5. Concerns Raised by Proposing Shareholders and the Management's Position on the Shareholder Proposal

Classification of Director Candidates under the Management Proposal and the Shareholder Proposal

- Of the 11 candidates proposed by the Management, 6 are independent outside directors, constituting a majority. Additionally, 4 candidates are executive directors, half of whom are female.
- All 12 candidates proposed by the shareholder are outside director candidates. Furthermore, based on the supplementary document submitted by the proposing shareholder on May 8, it has been confirmed that all of them are candidates for the position of “non-Audit & Supervisory Committee member director”.

Therefore, if only the shareholder proposal were to be adopted, there would be no Audit & Supervisory Committee members or executive directors, which would be in violation of the Companies Act.

Classification under the Companies Act	Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)		Directors Who Are Audit & Supervisory Committee Members	
	Executive Directors	Outside Directors	Internal Directors	Outside Directors
Candidates Proposed by Management	Shimizu (64), Wako (63), Yasuda (55), Yanagi (54)	Sawada (67), Horiuchi (65), Inada (42)	Yanagisawa (60)	Moriyama (56), Hanada (56), Ishido (45)
Candidates Proposed by Shareholder	No Applicable Candidates A minimum of one individual, including a Representative Director, is required	Kitao (74), Kitatani (70), Okamura (69), Tsutsumi (68), Ban-no (67), Kikuoka (62), Fukuda (59), Matsushima (58), Kondo (57), Mizuochi (55), Tanaka (43), Nishida (40)	No Applicable Candidates A minimum of three members is required for the Audit & Supervisory Committee, and the majority must be Outside Directors	

*Light blue indicates male candidates, yellow indicates female candidates, and a bold border indicates candidates for independent outside director.
Ages in parentheses are as of June 25, 2025 (for shareholder-proposed candidates, ages are based on the dates of birth stated in the shareholder proposal).*

Process of Reviewing the Shareholder Proposal

- On March 27, we announced a major overhaul of our executive structure. As part of further reforms, we proceeded to select new candidates for directors, both from within the company and external independent members. On April 30, we announced that President Kanemitsu and three independent outside directors will step down at the conclusion of the Annual General Meeting of Shareholders in June.
- Meanwhile, on April 16, we received a proposal from a shareholder regarding the nomination of directors. On April 22, we received a written request to revise a part of that proposal. In addition, on May 8, we received an additional document providing supplementary information regarding the proposal.
- We carefully reviewed all candidates for director nominated under both the management's proposal and the shareholder proposal, giving equal consideration throughout our selection process. Especially for those recommended by shareholders, aside from the information provided by the proposing shareholder, we requested written statements on (1) their motivation for applying, (2) their background and skills, and (3) how they came to be nominated. These were provided by most of the candidates. In addition, all shareholder-nominated candidates were asked to participate in one-on-one interviews with multiple directors from our company (both internal and external), and most agreed to do so.
- Through this process, we confirmed that each shareholder-nominated candidate possesses unique knowledge and accomplishments. Among those who participated in the interviews, many demonstrated a strong passion for the revitalization of Fuji Television. **The Board of Directors wishes to express its respect and appreciation.**

Reasons for Opposing the Shareholder Proposal

- The shareholder proposal, which seeks the appointment of 12 outside directors, is based on what the proposing shareholders describe as “four key issues” in their proposal document.
- The Board of Directors carefully examined these four issues. However, we concluded that they are either already addressed more comprehensively through our governance reforms and the Reform Action Plan, or they are based on factual misunderstandings. Therefore, we cannot accept them as valid premises for evaluating board candidates.

Four Key Issues Raised by the Proposing Shareholders

(1) Governance Reform
(2) Spinoff of Real Estate Business
(3) Divestment of strategic shareholdings
(4) Major Reforms to Broadcasting and Media Business

Candidates nominated based on four key issues

The four issues raised by the proposing shareholders have either already been addressed by the company or include factual inaccuracies and therefore **cannot be used as the basis for selecting board candidates.**

Reasons for Opposing the Shareholder Proposal

Why the shareholder-proposed candidates cannot be adopted, either in place of or in addition to the management's proposed candidates

- All shareholder-proposed candidates are outside director nominees for non-Audit & Supervisory Committee roles. As such, adopting them exclusively would result in a board without Audit & Supervisory Committee members or executive directors, <u>making the structure noncompliant with the Companies Act.</u>
- If 12 non-audit outside directors were appointed, we would need to supplement them with management-proposed executive and Audit & Supervisory Committee directors to remain legally compliant. <u>This would result in an oversized board</u>, contradicting our goal of maintaining a compact structure and hindering flexible, timely decision-making in response to the challenges facing our group.

