Toward the Content Group

Medium-Term Business Plan 2024-2026

VISION2030 Ph.2

Updated

Drive EDGE Forward
Leveraging Creative Engine



TBS

TBS HOLDINGS　TBS TELEVISION　TBS RADIO　BS-TBS　TBS SPARKLE　TBS GLOWDIA　TBS ACT

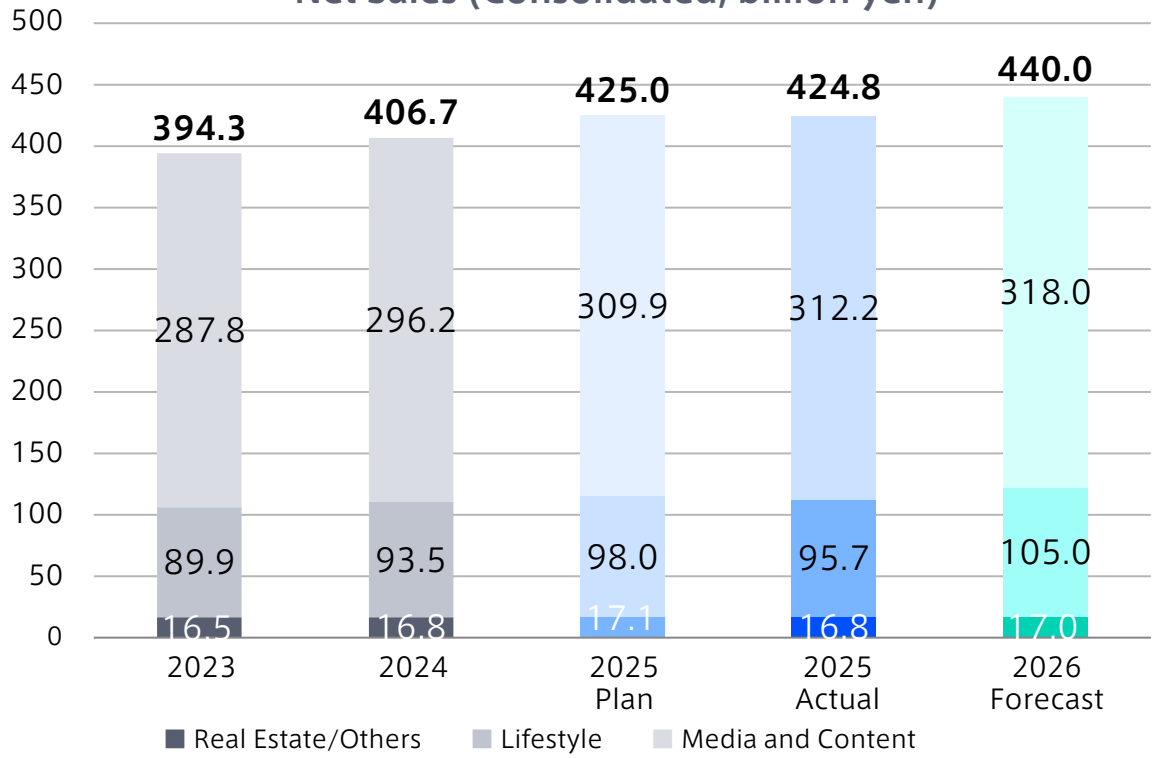
THESEVEN　THESEVEN US　CS-TBS　Seven Arcs　TCエンタテインメント　TBS INTERNATIONAL　TBS KOREA　TBS-MRI　NICHION

Manga Box　WACUL　StylingLife GROUP　やる気スイッチグループ　赤坂熱供給株式会社　TBS企画　TBS SUNWORK　TBS HEXA　MSC 株式会社 横山スタジオシティ

