[Translation]

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Notice Regarding Introduction of Share-based Remuneration System for Directors (RS Trust)

TBS HOLDINGS, INC. (hereinafter the "Company") hereby announces that at the Board of Directors meeting held today, the Company resolved to submit a proposal for the introduction of the performance-linked share-based remuneration system using a trust (hereinafter the "System") for Directors of the Company (excluding Outside Directors as described below) to the 98th Ordinary General Meeting of Shareholders to be held on June 27, 2025 (hereinafter "this General Meeting of Shareholders").

1. Purpose of introduction of the System

The Company is making efforts to enhance the Group's medium- to long-term corporate value, as announced in the long-term management vision "TBS Group VISION 2030" published in May 2021 and the "TBS Group Medium-term Business Plan 2026" published in May 2024. The Company has decided to partially revise its remuneration system for Directors in order to further clarify the link between Directors' remuneration and the Company's corporate value, with the aim of further raising awareness of contribution to the enhancement of medium- to long-term corporate value and more deeply sharing values with our stakeholders. The introduction of the System is part of the said revision of the remuneration system for Directors.
As described below, Outside Directors of the Company shall not be eligible for the System, because the System is intended to provide remuneration linked to performance in principle during the period of the Medium-term Management Plan.
(For the partial revision of the remuneration system for Outside Directors of the Company, please refer to "Notice Regarding Introduction of Non-Performance-Linked Restricted Share-based Remuneration System for Outside Directors of the Company" released today.)

The introduction of the System shall be subject to approval at this General Meeting of Shareholders.
The upper limit of remuneration under the System shall be separate from the maximum amount of monetary remuneration for Directors approved at the 87th Ordinary General Meeting of Shareholders held on June 27, 2014 (¥900 million or less per year (including ¥60 million per year for Outside Directors (revised to ¥80 million per year at the 96th Ordinary General Meeting of Shareholders held on June 29, 2023)), excluding salaries paid to directors who also serve as employees) and the maximum amount of share-based remuneration for Directors (restricted shares) (¥180 million or less per year (not applicable to Outside Directors)) approved at the 92nd Ordinary General Meeting of Shareholders held on June 27, 2019.
If the introduction of the System is approved at this General Meeting of Shareholders, the Company will introduce a share-based remuneration system (RS Trust) for Executive Officers of the Company and Directors (excluding Non-executive Directors) and Executive Officers of TOKYO BROADCASTING SYSTEM TELEVISION, INC. (hereinafter collectively "Executive Officers, etc."), which is similar to the remuneration system for Directors. In this case, Executive Officers, etc. shall also be the beneficiaries of the trust established by the Company for the operation of the System (this trust has already been established on July 21, 2023 for the purpose of introducing a share-based remuneration system for Directors of certain subsidiaries of the Company; hereinafter the "Trust") in the same way as Directors of the Company. The Company will also entrust funds for the purchase of shares to be delivered to Executive Officers, etc. to the trustee of the said trust.

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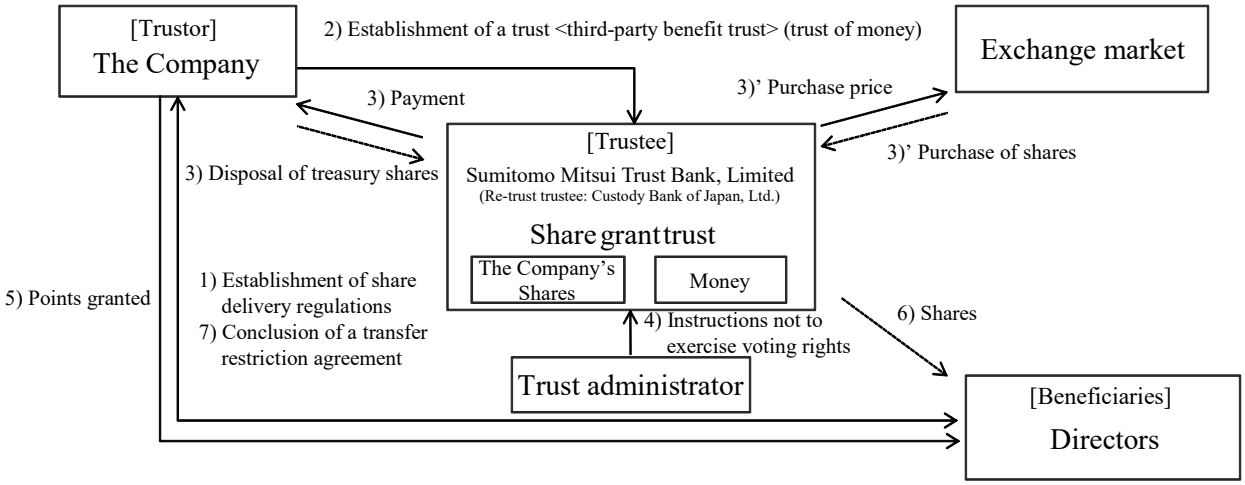
2. Overview of the System

