

TBS Holdings, Inc.

Sustainability Finance Framework

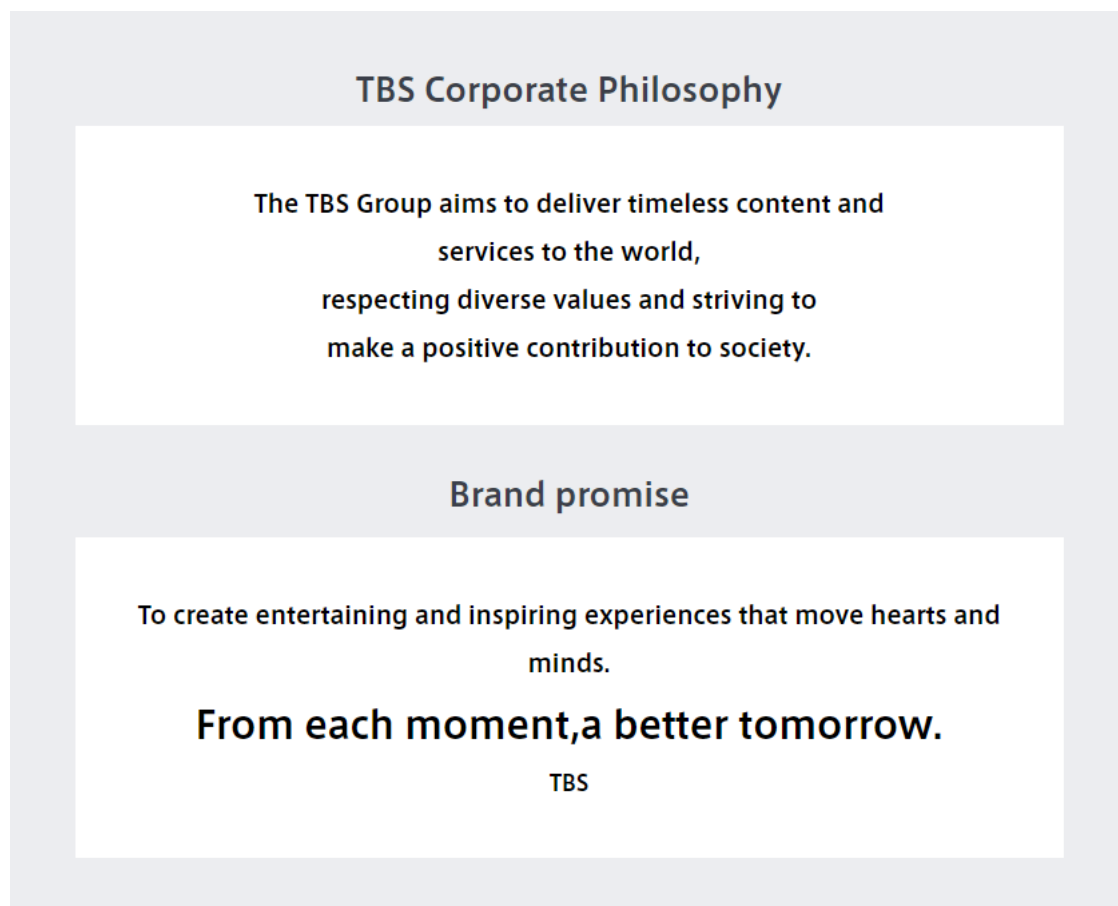
(Translation of the Japanese document for reference purpose only)

1. Introduction

1.1 Company Profile

TBS Holdings Inc. is a certified broadcasting holding company with three business segments: the "Media & Content" business, which focuses on terrestrial broadcasting business; the "Lifestyle" business, which includes general merchandise retail store and cram school management companies; and the "Real Estate & Other" business.

We direct the management activities of the TBS Group based on our corporate philosophy, and strive to be a corporate group that can contribute to society.



