.6
11	栃木県 芳賀町	33,758	14,961	225.6
12	福島県 浪江町	4,221	1,923	219.5
13	福島県 富岡町	4,668	2,128	219.4
14	神奈川県 横浜市西区	220,817	104,935	210.4
15	兵庫県 神戸市中央区	308,475	147,518	209.1
16	京都府 久御山町	31,499	15,250	206.6
17	福島県 葛尾村	863	420	205.5
18	宮城県 大衡村	11,267	5,849	192.6
19	愛知県 名古屋市中村区	254,921	138,599	183.9
20	福島県 飯館村	2,370	1,318	179.8

[Source: 2020 Census, Statistics Bureau, Ministry of Internal Affairs and Communications]

- The Project will develop temporary accommodation facilities to accommodate people who are unable to return home (approximately 1,100 m² in total, for approximately 650 people) and a disaster prevention storage warehouse (approximately 100 m², for approximately 650 people), as well as outdoor temporary places to stay during a disaster (approximately 1,500 m² in total). Other measures to increase disaster resilience include disseminating disaster information using digital signage, securing electricity through the utilization of cogeneration systems in collaboration with district heating and cooling providers and emergency power generation facilities. The assessment of the Akasaka 2-6 District Development Plan for a national strategic city planning building development project took into account its contribution to the creation of a disaster resilient city through the development of facilities for stranded people, among others.
- TBS Holdings has been deepening cooperation with public offices by, for instance, signing a cooperative agreement with Minato City in 2022 aimed at developing the Akasaka area, improving safety and security in the area, and promoting and achieving the SDGs, as well as by offering spaces for various events and providing educational courses. The company is also carrying out activities to build closer ties with local communities, as exemplified by festivals at Akasaka Sacas Square, to become a company that is familiar to and counted by local residents in the event of emergencies. Against this backdrop, the launch of the east and west districts designed to have greater disaster management functions, combined with the company's past initiatives, is expected to help increase the disaster resilience of the area.



▲赤坂サカス方面より計画地側を見る

[Source: TBS Holdings press release]

- The south side of Akasaka Station, where the development site is located, does not have barrier-free routes due partly to the shortage of spaces for people to walk or stay and also has crowded roads, posing challenges in the safety and comfort of pedestrians.
- A station front space that does not give a sense of boundary between the station and the town, as well as a plaza that will be a place for lively interaction, will be developed (approximately 4,900 m² in total) from 2nd basement floor to 1st floor above ground, allowing people to move from Tokyo Metro Akasaka Station to the outside entirely through a large, open space that extends across multiple stories. Barrier-free routes with elevators and escalators will also be developed at the station exits in both districts to enhance accessibility and convenience for people coming and going between the station and the town.
- Aiming to achieve higher disaster resilience and barrier-free accessibility, the Project is based on the group's materiality "Fulfilling our social mission as a media group" and constitutes an initiative for fulfilling its responsibility as a group that includes media with a public and social mission. The Project will likely create clear social benefits for social issues in the Akasaka area.

(2) Green Eligible Projects and Environmental Benefits

B. Implementation of initiatives to achieve zero carbon emissions

Acquisition of environmentally friendly buildings

Buildings that have acquired or renewed any of the following building certifications, or buildings that are scheduled to acquire or renew such certifications in the future:

- CASBEE for Buildings (New Construction, Existing Buildings, and Renovation) or CASBEE Real Estate: A rank or higher
- LEED: Silver or higher
- DBJ Green Building Certification: 3 stars or higher
- BELS (Building Energy Efficiency Performance Labeling System): 5 stars or higher
- ZEB Certification: ZEB Oriented or higher

Project Category: Energy efficiency/Green buildings

Relevant SDGs: 7. Affordable and clean energy, 11. Sustainable cities and communities, 13. Climate action



- Greenhouse gas emissions from houses and buildings are estimated to account for around 30% of total emissions in Japan. In the Sixth Strategic Energy Plan, the national government aims to ensure that the average energy efficient performance of all existing houses and buildings will be equivalent to ZEH and ZEB standards in 2050. Based on this policy, all buildings whose construction starts in or after April 2025 will be required to comply with energy efficiency standards.
- For TBS, which runs the real estate business and pursues carbon neutrality, decarbonization of the properties it owns is an important initiative. The proceeds will be allocated to buildings that have acquired or renewed green building certifications, or buildings that are scheduled to acquire or renew such certifications in the future, and therefore are expected to produce certain environmental benefits. Environmental benefits will be indicated in terms of the type and rank of the certification obtained (or planned to be obtained), CO₂ emissions, energy usage, and water usage.