(1) Structure of the System

The System is a share-based remuneration system in which a trust that the Company establishes by contributing money (it has already been established as mentioned earlier) purchases shares of common stock of the Company (hereinafter the "Company's Shares"), and the number of the Company's Shares corresponding to the number of points granted to each Director by the Company are delivered to each Director through the Trust (however, as described in 3. below, the transfer of those shares shall be restricted by entering into a transfer restriction agreement between the Company and each Director).
The remuneration under the System shall be paid to Directors of the Company who are in office during the two fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2027 (hereinafter the "Target Period." However, the Target Period may be extended as described in (4) below).
In principle, Directors will receive the Company's Shares at a prescribed timing after the end of the Evaluation Target Period (Note 1).

Note 1: The period of the Company's Medium-term Management Plan shall be the "Evaluation Target Period" (however, the first "Evaluation Target Period" is the fiscal year from April 1, 2025 to March 31, 2027). If the Target Period is extended, the period of the Company's relevant Medium-term Management Plan from April 2027 onward shall be defined as the new "Evaluation Target Period." The same applies subsequently.

<Overview of the structure of the System>



1) The Company will establish share delivery regulations for Directors.
2) The Company shall contribute (additional trust) the amount of money equivalent to the funds for the purchase of shares (however, the funds for the purchase of shares to be delivered to Directors of the Company shall be within the amount approved by the General Meeting of Shareholders of the Company) to the trustee of the trust that has already been established with the Company as the trustor (the Trust) (Note 2).
3) Using the money in the Trust, the trustee shall collectively purchase the number of the Company's Shares expected to be delivered in the future (by the method of receiving treasury shares disposed of by the Company or purchasing shares from the exchange market (including off-floor trading).
4) The trust administrator (a person independent from the Company and its officers) shall be appointed to protect interests of the beneficiaries subject to the share delivery regulations and supervise the trustee for the duration of the trust period. For the Company's Shares in the Trust, the trust administrator shall instruct the trustee not to exercise voting rights, and the trustee shall not exercise voting rights in accordance with this instruction for the duration of the trust period.
5) The Company shall grant points to Directors in accordance with the share delivery regulations.
6) Directors who meet the requirements set forth in the share delivery regulations and the trust agreement

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pertaining to the Trust shall acquire the beneficial interests of the Trust and, as the beneficiaries of the Trust, receive the Company's Shares from the trustee according to the points granted.

7) For the Company's Shares delivered, the Company and applicable Directors shall enter into a transfer restriction agreement with the transfer restriction period from the delivery date to the retirement date.

All of the Company's Shares included in residual assets of the Trust as of the termination of the Trust will be acquired by the Company without compensation and canceled by resolution of the Board of Directors.

In addition, a certain amount of money included in residual assets of the Trust as of the termination of the Trust will be donated to special public interest corporations that have no conflict of interest with Directors of the Company in accordance with provisions stipulated in advance in the share delivery regulations and the trust agreement.

Sumitomo Mitsui Trust Bank, Limited, which will be the trustee under the System, will entrust (re-trust) the management of the trust property to Custody Bank of Japan, Ltd.

Note 2: The Company has already established the Trust with the Company as the trustor for the operation of the share-based remuneration system for certain subsidiaries of the Company, and the Trust has purchased the Company's Shares using the money contributed by those subsidiaries (the Company as the trustor entrusted it) as funds for the purchase of the Company's Shares necessary to be delivered to Directors of those subsidiaries.