1.2 TBS Group's Management Strategy and Materiality

Since our founding, we have striven to improve our corporate value by serving the public's right to know through television and radio broadcasting and providing high-quality entertainment that is widely loved. However, in recent years, the environment surrounding us has changed rapidly, with a declining birthrate and aging population, diversifying lifestyles, and digitalization, and the business environment remains difficult to predict, with natural disasters and the spread of COVID-19. In 2021, we recognized that our biggest challenge as a group is to continue to improve our corporate value as a company required by society, even in such an environment,

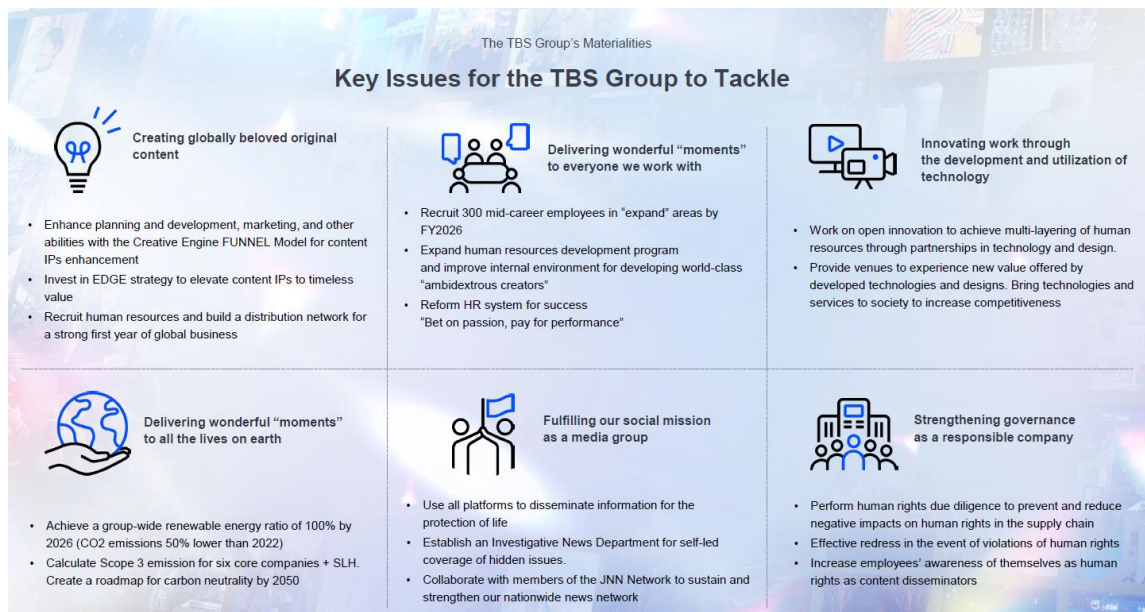
and from a long-term perspective, we have formulated the "TBS Group VISION2030" as our future goal.

The greatest strength of our group is the power of "content creation." As the media environment changes dramatically with the diversification of lifestyles and the rise of the internet, we will respond to people's "trust" more than ever before, "create" wonderful content that enriches their hearts and lives, and "deliver" it beyond the scope of broadcasting. Our group aims to be a content group that defines everything that "moves the heart and minds" as content and maximizes its value. Specifically, we are promoting innovation in content creativity and the expansion strategy "EDGE*" to infinitely expand the content we create.

*EDGE: Expand Digital Global Experience

We will focus our resources on strengthening distribution to develop digital content (Digital), further developing the global market (Global), and expanding our business to "experience" live entertainment and lifestyles (Experience). Through our expansion strategy "EDGE," we aim to strengthen our group portfolio by steadily growing business areas even in a situation where we cannot expect a significant expansion of the broadcast advertising market. However, the broadcasting business is the foundation of this growth, and we will continue to aim to increase the value of the broadcasting business. Going forward, our broadcasting business will further deepen the value of "trust" that we have cultivated so far, go beyond the function of an advertising medium to become a value co-creation hub, propose new value with our partners, and evolve our media power by promoting data marketing. Furthermore, as the ESG strategy of a group that includes media with a public and social mission, we will take various measures to provide the wonderful moments to the planet we live on (E), society and our colleagues (S), as a responsible company (G). Through our content, we will work with all stakeholders to co-create a happy and sustainable society where diverse values are respected.