CASBEE Certification (Certification body: Institute for Building Environment and Energy Conservation)
CASBEE stands for the Comprehensive Assessment System for Built Environment Efficiency. Buildings are evaluated and rated according to their environmental performance. This system evaluates building quality comprehensively, evaluating not only the use of energy efficient and environmentally friendly materials, but also interior comfort and harmony with the surroundings. <u>The evaluation results are rated on a scale of one to five levels ranging from S rank (excellent) to C rank (inferior).</u>
LEED Certification (Certification body: US Green Building Council)
LEED stands for Leadership in Energy and Environmental Design. A certification programme for Green Buildings that started in the U.S. It assesses the energy efficiency and other comprehensive environmental load of buildings through various systems covering everything from planning and design to construction, operation and maintenance of the buildings. For buildings that satisfy the required conditions, there are <u>four certification levels—standard, silver, gold, and platinum—that are granted according to the points earned.</u>
DBJ Green Building Certification (Certification body: Development Bank of Japan and Japan Real Estate Institute)
A certification system which makes, not only an evaluation on the environmental performance of the property, but a comprehensive evaluation including the wellbeing of tenants, risk management regarding disaster reduction and crime prevention, consideration for community and surrounding environment, and cooperation with stakeholders. <u>The evaluation results are rated between five stars (building with excellent considerations, and nationally top of the class) and one star (building with sufficient considerations).</u> If the evaluation regarding the environmental performance items can be confirmed in the total evaluation, it is considered to be effective as an environmental certification.
BELS Certification (Certification body: Association for Housing Performance Evaluation & Labeling)
BELS stands for Building-Housing Energy-efficiency Labeling System. This certification system is based on the Guidelines for Building Energy Efficiency Labeling (guidelines for labeling the energy consumption of buildings) developed by the Ministry of Land, Infrastructure, Transport, and Tourism. A third-party organization objectively evaluates energy consumption, heat insulation and other performances and indicates the results.
ZEB Certification (Certification body: Association for Evaluating and Labeling Housing Performance)
A net zero energy building (ZEB) is a building that aims to reduce the annual primary energy consumption balance to zero. It achieves energy savings of at least 50% and reduces energy consumption further through renewable energy generation and other means. There are categories based on the amount of reduction, including <u>ZEB (energy savings of 100% or more), Nearly ZEB (energy savings of 75% or more and less than 100%) and ZEB Ready (energy savings of 50% or more and less than 75%).</u> In addition, <u>ZEB Oriented</u> is defined as a building of 10,000 m ² or more that achieves energy savings of at least 30-40% and adopts technologies that are expected to save energy but are not evaluated at present by the energy consumption performance calculation program under the Act on Improvement of Energy Consumption Performance of Buildings.

Investments in renewable energy generation and purchase of renewable energy-derived electricity and green hydrogen

Project Category: Renewable energy

Relevant SDGs: 7. Affordable and clean energy, 13. Climate action



- Japan declared its goal to achieve carbon neutrality by 2050 in 2020, and clearly stated the policy of making renewable energy a major power source, as suggested by the target ratio of renewable energy in the country's power mix for FY2030 significantly raised to 36 to 38% in the Sixth Strategic Energy Plan.
- In 2022, the TBS Group introduced the world's first hydrogen broadcasting vehicle, and Akasaka Heat Supply Co., Ltd., a group company that supplies heat and electricity for air conditioning and hot water supply, is considering procuring and utilizing low or zero carbon energy such as green hydrogen. The Medium-Term Management Plan covering the period from FY2024 calls for achieving a group-wide renewable energy ratio of 100% by FY2026, showing a proactive stance on the procurement and utilization of renewable energy.
- The projects will fund investment, loan, development, construction, management, operation and maintenance, and other expenditures that generate renewable energy (solar, wind, etc.), investment, loan, and expenditures that purchase renewable energy-derived electricity, non-fossil certificates,