Why even partial adoption of shareholder-proposed candidates is not feasible

- To execute our Reform Action Plan and evolve toward the next Medium-Term Group Vision, we believe the optimal board must consist of individuals who can provide objective oversight from an independent standpoint and possess the experience and expertise aligned with the critical skills identified in our skills matrix. <u>Therefore, we believe that the optimal Board of Directors is one composed of candidates proposed by the management.</u>

Reasons for Opposing the Shareholder Proposal

Candidate-Specific Reasons

- **Candidates who refused to participate in interviews or respond to questionnaires, preventing the company from conducting a thorough selection process**
- **Candidates whose independence from the proposing shareholders is questionable, raising concerns about their eligibility as independent outside directors**
- **Candidates whose expertise and experience overlap significantly with those of directors proposed by the management**
- **Candidates who appear to be more interested in the operations of individual businesses than in providing oversight as outside directors of a holding company**

For the reasons detailed above,
The Board of Directors
opposes the shareholder proposal

Our View on the Four Key Issues Raised by the Proposing Shareholder

- The four key issues raised by the proposing shareholders have already been addressed by the company or are based on factual inaccuracies and therefore cannot be used as the basis for selecting board candidates.

Proposing Shareholder			FUJI MEDIA HOLDINGS, INC.
(1) Governance Reform	The old regime is being carried over	**Already addressed**	• We have declared a clear break from the previous management structure. All directors except for Shimizu have already resigned or will step down at the upcoming June shareholders meeting. • We will introduce a retirement age for full-time directors and term limits for outside directors. • We are abolishing the "Executive Managing Advisor" system and "Advisor" roles to prevent long-term concentration of authority.
(2) Spinoff of Real Estate Business	Owning real estate leads to complacency in the broadcasting business	**Factually inaccurate**	• We are not merely in the rental property business; we are also engaged in real estate development and tourism projects. • Operating profit has grown significantly from 5.2 billion yen in FY2012 to 24.4 billion in FY2025. • We secure major development projects by leveraging media/content-linked live entertainment as added value. • We acquired Granvista Hotels & Resorts, capturing inbound demand and accelerating growth.
(3) Divestment of Strategic Shareholdings	Strategic shareholdings should be divested	**Already addressed**	• Reduced strategic shareholdings by approximately 77 billion yen between March 2019 and March 2025. • Plan to sell over 100 billion yen by FY2027, reducing holdings to under 15% of net assets. As of April 2025, approximately 19.2 billion yen has already been sold. • Strategic shareholdings totaled ¥216.3 billion as of FY2024, with listed shares accounting for ¥205.5 billion (shareholder proposal claimed ¥300 billion yen).
(4) Major Reforms to Broadcasting and Media Business	Employees in their 50s were forced out via early retirement	**Factually inaccurate**	• Addressed the inverted age pyramid and created more opportunities for younger staff in production, leading to hits like the drama *Silent* and the variety show *Atarashii Kagi* (New Key). • Announced a shift away from the mindset of "If it's not fun, it's not TV" toward becoming a company that contributes to society with a sense of public mission, centered on a business model driven by content planning and production capabilities. • View production companies and performers as long-term partners in trusted collaboration.

Proposing Shareholder Point (1): Governance Reform

- The shareholder proposal includes a statement suggesting that retaining members of the former regime sends a message that nothing will change. However, on March 27, we announced **a major overhaul of the executive team, including the resignation of 10 directors**. As part of further reform efforts, we began selecting new internal and independent outside director candidates. On April 30, we announced that all directors, except Executive Vice President Shimizu, will step down at the Annual General Meeting of Shareholders in June.
- On the same day, we also announced sweeping reforms to strengthen governance. To ensure transparency in the executive selection process and prevent prolonged concentration of authority in any individual, we have introduced the following initiatives.

Key Governance Reform Initiatives

Except for Executive Vice President Shimizu, all board members are scheduled to resign.

To ensure transparency in the selection of executives, **a Nomination and Compensation Committee has been established.**

A structure was established to prevent prolonged concentration of authority

- ✓ Introduced a mandatory retirement age for executive officers and a term limit for outside directors
- ✓ Abolished the “Executive Managing Advisor” system and “Advisor” roles
- ✓ Plan to amend the Articles of Incorporation to allow an independent outside director to serve as Chair of the Board
- ✓ Decision made to establish a succession plan for executive leadership

Reference: Measures to Strengthen Human Rights and Compliance

- On March 31, 2025, we publicly announced and began implementing the following measures as part of our Measures to Strengthen Human Rights and Compliance.

1. Mandatory reporting of compliance incidents at Board of Directors, Group Presidents' Meetings, etc.

2. Establishment of the Group Human Rights Committee

✓ A new Group Human Rights Committee has been established, chaired by our President and CEO and including the presidents of group companies as committee members. An external expert in human rights has been invited to serve as vice-chair.

✓ We conduct objective self-assessments incorporating third-party perspectives and will continue to implement human rights due diligence and publicly disclose the outcomes.

3. Strengthening organizational structure to promote human rights and compliance

✓ Integrate the Compliance Promotion Office and Legal Affairs into the new "Legal & Compliance Department" to strengthen their functions.