In May 2022, based on TBS's corporate philosophy and brand promise, we identified and announced materiality (major issues) that are essential to address in realizing the expansion strategy "EDGE" set out in the "TBS Group VISION2030" and promoting ESG management. By steadily pursuing these issues, we will create and deliver the "From each moment, a better tomorrow" as stated in our brand promise.



1.3 TBS Group's Sustainability Policy and Structure

In order to further strengthen and promote our efforts to sustainably increase our corporate value as a content group and to realize a sustainable society, we have established a Sustainability Committee, chaired by the Representative Director and President, and with the Managing Director who is also the CSO (Chief Sustainability Officer) as vice-chairman.

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.

The Sustainability Committee has established four working groups - climate change, human capital, intellectual property, and wellness - as well as a human rights subcommittee to consider and implement specific measures related to ESG and the SDGs issues.

The Group Sustainability Conference, consisted by subsidiaries of TBS Holdings, aims to raise awareness of sustainability throughout the group, and contribute to the group's sustainable growth, corporate value, and resolve social issues.



1.4 Promoting sustainability management in the TBS Group

As one of Japan's leading news media, the TBS Group is responsible for the sustainability of the earth, society, and its own company. Together with partner companies and organizations, we will use the power of media and content to create a movement to solve social issues. In addition, as a news media, we pursue a "correct society" and are working on the following initiatives in each area of ESG.

E: Commitment to Measures against Climate Change

- In 2023, we became the first Japanese broadcaster to get a B score in the CDP system for disclosure of climate change related information (membership of more than 20,000 companies worldwide)
- Achieve carbon neutrality at three main facilities: Broadcast Center, Akasaka Sacas Cultural Facility, and Midoriyama Studio
- Calculate Scope 3 emission volume for TBS Holdings and TBS TV, and Scope 1 and 2 emissions for the whole group • World's first hydrogen-powered broadcasting van, used for live coverage of sports, etc.

<Initiatives from 2024 onwards>

- Achieve a group-wide renewable energy ratio of 100% by 2026 (CO2 emissions 50% lower than 2022)

- Research and implement ways to reduce the environmental burden of program production
- Calculation of Scope 3 emission for six core companies + SLH* Creation of a roadmap for carbon neutrality by 2050
- Investment in decarbonization by bringing recycled material bag brand KNT365 into the SLH Group, etc.

*TBS Television, TBS Radio, BS-TBS, TBS Sparkle, TBS Glowdia, TBS Act (six core companies) and StylingLife Holdings

S: Solutions for Issues through News

- Use all platforms to disseminate information for the protection of life
- TBS NEWS DIG digital news app provides the fastest earthquake information in Japan and a Strong-Motion Monitor Layer feature
- Provide neutral reporting from conflict sites around the world
- Ensure editorial independence in news reporting. Establish rules to ban

<Initiatives from 2024 onwards>

- Establish an Investigative News Department for self-led coverage of hidden issues. Do not yield to power in reporting
- Collaborate with members of the JNN Network to sustain and strengthen our nationwide news network

G: Acceleration of Business and Human Rights Initiatives

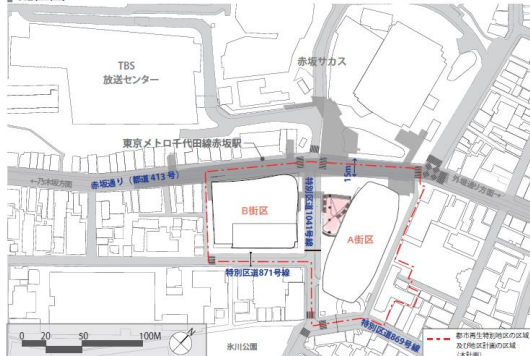
- Created TBS Group Human Rights Policy and Sustainable Procurement Guidelines (March 2023)
- Set up a special investigatory committee for the issue of Johnny & Associates. Published an investigation report (November 2023)
- Established a Human Rights Subcommittee under the TBS Holdings Sustainability Committee. Started human rights due diligence in November 2023

<Initiatives from 2024 onwards>

- Implement recommendations of external members of the special investigation committee
- Perform human rights due diligence to prevent and reduce negative impacts on human rights in the supply chain
- Effective redress in the event of violations of human rights
- Increase employees' awareness of themselves as human rights as content disseminators

(Reference) "Akasaka Entertainment City Plan"

The Akasaka 2-6 District Development Plan (this project) involves the construction of a mixed-use building directly connected to Akasaka Station on the Tokyo Metro Chiyoda Line.