green power certificates, and J-Credits, and investment, loan, development, construction, management, operation and maintenance, and other expenditures on the purchase and use of green hydrogen. The eligible hydrogen is limited to that which meets the targets set out in Japan's Basic Hydrogen Strategy (currently 3.4kg-CO₂/kg-H₂). In addition, the eligible equipment is limited to those which do not use fossil fuels. The use of proceeds is consistent with the national government's strategy and TBS Holdings' management policy of making renewable energy a major power source and is expected to deliver certain environmental benefits. Environmental benefits will be indicated in terms of renewable energy power generation capacity, the amount of electricity generated, CO₂ emissions, and CO₂ reduction from purchased renewable energy and green hydrogen.

Energy-saving renovation of buildings and facilities

Project Category: Energy efficiency

Relevant SDGs: 7. Affordable and clean energy, 13. Climate action



- The TBS Group achieved carbon neutrality at its main facilities (i.e., the Broadcasting Center, Akasaka Sacas Cultural Facility, and Midoriyama Studio) in FY2023, enabling studio recording and live broadcasts that do not involve CO₂ emissions. At program production sites, efforts to go paperless and other initiatives to reduce negative environmental impacts are underway. The group is working on a 50% reduction in CO₂ emissions by FY2026 compared to FY2022 as stated in the Medium-Term Management Plan covering the period from FY2024, and drafting a roadmap to achieve carbon neutrality by 2050. For further decarbonization, promoting the introduction and renovation of energy-saving apparatuses and equipment in the facilities owned by the group is indispensable.
- The intended use of proceeds is the introduction or renovation of energy-saving apparatuses and equipment such as LED lighting and high-efficiency air conditioners. Eligible energy-saving renovations are those that result in an energy reduction rate of 30% or more compared to before the renovation. If an energy reduction rate cannot be calculated, the projects are limited to those that meet the energy-saving standards, etc. of the Top Runner Program based on the Energy Conservation Act. Certain environmental benefits are thus envisaged. Environmental benefits will be indicated in terms of the number of energy-saving equipment and products introduced, CO₂ reduction, and reduction in energy use.

3. Process for Project Evaluation and Selection

Environmental and social objectives, a decision-making process for evaluation and selection, and a process for identifying, mitigating and managing environmental and social risks have been defined. A process is in place to select projects that give due consideration to the environment and society. The process for project evaluation and selection is appropriate.

(1) Environmental and Social Objectives

- The environmental objective of each green project is climate change mitigation. Based on the recognition that it is responsible for all people including the elderly, people with disabilities, and victims of natural disasters, the TBS Group disseminates information to save lives from all platforms, including broadcasting and distribution, in the event of a disaster. The Akasaka Entertainment City aims to enhance accessibility and convenience for everyone and provide safety and security during a disaster.

(2) Criteria

- Those that satisfy the requirements for sustainability eligible projects or green eligible projects provided in the tables on pages 1 and 2 of this document are selected as projects to be funded by the proceeds. These eligibility requirements are consistent with TBS's Sustainability Policy.

Sustainability promotion structure, policy and important issues

- As one of Japan's leading news organizations, the TBS Group believes that it is responsible for the sustainability of the earth, society, and its own company. Together with partner companies and organizations, the group will use the power of media and content to create a movement to solve social issues. In order to further strengthen and promote its efforts to realize a sustainable society, the group established a Sustainability Committee chaired by the President and CEO and vice-chaired by the Managing Director who is also the CSO (Chief Sustainability Officer). The committee formulated a Sustainability Policy, which was approved by the Board of Directors. The Sustainability Committee has established four working groups - climate change measures, human capital, intellectual property, and wellness - as well as a human rights subcommittee to consider and implement specific measures regarding issues related to ESG and the SDGs.



[Source: TBS Holdings press release]

Sustainability Policy & Structure

Sustainability Policy

As a media group with a social mission, the TBS Group will build broad partnerships with all stakeholders in order to help create a society of contentment and sustainability.