(2) Trust of money to the Trust

Subject to the approval of the introduction of the System at this General Meeting of Shareholders, the Company will contribute to the Trust (additional trust to the Trust) the funds necessary for the Trust to purchase the number of the Company's Shares reasonably expected to be necessary for the delivery during a certain period in accordance with (6) below in advance. As described in (5) below, the Trust will purchase the Company's Shares by using the money in the Trust.

Sumitomo Mitsui Trust Bank, Limited, which will be the trustee under the System, will entrust (re-trust) the management of the trust property to Custody Bank of Japan, Ltd.

(3) Trust period

The trust period has been set as approximately 5 years from July 2023 to August 2028 (scheduled). However, as described in (4) below, the trust period may be extended.

(4) Maximum amount of trust money to be contributed to the Trust as funds for the purchase of shares

During the Target Period, the Company will contribute up to ¥608 million in total as remuneration for Directors who are in office during the Target Period (additional trust to the Trust), as funds for the purchase of the Company's Shares necessary for delivering the Company's Shares to Directors under the System. Using the money in the Trust, the Trust will purchase the Company's Shares by the method of receiving treasury shares disposed of by the Company or purchasing shares from the exchange market (including off-floor trading) (Note 3).

Note 3: The amount of money that the Company will actually entrust to the Trust will be the sum of the estimated amount of necessary expenses including trust fees and trust administrator fees and the funds for the purchase of the Company's Shares mentioned above. In addition, if a similar share-based remuneration system is introduced for Executive Officers of the Company as described above, funds for the purchase of the Company's Shares necessary to be delivered to Executive Officers under the said system may also be entrusted together, and an amount contributed by certain subsidiaries of the Company may also be additionally entrusted as additional funds for the purchase of the Company's Shares necessary to be delivered to Directors of such subsidiaries.

The System may be continued in accordance with a decision of the Board of Directors of the Company by extending the Target Period by determining a period of up to five fiscal years each time and

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extending the trust period of the Trust according to the said extension (including cases that the trust period is effectively extended by transferring the trust property of the Trust to a trust established by the Company whose purpose is the same as that of the Trust. The same applies hereinafter). In this case, the Company will continue to grant points as described in (6) below and to deliver the Company's Shares by additionally contributing to the Trust the funds for additional purchase of the Company's Shares necessary to be delivered to Directors under the System during the said extension of the Target Period. The amount of such additional funds shall be up to the amount calculated by multiplying the number of fiscal years in the said extension of the Target Period by ¥304 million (the same shall apply subsequently).

(5) Method of purchasing the Company's Shares by the Trust

The purchase of the Company's Shares under the Trust is planned to be through disposal of treasury shares by the Company or from the exchange market within the upper limit of the funds for the purchase of shares described in (4) above. However, details of the purchase method will be determined and disclosed after the resolution of this General Meeting of Shareholders.

If the number of the Company's Shares in the Trust could fall short of the number of shares corresponding to the number of points granted to Directors during the trust period due to an increase of Directors, additional money may be entrusted to the Trust within the upper limit of the trust money described in (4) above to additionally purchase the Company's Shares.

(6) Calculation method and upper limit of the number of the Company's Shares delivered to Directors

1) Method of granting points to Directors

Pursuant to the share delivery regulations set forth by the Board of Directors of the Company, the Company shall grant points to each Director according to his/her position, degree of achievement of performance targets, and other factors on the point grant date set forth in the share delivery regulations during the trust period (after the end of the Evaluation Target Period, in principle) (Note 4).

Note 4: They shall be calculated by multiplying the number specified according to the position and other factors by the performance-linked coefficient, which fluctuates according to the target achievement rate of the performance-linked indicators during the applicable evaluation Target Period.

However, the total number of points granted by the Company to Directors shall be up to the number of points obtained by multiplying 51,500 points by the number of fiscal years of the applicable Evaluation Target Period in consideration for the execution of duties for a single Evaluation Target Period.