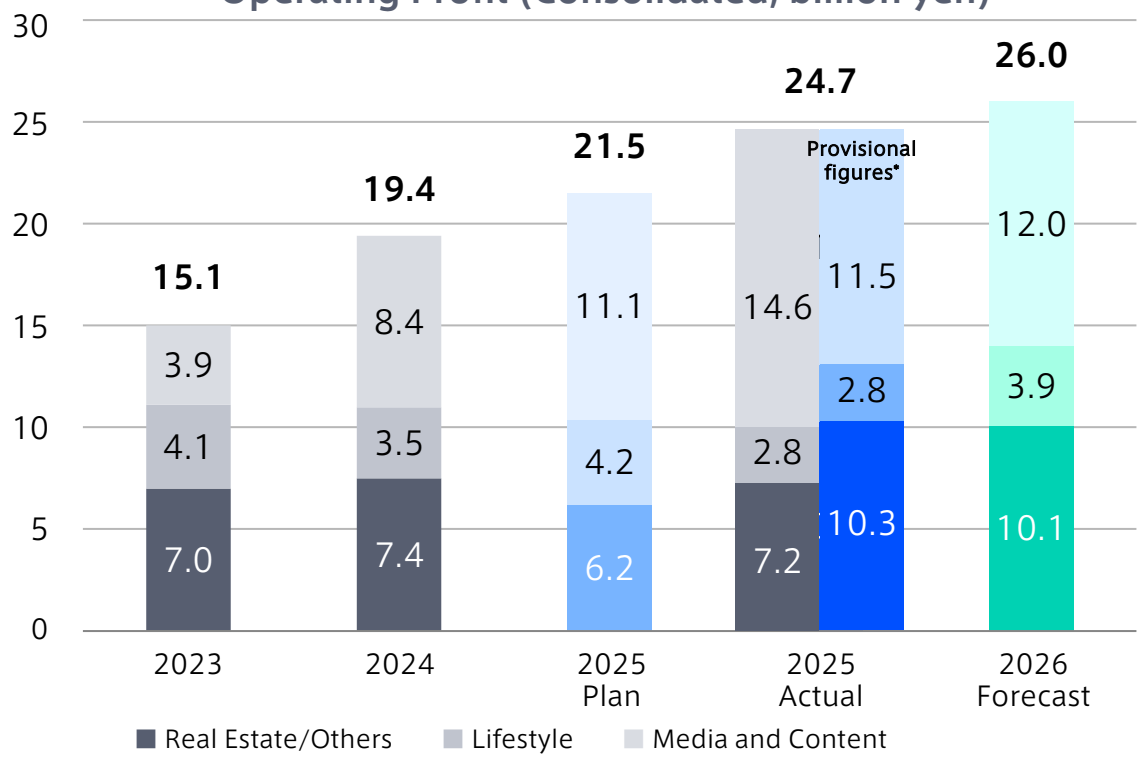
Status of Financial Performance

- FY2025 Results: Net Sales 424.8 billion yen / Operating Profit 24.7 billion yen.
  - ✓ Year-on-Year: Net Sales +18.1 billion yen / Operating Profit +5.2 billion yen.
  - ✓ vs. Initial Plan: Net Sales almost in line (-0.1 billion yen) / Operating Profit +3.2 billion yen.
- The operating profit goal outlined in the Medium-Term Business Plan 2026 (MTBP 2026) has been achieved, one year ahead of schedule. FY2026 target is updated to Net Sales 440 billion yen / Operating Profit 26 billion yen.

Net Sales (Consolidated, billion yen)



Operating Profit (Consolidated, billion yen)



*FY2025 result and FY2026 forecast reflect the transfer of the TBS Broadcast Center from TBS Television to TBS Holdings.

Status of ROIC as KPI for Capital Efficiency

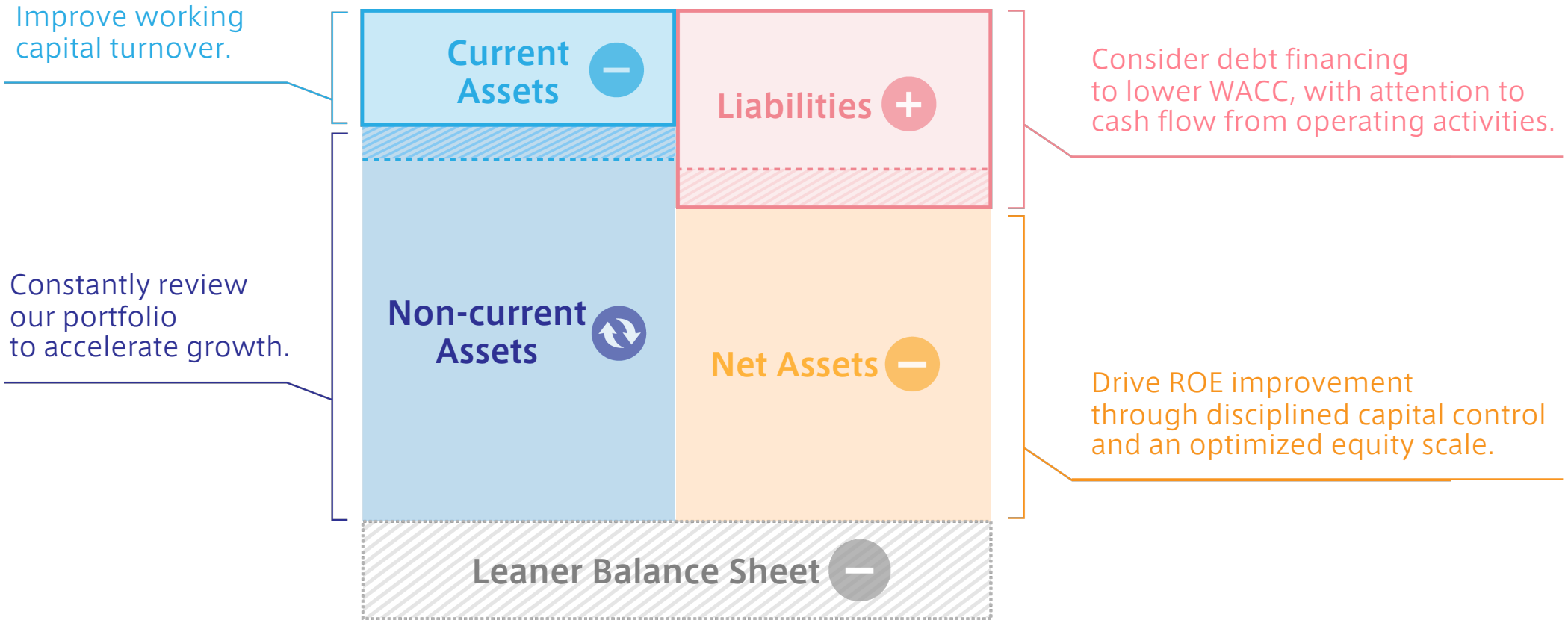
- **KPI Introduction**: ROIC was adopted as a benchmark under MTBP 2026 to enhance capital efficiency.
- **Current Status**: Largely on track, although invested capital has been frontloaded due to significant strategic investments.
- **Next Step**: Reviewing segment classifications to ensure solid capital management in the next Medium-Term Business Plan.