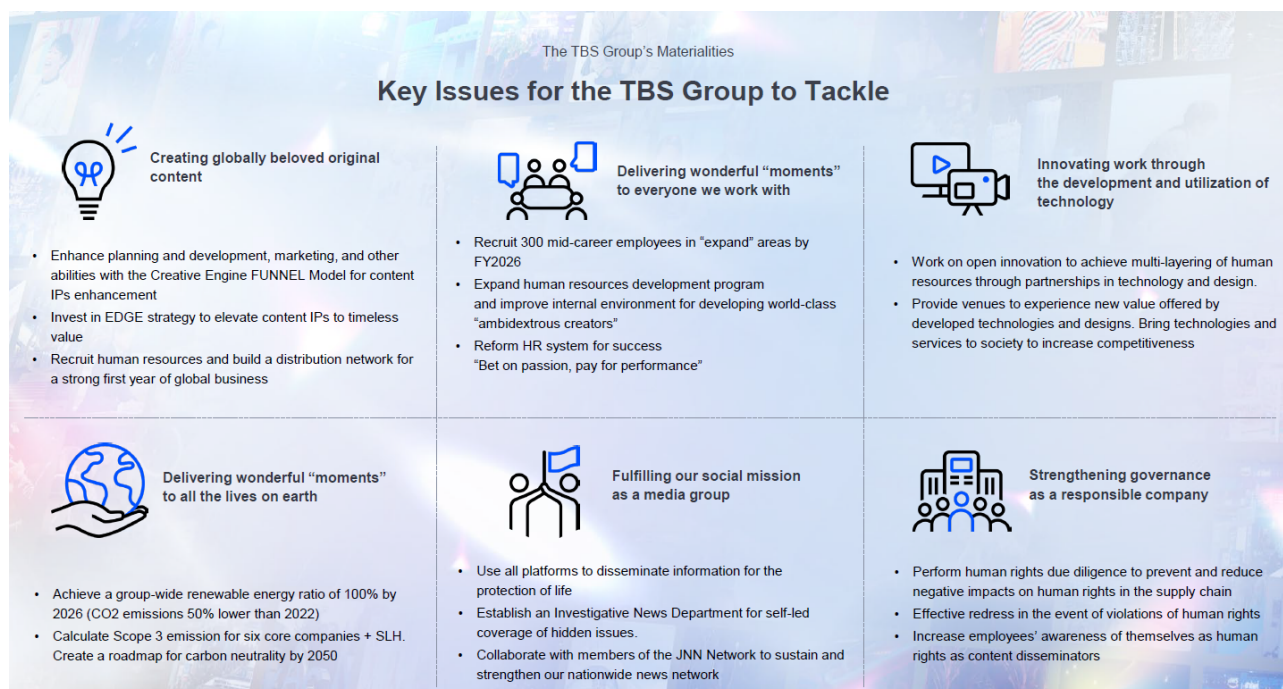
- We will work on resolving environmental and social issues through the fair and accurate dissemination of information and the provision of content and services.
- We will respect human rights and diverse values, and contribute to the realization of a society full of hope.
- We will comply with laws and social norms, and undertake our corporate activities in a fair and transparent manner.
- We will accommodate a wide range of working styles, and create a safe and rewarding workplace in which employees can exercise their creativity.

Contribution to SDG achievement

Aiming for achievement of the SDGs by 2030, the TBS Group will form the starting point of influencing society through the provision of a wide range of content and services, and, through broad-based partnerships, contribute to the realization of a society full of hope in which no one is left behind.

[Source: TBS Holdings press release]

- Since its founding, the TBS Group has striven to serve the public's right to know through television and radio broadcasting. However, in recent years, the environment surrounding the group has changed rapidly, and the business environment remains difficult to predict. The group recognized that its biggest challenge as a group is to continue to improve its corporate value as a company that is needed by society, and from a long-term perspective, it formulated the "TBS Group VISION2030" in 2021 as its future goal. In 2022, the group identified and announced materiality (key issues) that is essential to promoting ESG management.



[Source: TBS Holdings press release]

- TBS's materiality related environment is "Delivering wonderful "moments" to all the lives on earth." TBS was the first news organization to endorse the TCFD recommendations, and in 2022 it disclosed a report that analyzed and considered risks and opportunities based on the 1.5°C and 4°C scenarios. The Medium-Term Management Plan covering the period from FY2024 includes a target of a 50% reduction in CO₂ emissions by FY2026 compared to FY2022. A roadmap to achieve 2050 carbon neutrality is also being drafted as one of the initiatives from FY2024 onward.
- "Fulfilling our social mission as a media group" is part of its materiality related to social. Based on the recognition that it is responsible for all people including the elderly, people with disabilities, and victims of natural disasters, the TBS Group disseminates information to save lives from all platforms, including broadcasting and distribution, in the event of a disaster.