The range of the said performance-linked indicators and performance-linked coefficient shall be discussed by the Remuneration Advisory Committee and determined at the Board of Directors of the Company based on the report of the same committee. The performance-linked indicators for the first Evaluation Target Period will be a total of six items selected form the financial and non-financial targets set out in the "TBS Group Medium-term Business Plan 2026," and the range of the performance-linked coefficient is planned to be from 0% to 100% (however, if the total number of points calculated by this calculation method exceeds the upper limit of the total number of points described above, the total number of points will be adjusted by proration, etc.).

2) Delivery of the Company's Shares corresponding to the number of points granted

Directors receive the Company's Shares in accordance with the procedure described in 3) below in proportion to the number of points granted in 1) above. However, if a Director resigns for non-justifiable reasons, the points granted until then shall expire and the Company's Shares corresponding to the expired points shall not be delivered to the said Director.

One point is equivalent to one share of the Company's Shares. However, if there is an event where it

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is deemed reasonable to adjust the number of the Company's Shares to be delivered, such as a share split and a reverse share split, the number of the Company's Shares per point shall be adjusted according to the said split ratio or reverse split ratio.

3) Delivery of the Company's Shares to Directors

After the end of the Evaluation Target Period, in principle, each Director shall acquire the beneficial interest of the Trust and receive delivery of the Company's Shares described in 2) above from the Trust as the beneficiary of the Trust, on the condition that the said Director enters into the transfer restriction agreement described in 3. below with the Company and undergoes other prescribed procedures (Note 5).

However, if the Company's Shares in the Trust are converted into cash, such as when the Company's Shares in the Trust are tendered for a tender offer and settled, money (the said converted amount) may be delivered in lieu of the Company's Shares.

Note 5: However, if a Director retires during the Evaluation Target Period, points may be granted prior to the end of the applicable Evaluation Target Period and shares of common stock of the Company may be delivered from the Trust. This shall not be subject to the conclusion of the transfer restriction agreement.

(7) Exercise of voting rights

The voting rights attached to the Company's Shares in the Trust shall not be exercised at any time in accordance with instructions from the trust administrator who is independent from the Company and Directors of the Company. This method is intended to ensure the neutrality to management of the Company in relation to exercise of the voting rights attached to the Company's Shares in the Trust.

(8) Treatment of dividends

Dividends on the Company's Shares in the Trust will be paid to the Trust and allotted for costs to purchase the Company's Shares or trust fees for the trustee of the Trust.

(9) Treatment of the Company's Shares and money upon the termination of trust

All of the Company's Shares included in residual assets of the Trust as of the termination of the Trust will be acquired by the Company without compensation and canceled by resolution of the Board of Directors.

In addition, a certain amount of money included in residual assets of the Trust as of the termination of the Trust will be donated to special public interest corporations that have no conflict of interest with Directors of the Company in accordance with provisions stipulated in advance in the share delivery regulations and the trust agreement.

3. Transfer restriction agreement for the Company's Shares delivered to Directors

For the delivery of the Company's Shares described in 2. (6) 2) above, a transfer restriction agreement shall be entered into between the Company and Directors, and the following provisions shall be stipulated in the said agreement.

1) Directors shall not transfer, make subject to the creation of security interests, or otherwise dispose of the Company's Shares delivered to them under the System from the delivery date to the retirement date.
2) If a certain event occurs, the Company shall acquire the Company's Shares concerned without compensation
3) Details of conditions for cancellation of transfer restrictions, etc. established in advance by the Board of Directors of the Company

However, no transfer restrictions shall be imposed on the Company's Shares to be delivered on or after the retirement date (if any).

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(Reference) Overview of the trust agreement relevant to the Trust

Trustor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trust trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Among Directors and Executive Officers, etc. of the Company and Directors of certain subsidiaries of the Company, those who meet the beneficiary requirements
Trust administrator	Third party independent from the Company and the Company's officers
Exercise of voting rights	The voting rights attached to the shares in the Trust shall not be exercised for the duration of the trust period
Type of trust	Trust of money other than money trust (third-party-benefit trust)
Date of trust agreement	July 21, 2023
Trust period	From July 21, 2023 to August 31, 2028 (scheduled)
Purpose of trust	To deliver the Company's Shares to beneficiaries based on the share delivery regulations

END

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