

NEWS RELEASE

June 29, 2023

To all members of the press

YARUKI Switch Group Holdings Joins TBS Group Receives Capital Investment from TBS Holdings to Integrate Educational Services with Media



From left: Naoshi Takahashi, President and CEO, YARUKI Switch Group Holdings; Takashi Sasaki, President & Representative Director, TBS Holdings

TBS Holdings, Inc. (Head office: Minato-ku, Tokyo; President: Takashi Sasaki; hereinafter "TBS") and YARUKI Switch Group Holdings Co., Ltd. (Head office: Chuo-ku, Tokyo; President: Naoshi Takahashi; hereinafter "YARUKI Switch Group HD") are pleased to announce today that YARUKI Switch Group HD has joined the TBS Group, with TBS obtaining a majority stake in YARUKI Switch Group HD.

YARUKI Switch Group HD's group philosophy is "to find the human treasures of the world, providing our full support to allow them to sparkle. To engage the motivation switch of all, and while realizing our full potential, contribute to the creation of a society in which we may all happily exist." Its operating company, YARUKI Switch Group Co., Ltd., which provides general educational services utilizes over 40 years of teaching know-how to offer eight different school brands: the individual education cram school "School IE[®]," the English conversation

school "WinBe[®]," the "Child Eyes[®]" preschool classes for intellectual development and examination preparation, the English pre-school and after-school care "Kids Duo[®]," the "Ninja 9[®]" sports program for infants and elementary school students, the "Kids Duo International[®]" bilingual kindergartens, "i Kids Star[®]," and the "HALLO[®]" programming school. There are currently more than 2,200 schools in Japan and abroad, with more than 130,000 students.

The TBS Brand Promise is "from each moment, a better tomorrow," in an aim to create entertaining and inspiring experiences that move hearts and minds. One of the key areas of the EDGE strategy, which forms the core of the TBS Group Vision 2030, is the intellectual training and education business, and the Learning NEXT Division was newly established in October 2022 to promote it.

◆ **Aim of joining the TBS Group**

In an age of volatility, uncertainty, complexity, and ambiguity (VUCA), where the future is difficult to predict, the "ability to think and create on one's own" – which we call *jibun-ryoku* (self-power) – is becoming increasingly important. We also believe that the way of schooling will evolve as the world changes, and we feel that the use of various video technologies and broader and more powerful branding will become more important. By utilizing the knowledge, know-how and assets of both companies through this agreement, we believe that it will become possible to provide education for the new era in a variety of forms to a wider range of segments than ever before, with a view to building a new educational platform in the future.

◆ **Expected synergies**

The growth strategy of YARUKI Switch Group HD is aimed at improving profitability by strengthening and expanding its operational capabilities of directly managed and franchised schools. In this regard, we expect that we will further enhance our recognition and brand image by utilizing the Japan News Network (JNN), owned by TBS, and extend our school networks nationwide. We also plan to expand the educational content created through directly managed and franchise operations, which we believe to be accelerated through the co-creation of new video content that utilizes TBS's technology. In addition, TBS's ability to dispatch information as a media company is expected to further expand the membership base of our educational membership platform for parents and students, enabling us to increase the number of users and to provide a variety of unprecedented online content and excellent educational information. For the future, we are also considering overseas expansion of educational content, utilizing the networks and business foundations of both companies.

YARUKI Switch Group HD will further develop its general educational service business and contribute to providing value to society in a sustainable manner.

◆ **The shareholder composition after the conclusion of this agreement is as follows (as of June 29, 2023):**

TBS Holdings, Inc.

Sanrio Company, Ltd.

Nomura Real Estate Holdings, Inc.

Link and Motivation Inc.

Nagoya Railroad Co., Ltd.

*TBS plans to additionally acquire all of the shares of YARUKI Switch Group HD held by Link and Motivation Inc. on July 31.

YARUKI Switch Group Holdings Co., Ltd.

Company name: YARUKI Switch Group Holdings Co., Ltd.

Representative: Naoshi Takahashi, President and CEO

URL: <https://www.yarukiswitch-holdings.co.jp/en>

Business activities: As the holding company of YARUKI Switch Group Co., Ltd., the purpose of the company is to engage in the following business activities: management and administration of the individual education cram schools, English conversation schools, early childhood education and childcare facilities of YARUKI Switch Group companies and their franchise businesses; any and all incidental or related work

Established: January 2020

Capital: 100 million yen (as of August 2022)

Head office address: Hatchobori Daiichi Seimei Bldg., 2-24-2 Hatchobori, Chuo-ku, Tokyo

TBS Holdings, Inc.

Company name: TBS Holdings, Inc.

Representative: Takashi Sasaki, President & Representative Director

URL: <https://www.tbsholdings.co.jp/en/>

Established: May 1951

Head office address: 5-3-6 Akasaka, Minato-ku, Tokyo

For media inquiries regarding this matter:

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