Consolidated (billion yen)	FY2023	FY2024	FY2025 (Plan)	FY2025 (Actual)	FY2026 (Forecast)	FY2030 (Target)
Net Sales	394.3	406.7	425.0	**424.8**	**440.0**	550.0
Operating Profit	15.1	19.4	21.5	**24.7**	**26.0**	38.5
Operating Profit Margin (%)	3.85%	4.79%	5.06%	**5.83%**	**5.91%**	7.00%
ROIC (%)	2.6%	3.1%	3.2%	**3.8%**	**3.8%**	5.0%

Targeting ROIC of 5% by FY2030 through reconfiguration of the earnings base

Strategic Approach Toward Our Target Balance Sheet Structure

Basic Policy	Our commitment remains to prioritize a robust earnings base and strategic investments in growth. Simultaneously, our entire B/S is under review to make it leaner and achieve further capital efficiency.



Acceleration of Management Focused on Capital Efficiency

EDGE/Growth Areas

Drive operating profit by expanding a cycle of operating cash flow through **proactive investments in growth**.

ROIC = NOPAT / Invested Capital

Review invested capital in each business segment to prepare for segment-based ROIC management

(the transfer of the TBS Broadcast Center, etc.).

Media and Content Segment

Real Estate and Others Segment

Lower WACC
by utilizing debt financing.

Utilization of Excess Cash

WACC

Strengthen shareholder returns (dividends, share buybacks, etc.) to optimize equity size.

Overall B/S

Updated Capital Allocation

Positioning FY2026 as a phase to 'streamline the right side of the balance sheet' to overhaul capital allocation, driven by investment security sales exceeding targets and the shift to full-scale ROIC management in FY2027.

Cash Inflow

1 Capital Optimization: Reviewing invested capital by segment for WACC management ahead of the next Medium-Term Business Plan.
Financing Overhaul: Scaling debt for the Akasaka Entertainment City project from ¥40bn to ¥84bn.

2 Security Divestment: Scaling the MTBP 2026 target to ¥135bn, based on disposal to date.
Strategic Flexibility: Maintaining an agile approach in response to investment process in growth.

3 Cash Flow from Operating Activities: Revised target down to ¥61bn. Despite strong business performance, cash inflow is down-paced due to factors such as increased tax burdens from sales of shares and higher working capital requirement by sales growth.