	East Block	West Block
Location	Akasaka 2, Minato ward	Akasaka 2, Minato ward
Site Area	Approx. 8,762 m ²	Approx. 5,415 m ²
Total Floor Area	Approx. 167,650 m ²	Approx. 38,150 m ²
Scale	40 floors above ground, 4 floors underground	18 floors above ground, 3 floors underground
Height	Approx. 207m	Approx. 100m
Main Uses	Offices, shops, incubation facilities, etc.	Theater/hall, hotel, shops, etc.

This project was planned based on our group's materiality, which was set with consideration for solving environmental and social issues. For the materiality related to environment, "Delivering wonderful "moments" to all the lives on earth," we will work to reduce energy consumption and physically reduce CO2 emissions. For the materiality related to social, "Fulfilling our social mission as a media group," we will fulfill our responsibility as a group that includes media with a public and social mission by planning barrier-free access and disaster response facilities.

Specific environmental and social initiatives are as follows.

■ Environmental Initiatives

To reduce the environmental impact of buildings, we will work to reduce heat loads through high-performance glass and exterior design innovations, efficiently use energy (energy saving) through highly efficient cogeneration systems, solar power generation, motion sensors, brightness sensors, etc., effectively utilize resources such as reusing rainwater and wastewater, and suppress the heat island effect through greening rooftops, walls, plazas, etc.

Regarding certification, we aim to obtain "ZEB Oriented" certification (for the office area), and for PAL* and ERR, we aim for stage 3 of the Tokyo Metropolitan Building Environmental Plan System, and CASBEE "S rank".

■ Social Initiatives

In order to improve convenience for everyone and to fulfill the function of a base that provides "safety and security" in the event of a disaster, we will work to improve disaster response capabilities in the immediate vicinity of Akasaka Station by reorganizing public spaces around the station to create a safe and comfortable pedestrian environment and utilizing plazas and halls.

Specifically, we will work to develop a station front space that does not feel like a boundary between the station and the town, a plaza that will be a place for lively interaction (total of approximately 4,900 m², 2nd basement floor to 1st floor above ground), develop barrier-free routes connecting the station and the town, and develop temporary accommodation facilities to accommodate people who are unable to return home (indoors: total of approximately 1,100 m², approximately 650 people) and a disaster prevention storage warehouse (approximately 100 m², for approximately 650 people).

2. Sustainability Finance Framework

TBS Holdings has formulated sustainability finance framework ("the framework") based on the following principles and guidelines, and has obtained a second opinion from Rating and Investment Information, Inc. on its conformity with these principles.

Referenced principles

- Green Bond Principles 2021 (ICMA)
- Green Loan Principles 2023 (LMA, APLMA, LSTA)
- Social Bond Principles 2023 (ICMA)
- Social Loan Principles 2023 (LMA, APLMA, LSTA)
- Social Bond Guidelines 2021 (Financial Services Agency)
- Sustainability Bond Guidelines 2021 (ICMA)
- Green Bond and Sustainability Linked Bond Guidelines 2022 (Ministry of the Environment)
- Green Loan and Sustainability Linked Loan Guidelines 2022 (Ministry of the Environment)

Based on the framework, TBS Holdings and Group companies will raise funds for the following financing.

Type	Details
Green finance	Financing where the funds are used only for green eligible projects
Sustainability finance	Financing where the funds are used for both green eligible projects and social eligible projects

2.1 Use of Proceeds

Funds raised through sustainability finance/green finance will be used for new investments and existing refinancing that meet the eligibility criteria and have been confirmed to have the following environmental benefits or contribute to solving social issues.

In the case of existing projects, it is limited to expenditures made within 24 months on or prior to the date of issuance of the applicable sustainability finance or green finance.

A. Town development aimed to deliver wonderful "moments" through content (Sustainability Eligible Projects)

This refers to projects that include buildings and land acquisitions related to such buildings that have been confirmed to meet the following green and social eligibility requirements in the Akasaka Entertainment City Plan.

