

Board of Directors

Fuji Media Holdings, Inc.

21st January 2025

Dear Sirs,

Another call for a genuinely third-party committee and the restoration of confidence

The press conference on 17th January 2025 held by Mr. Koichi Minato, President of your subsidiary Fuji Television Network, Inc. ("Fuji TV") was nothing less than a virtual car crash. It was an object lesson in how not to handle crises like the current one. It only served to reinforce the point I made in my letter of 14th January this year – you have serious corporate governance shortcomings at Fuji Media Holdings Group. Now, the furore they have caused is clearly not going to go away.

In my letter, we urged the immediate establishment of a third-party committee composed exclusively of outside experts. They were to be charged with thoroughly clarifying the facts regarding the uproar created by Mr. Nakai's apparent actions and to formulate remedial measures for the future, so this type of situation can never happen again.

We warned that maintaining the trust of viewers and sponsors is central to the value of public-facing businesses, and that therefore, any delay in addressing this matter or ambiguity about how it would be handled, could only lead to a decline in viewer ratings and the defection of sponsors, inevitably damaging shareholder value. Even we have been surprised by the level of our prescience. To date over 50 advertisers, many of them household names, Japan's largest and most prestigious companies, including Toyota, Honda, Nissan, Mazda, Mitsubishi, Suzuki, Daihatsu, Asahi, Kirin, Suntory, Sapporo, Nippon Life, Daiichi Life, Meiji Yasuda Life, Aflac, Sony Assurance, Coca-Cola, McDonald's, Yakult, Nissin Foods, Seven & I, Lawson, Aeon, Kao, Shiseido, Rakuten, NTT, and KDDI, have pulled their sponsorship from your channel.

President Minato's press conference left us wondering why only limited media were allowed to participate, why you, a major TV station, did not allow TV coverage, and why President Minato did not answer most of the questions put to him. Most importantly, President Minato stated that he did not think the proposed third-party committee would be in line with the Japan Federation of Bar Associations' Guidelines for Third-Party Committees ("JFBA Guidelines").

For the avoidance of doubt, the JFBA Guidelines require a third-party committee to:

- (1) consist solely of members who are independent of the company,
- (2) conduct a thorough investigation enjoying the full cooperation of the company, and
- (3) comprehensively report all the facts established during the investigation, even if they may reflect negatively on the current management.

The fact that Fuji TV has tried to initiate a third-party committee not in accordance with the JFBA Guidelines means the suspicion of a deliberate cover up of the truth, of an attempt to whitewash senior management, is automatically created. This will undermine the credibility of the so-called committee from the first.

Instead of restoring trust in Fuji TV, the press conference and the proposed way forward have had the diametric opposite effect, further damaging your already fragile reputation.

In addition, President Minato actually admitted that he had contacted the parent company prior to the press conference. Therefore, the very poorly judged response evidently agreed upon to respond to the clamour for clarity, can only be seen as exposing the lamentably secretive nature of Fuji Media Holdings Group.

As shareholders, we are still outraged and cannot tolerate any further damage to shareholder value. We demand the following from Fuji Media Holdings and Fuji TV:

1. Another press conference by President Minato, to be held this week and this time allowing all media to participate, as well as television cameras.
2. The press conference should confirm the following four points about the third-party committee to be established: (I) that its composition will be in line with the JFBA Guidelines, (II) the names of all the proposed members, (III) the full scope of the investigation to be undertaken, and (IV) the schedule for the investigation and the timetable for the publication of its conclusions.
3. The scope of the investigation shall not be limited to the Nakai case but will go wherever the evidence of wrongdoing leads. We are aware that more voices of Fuji TV employees are starting to be raised.
4. Whatever the specific investigation schedule, the outcome and final report should be published at least one month prior to Fuji Media Holdings' annual general meeting of shareholders ("AGM") to be held in June 2025.

We are still hopeful that Fuji Media Holdings and Fuji TV can restore trust and confidence by demonstrating a sincere and positive attitude to address this issue after such a false start. If such a result is not achieved, the AGM will necessarily become a referendum on the competence and honesty of the Board of Directors. The shareholders will be heard.

As my first letter stated, this is a corporate governance issue of your own manufacture, contrary to the stated opinion of President Minato. It highlights practices that have no place in modern society. Your Board of Directors is responsible for this matter. We are delighted to hear that, finally, your external directors have asked for an emergency Board meeting, which we understand is now scheduled for 23rd January. At it, we believe they will call for a properly constituted independent third-party committee following the JFBA Guidelines. We urge you to comply with this request.

We are not the only ones watching.

Yours sincerely,



Paul ffolkes Davis
Chairman
Rising Sun Management Ltd.