(3) Decision-Making Process for Evaluation and Selection

- In collaboration with group companies that implement eligible projects, TBS Holdings' Finance Department and SDGs/ESG Planning and Management Department select project candidates based on the conformity with the eligibility criteria defined in the Use of Proceeds, and the executive in charge of the Finance Department will make the final decision.

(4) Process for Identifying, Mitigating and Managing Environmental and Social Risks

- When evaluating the eligibility of each project, TBS Holdings takes into consideration the potentially negative environmental and social impacts and confirms that the following items are addressed:
 - Compliance with environmental laws and regulations required by the country or local government where the project is located, and implementation of environmental impact surveys as necessary
 - Implementation of sufficient explanations to local residents when implementing the projects
 - Procurement of materials, prevention of environmental pollution, consideration of the working environment and human rights in accordance with the TBS Group's management philosophy, management policy, sustainability policy, etc.

4. Management of Proceeds

The method of tracking proceeds for their allocation to sustainability projects and green projects and the method of managing unallocated proceeds have been identified. The management of proceeds is appropriate.

- Finance Department allocates and manages the net proceeds from sustainability finance/green finance to eligible projects. Until the proceeds from sustainability finance/green finance are allocated to eligible projects, or if there are not enough eligible projects, the unallocated funds will be managed in cash or cash equivalents. If it is clear that unallocated funds will occur due to reasons other than projects delays, other projects that meet the eligibility criteria will be selected in accordance with the project evaluation and selection process and the funds will be allocated promptly. After the funds are allocated, Finance Department will track and manage the allocation status of the funds on an annual basis.

5. Reporting

The timing, method and items of disclosure (reporting) have been specified. The environmental benefit indicators for sustainability projects and green projects and the social benefit indicators for sustainability projects are consistent with the environmental and social objectives, respectively. The reporting is appropriate.

(1) Overview of Disclosure

- TBS Holdings discloses an allocation report and an impact report on its website annually to the extent practicable. In the case of loans, TBS Holdings reports only to lenders, and in the case of syndicated loans, TBS Holdings may report to the lenders through the agent. The first report is to be disclosed within one year of fundraising. In addition, if there are significant changes to the allocation plan of the proceeds or if there are changes in circumstances that have a significant impact on the plan after the allocation of the proceeds, TBS Holdings will disclose them in a timely manner.
- Until the full amount of net proceeds from sustainability finance/green finance is allocated to eligible projects, the following items regarding the allocation status of the procured funds are to be disclosed:

Allocation reporting

- A list of eligible projects to which the raised funds have been allocated and their overview (including progress)
- Allocated amounts
- Unallocated amounts and management method
- Estimated amount or percentage of the raised funds allocated to refinancing

(2) Environmental and Social Benefit Indicators

- The information on the environmental benefits of sustainability projects and green projects and the social benefits of sustainability projects to be disclosed as listed below is consistent with the environmental and social objectives.
- Until the funds raised through sustainability finance/green finance are redeemed or repaid, TBS Holdings will disclose, to the extent practicable, the following items regarding the environmental benefits and social problem-solving effects of eligible projects:

Sustainability Eligible Projects

A. Town development aimed to deliver wonderful "moments" through content (Akasaka Entertainment City Plan)

Green (Project Category: Energy efficiency/Green buildings)			
- Type and rank of certification obtained (or planned to be obtained) - Disclose all or part of the following indicators: CO₂ emissions (t-CO₂), energy usage (kWh), water usage (m³)			
Social			
Project Category	Output	Outcome	Impact
Socioeconomic advancement and empowerment	Overview of investments related to barrier-free access	Number of ramps installed, number of barrier-free toilets installed, etc.	Realization of a society that is friendly to everyone
Affordable basic infrastructure	Overview of investments related to disaster prevention	Disaster prevention items and quantities, number of people to whom these items are distributable	Realization of a disaster-resistant society