Green/Social	Category Eligibility Criteria
Green Buildings/Energy Efficiency	< Green Eligibility Requirements > Buildings that have acquired or renewed any of the following

	<p>building certifications, or buildings that are scheduled to acquire or renew in the future.</p> <ul style="list-style-type: none"> 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
<p>Socioeconomic advancement and empowerment, basic infrastructure development (disaster prevention)</p> <p><Target population> Vulnerable groups, including the elderly, people with disabilities, and victims of natural disasters</p>	<p><Social eligibility requirements></p> <ul style="list-style-type: none"> Socioeconomic advancement and empowerment: Investments and expenditures related to barrier-free construction aimed at improving the mobility and convenience of all people who gather in a space, including the elderly and people with disabilities. Basic infrastructure development (disaster prevention): Investments and expenditures related to facilities and equipment that act as a base to provide "safety and security" in the event of a disaster in Japan, where the probability of natural disasters such as earthquakes and typhoons occurring is high. This includes securing a place to accept not only users of the building, but also people in the surrounding area and those who are unable to return home, and stockpiling food, equipment, and other materials.

B. Implementation of initiatives to achieve zero carbon emissions (Green Eligible Projects)

Green Category	Eligibility Criteria
Green Buildings/Energy Efficiency	<p><Green Eligibility Criteria></p> <p>Buildings that have acquired or renewed any of the following building certifications, or buildings that are scheduled to acquire or renew in the future.</p> <ul style="list-style-type: none"> CASBEE for Buildings (New Construction, Existing Buildings, and Renovation) or CASBEE Real Estate: A rank or higher LEED: Silver or higher

	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	Energy-saving renovations of buildings and facilities that result in an energy reduction rate of 30% or more before and after the renovation. However, if the energy reduction rate before and after the renovation cannot be calculated, it is limited to those that meet the energy-saving standards, etc. of the Top Runner Program based on the Energy Conservation Act.

2.2 Process for Project Evaluation and Selection

Based on the framework, the projects to which funds through sustainability finance/green finance will be allocated are evaluated and selected in compliance with the eligibility criteria set above. In collaboration with group companies, Finance Department and SDGs/ESG Management Department select the project candidates based on the conformity with the criteria of eligible sustainability/green projects in terms of the use of proceeds, and the executive in charge of the Finance Department will make the final decision. 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 our Group's management philosophy, management policy, sustainability policy, etc.

2.3 Management of Proceeds

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 early. After the funds are allocated, Finance Department will track and manage the allocation status of the funds on an annual basis.

2.4 Reporting

TBS Holdings discloses the allocation report and impact report on TBS Holdings' 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 discloses them in a timely manner.

(1) Allocation Report

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 is to be disclosed:

- 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) Impact Report

Until the funds raised through sustainability finance/green finance are redeemed or repaid, TBS Holdings discloses, to the extent practicable, the following items regarding the environmental

improvement effects and social problem-solving effects of eligible projects.

A. Town development aimed to deliver wonderful “moments” through content

Eligible category	Reporting item
Green building/Energy efficiency	<ul style="list-style-type: none"> Type and rank of certification obtained (or planned to be obtained) <p>Disclose all or part of the following indicators</p> <ul style="list-style-type: none"> CO2 emissions (t-CO2) Energy usage (kWh) Water usage (m³)

For the social category, the following output indicators and outcome indicators for each category are disclosed

Eligible 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
Basic infrastructure development (Disaster prevention)	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

B. Implementation of Initiatives to achieve zero carbon emissions

Eligible category	Reporting item
Green building/Energy efficiency	<ul style="list-style-type: none"> Type and rank of certification obtained (or planned to be obtained) <p>Disclose all or part of the following indicators</p> <ul style="list-style-type: none"> CO2 emissions (t-CO2) Energy usage (kWh) Water usage (m³)

Renewable energy	<p>Disclose all or part of the following indicators</p> <ul style="list-style-type: none"> • 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/energy-saving renovation of buildings and facilities	<p>Disclose all or part of the following indicators</p> <ul style="list-style-type: none"> • Number of energy-saving equipment and products introduced • CO2 reduction (t-CO2) • Reduction in energy use (kL, etc.)