✓ Recruit outside experts and professionals with experience in human rights and compliance

Proposing Shareholder Point (2): Spinoff of Real Estate Business

Proposing Shareholder

Relying on profits from the real estate business has caused the decline of the broadcasting and media business

- The shareholder proposal includes the following statements regarding our urban development and tourism business; **however, we do not believe these concerns are applicable.**
- In response to changes in the television advertising market, Fuji Television has worked to **grow its content-related businesses**—including streaming, licensing, film, and animation—while also encouraging **improved performance across all group companies' content businesses.**
- Meanwhile, our urban development and tourism business is not simply real estate leasing, but rather has achieved significant growth by leveraging our characteristics as a media group to enhance added value through development projects, as well as by combining these with highly entertaining tourism business initiatives.
- However, we are aware that Fuji Television is currently being heavily impacted by the shrinking TV advertising market, which presents ongoing challenges.
- As indicated in the Reform Action Plan, going forward, we plan to **expedite the shift to a business model centered on content planning and production capabilities,** transforming ourselves into a highly profitable organization.

Proposing Shareholder Point (3): Divestment of strategic shareholdings

- Our Board of Directors has continually reviewed the rationale for strategic shareholdings. As a result, over the seven-year period from FY2019 to FY2025 we reduced these holdings by approximately 77 billion yen, and sold an additional 19.2 billion yen in April 2025.
- Over the next three years, we plan to sell more than 100 billion yen in strategic shareholdings, aiming to reduce their value to less than 15% of net assets by the end of FY2027.
- The cash generated will be allocated to growth investments and shareholder returns.

To date

Over the past 7 years

77 billion yen reduced

Going forward

Plan to sale

Over 100 billion yen

by the end of fiscal year 2027
(within three years)

Funds to be directed toward growth investment and shareholder returns

Proposing Shareholder Point (4): Major Reforms to Broadcasting and Media Business

- The shareholder proposal raised the following points regarding Fuji Television's broadcasting and media business. However, we believe none of these criticisms are applicable.

Proposing Shareholders		FUJI MEDIA HOLDINGS, INC.
Attract talent and nurture young creators by building an environment where they can develop compelling, original content.	**We are committed to creating content that meets the expectations of society for our viewers and users.**	• Rather than simply prioritizing 'compelling, original' content, we aim to uphold the essence of "If it's not fun, it's not TV"—which is to create content that benefits our viewers and users and continuing to be a company that is valued by society. • The importance of attracting talent and nurturing young employees goes without saying. In FY2021, Fuji Television introduced the Next Career Support Voluntary Retirement Program to address its inverted age pyramid and support employees in their 50s with second-career planning and provide more options for the future. Through these initiatives, we have increased opportunities for younger employees to take on production responsibilities, facilitating their growth and contributing to the creation of successful shows such as the drama *Silent* and variety program *Atarashii Kagi* (New Key). • In addition to bringing in more talented professionals from outside, we are fostering a creative environment in which young staff have chances to take creative risks and develop their skills.
Overly concerned with sponsor preferences resulting in bland, homogenized programming.	**We view the expectations of advertisers as a reflection of broader social demands and aim to deliver content that supports a more inclusive society.**	• We view the expectations of our advertisers as reflective of broader societal demands. Our advertisers seek programming that embraces the diverse values of society. • Accordingly, we are committed to respecting human rights and ensuring compliance as a fundamental principle, while striving to produce a wide range of content that reflects the diverse needs of viewers and users, and that meets the expectations of society.

Proposing Shareholder Point (4): Major Reforms to Broadcasting and Media Business

- The shareholder proposal raised the following points regarding Fuji Television's broadcasting and media business. However, we believe none of these criticisms are applicable.

FUJI MEDIA HOLDINGS, INC.

Proposing Shareholders	Fuji Media Holdings	
Views production companies merely as subcontractors	**We view production companies, performers, affiliate stations, and advertising agencies as valued, long-term partners.**	• Our business is built on strong relationships with a wide range of partners. • In a letter addressed to Fuji Television this January, the Association of All Japan TV Program Production Companies (ATP) wrote: "Looking back over the ATP's 40-year history, we are proud that many of the leading creators who support Japan's content industry started at Fuji Television productions." We are truly grateful for these words and will continue working to further develop the relationships we have built.
Rather than simply broadcasting on television, monetize content and distribute it globally.	**We are shifting to a business model that monetizes diverse content across multiple channels**	• As noted, we are indeed working to expand the distribution of our content through ad-supported platforms, subscription services, and global platforms. But beyond that, we are also expanding into new markets and product lines to leverage our content as IP and create new business opportunities. • Since their founding, television stations have expanded their business opportunities through media-based structures. We are now shifting from a media-centric model to a content-centric one—creating a structure that monetizes strong content through multiple revenue streams.