Green Eligible Projects

B. Implementation of initiatives to achieve zero carbon emissions

Project Category	Reporting Item
Energy efficiency/ Green buildings	- Type and rank of certification obtained (or planned to be obtained) Disclose all or part of the following indicators: - CO₂ emissions (t-CO₂) - Energy usage (kWh) - Water usage (m³)
Renewable energy	Disclose all or part of the following indicators: - Renewable energy power generation capacity (MW) - Amount of electricity generated (MWh) - CO₂ reduction (t-CO₂) - CO₂ reduction from purchased renewable energy and green hydrogen (t-CO₂)
Energy efficiency	Disclose all or part of the following indicators: - Number of energy-saving equipment and products introduced - CO₂ reduction (t-CO₂) - Reduction in energy use (kL, etc.)

[Disclaimer]

Second Opinion is not the Credit Rating Business, but one of the Ancillary Businesses (businesses excluding Credit Rating Service but are ancillary to Credit Rating Activities) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities, as well as measures to prevent such business from being misperceived as the Credit Rating Business.

Second Opinions are R&I's opinions on the alignment of a framework, formulated by companies etc. to raise funds for the purpose of environmental conservation and social contribution, with the principles etc. compiled by public organizations or private organizations related to the relevant financing as of the date of assessment. Second Opinions do not address any matters other than the alignment (including but not limited to the alignment of a bond issue with the framework and the implementation status of the project subject to financing). Second Opinions do not certify the outcomes and other qualities of the projects subject to the financing. Hence, R&I will not be held responsible for the effectiveness of the projects, including their outcomes. Second Opinions are not, in any sense, statements of current, future, or historical fact and should not be interpreted as such, and Second Opinions are not a recommendation to purchase, sell, or hold any particular securities and do not constitute any form of advice regarding investment decisions or financial matters. Second Opinions do not address the suitability of an investment for any particular investor. R&I issues Second Opinions based on the assumption that each investor will investigate and evaluate the securities which they plan to purchase, sell, or hold for themselves. All investment decisions shall be made at the responsibility of the individual investor.

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R&I Green Bond Assessment is R&I's opinion regarding the extent to which the proceeds from the issuance of green bonds are used to invest in projects with environmental benefits. In R&I Green Bond Assessment, R&I may also provide a second opinion on a green bond framework. R&I Green Bond Assessment does not certify the environmental benefits and other qualities of the eligible projects. Hence, R&I will not be held responsible for the effectiveness of the projects, including their environmental benefits. R&I Green Bond Assessment is not the Credit Rating Business, but one of the Ancillary Businesses (businesses excluding Credit Rating Service but are ancillary to Credit Rating Activities) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities, as well as measures to prevent such business from being misperceived as the Credit Rating Business.

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Japanese is the official language of this material and if there are any inconsistencies or discrepancies between the information written in Japanese and the information written in languages other than Japanese the information written in Japanese will take precedence.

[Expertise and Third-Party Characteristics]

R&I launched the R&I Green Bond Assessment business in 2016, and since then, R&I has accumulated knowledge through numerous evaluations. Since 2017, R&I has been participating as an observer in the Green Bond Principles and Social Bond Principles, which have their own secretariat at the International Capital Market Association (ICMA). It also has been registered since 2018 as an Issuance Supporter (external review entity) of the Financial Support Programme for Green Bond Issuance, a project by the Ministry of the Environment. In 2022, R&I was designated as an external reviewer for transition finance in the global warming countermeasures promotion project of the Ministry of Economy, Trade and Industry.

The R&I assessment method and results are disclosed on the R&I website (at <https://www.r-i.co.jp/en/rating/esg/index.html>).

In December 2022, R&I expressed its support for the intent of and its endorsement of the "Code of Conduct for ESG Evaluation and Data Providers" (ESG Code of Conduct) published by the Financial Services Agency. Disclosures on R&I's compliance with the six Principles of the ESG Code of Conduct and the Guidelines for their implementation are available on the R&I website at <https://www.r-i.co.jp/en/rating/products/esg/index.html> (Disclosures on Compliance with the ESG Code of Conduct).

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While R&I and a financial institution that provides or raises funds through ESG finance may conclude an agreement whereby the financial institution refers its clients to R&I for ESG Assessment, R&I has taken measures to ensure independence. For details, please see the Disclosures on Compliance with the ESG Code of Conduct.