Cash Allocation

4 Total Investments in Growth to Date: ¥71.4bn

4-1. **Content IP Acquisition & Expansion**
- Established SAND B
- Acquired K contents and WACUL

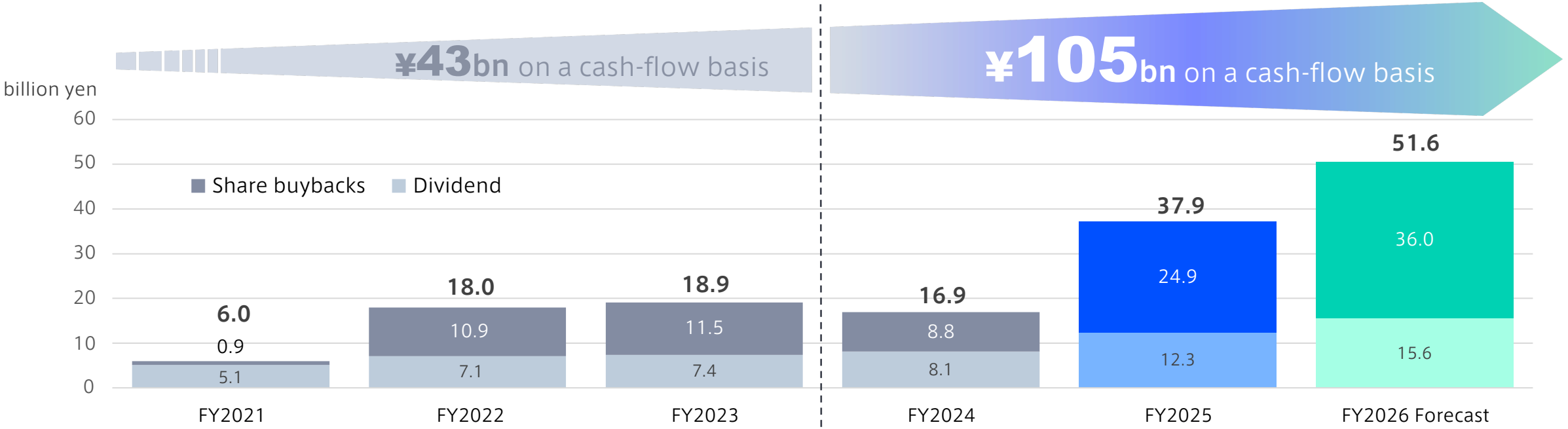
4-2. **Global Business Initiatives**
- Alliance with Legendary Entertainment
- Established JV with CJ ENM and U-NEXT HOLDINGS

4-3. **Expansion of Lifestyle Business**
- StylingLife Holdings became a wholly owned subsidiary
- Developing the EduTainment segment

5 Enhanced Shareholder Returns:
Upscaling returns to ¥105bn in the 3-year total, reflecting the achievement of the MTBP 2026 targets ahead of schedule.

Key Points of Proactive Shareholder Returns in the MTBP 2026 Updated

- **Capital Discipline**: Managing invested capital and cost of capital to drive ROIC-based management.
- **Strategic Balance**: Achieving autonomous equity control by balancing investments in growth with shareholder returns, considering that investments in areas such as content IP require time to realize a consistent positive cash flow.
- **Value Enhancement**: While maintaining our existing dividend policy, expanding the return by 45 billion yen relative to the initial plan (25 billion yen increase from the November announcement), following a review of capital allocation. Enhancing both corporate value and shareholder interests through proactive returns.



per share

FY20 Year-end	¥15	FY21 Year-end	¥22	FY22 Year-end	¥22	FY23 Year-end	¥22	FY24 Year-end	¥41	FY25 Year-end	¥49
FY21 End of 1H	¥15	FY22 End of 1H	¥20	FY23 End of 1H	¥22	FY24 End of 1H	¥27	FY25 End of 1H	¥35	FY26 End of 1H	¥50

TBS Group Medium-Term Business Plan 2026 Updated

Initiatives to Implement the EDGE Strategy

Basic Policy

In line with our policy, "Driving EDGE Forward by Leveraging Creative Engine", proactively driving investments in growth, such as strengthening our content IP and "sowing seeds" for global operations.

SANDB

XENOTOON

Kcon Tents

Execute constant IP acquisitions through a newly established entity, SAND B

AI for School

e6project

Advancing Edutainment business to foster student motivation via real-world integration and realize proactive, collaborative, and deep learning

Investment Scale: 160 billion yen allocated for growth acceleration under MTBP 2026

Strengthening Capabilities for IP Planning and Production

- Developing and Acquiring IPs (including M&A)
- Acquiring Cutting-edge Tech for High-end Content Production (VFX, AI, etc.)

Expanding TBS Group ID to Bridge Customers and Contents

Driving the EDGE Strategy

- Global Content IP Rollout
- Enhancing the Experience Business
- Scaling Intellectual Training and Educational Initiatives

Contribution to a sustainable society

- Investing in human capital and DX
- Capital expenditure for energy saving and GX

Building global partnerships for content IP development



- Alliance with Legendary Pictures
- Establishment of JV with CJ ENM and U-NEXT HOLDINGS, etc.



The Akasaka Entertainment City project (Target completion: FY2028)

Disclaimer

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