Dalton Investments

Shareholders of Fuji Media Holdings, Inc. (FMH or the Company)

June 5, 2025

Response to FMH's Opposition to Our Proposed Board of Director Candidates

On May 30, 2025, FMH released the Notice of the 84th Annual General Meeting of Shareholders. FMH's Board of Directors stated its opposition to all twelve outside director candidates proposed by Dalton Investments, Inc. and/or its affiliate Rising Sun Management Ltd. on behalf of the accounts under the management of Dalton and Rising Sun Management (collectively referred to as "we/our/us" throughout this letter).

FMH cites the following four reasons for opposing our proposed candidates:

FMH Reasons for Opposition:

1. FMH opposes candidates who were reluctant to respond to FMH's interview and questionnaire process, citing a failure to engage in FHM's formal selection procedures.

2. FMH opposes candidates who they believe lack independence from us, questioning their ability to act as truly independent outside directors.

3. FMH opposes candidates whose experience and knowledge overlap with FMH's newly proposed director candidates.

4. FMH opposes candidates who are interested in participating in the day-to-day operations and execution of corporate strategy, rather than simply acting as external directors of the holding company.

Our responses are as follows:

1. FMH opposes candidates who were reluctant to respond to the FMH's interview and questionnaire process, explaining that they failed to fully engage in its selection process.

The two proposed external director candidates who refused to participate in FMH's interview and questionnaire process felt that it was unnecessary as they had an one-on-one interview with Mr. Shimizu, FMH's Executive Vice President and the candidate of next FMH's President, discussing the future of FMH. Surprisingly, FMH did not believe this direct interview with Mr. Shimizu qualified as part of FMH's interview and questionnaire process, despite them being much lengthier than the 15- to 30-minute interview offered by FMH to the other director candidates proposed by us.

We think that it is dishonest for Shimizu-san and the FMH Board to (a) oppose a candidate who had a direct meeting with the top management and (b) use the 15-minute interview formality as a reason to reject the candidate. We believe that it is unacceptable that FMH uses dishonesty and misperception tactics to deceive existing shareholders.

On May 28, 2025, FMH claimed that it held 64 "dialogues" with us in an attempt to deceive the public that the Company is having in-depth discussions with us. In reality, we exchanged thirty emails back and forth (approximately sixty in total), which were merely administrative, including confirmation of receipt of letters, scheduling interviews, requests for meetings, and confirmation of receipt of questionnaires. FMH claims forty "dialogues" in April 2025 after the submission of the shareholder proposal. Indeed, we do see forty administrative emails. This is a classic case of "small lie, big lie".

As noted above, FMH did propose **a 15- to 30- minute interview** with each proposed director candidate. Considering the length of the interview, we feared that the proposed candidate interviews were igneous and only offered to fit FMH's pre-set agenda – reject ALL candidates nominated by us. Our fear became reality.

Misrepresentation, dishonesty, and the 15-minute interview formality indicate that FMH had no interest in considering the candidates to begin with. We believe that 15-minute interviews are completely insufficient to assess any potential candidate for any purpose. In fact, we find it disrespectful to our candidates who we believe are well-equipped, experienced and passionate about guiding FMH through difficult times. We thank the proposed candidates who went through the interview formality with integrity and honesty, despite FMH's ill intentions.

As expected, the 15-minute interviews were quick and the interview questions were "guided," seeking to establish any relationships with us and the candidate's opinion on the spin-off of the real estate business. Both questions were merely used to oppose the candidates that did not fit FMH Board's agenda.

We also question the integrity of the process. The current FMH Board consists of 14 directors (out of 15), including Hisashi Hieda and Osamu Kanemitsu, who are expected to resign at the June AGM. These directors are the same "Old Boys" that were hand-picked by Hisashi Hieda, dubbed the "Emperor of FMH" given his long-term involvement as a powerful executive of the company. As suggested by the Third-Party Report, the "Old Boys" did not satisfy their fiduciary duty and worked to help the agenda of Hieda-san, or a small group of people within FMH management.

FMH also states: "each of the proposed candidates has unique knowledge and experience, and many of those we were able to interview confirmed that they have a strong desire to revitalize Fuji Television." Then why not accept one candidate? In our view, the Ghost of Hieda-san and Kanemitsu-san continues.

FMH grossly mispresents the word "sincere," which is frequently used in its presentation. In our view, it takes multiple interviews to judge suitability, skill, and passion. Sadly, FMH's stance confirms that nothing has changed. FMH is willing to grossly misrepresent reality to the public and the shareholders for its own best interests. There remains a single powerful figure sitting above the Board, and close monitoring from new independent directors is essential for the future of FMH.

2. FMH opposes our candidates claiming that their independence from the proposing shareholder is questionable and their qualifications as an independent outside director are doubtful.

This reason refers to Kazutaka Mizuochi and Masumi Nishida, who serve as professionals/executives at Dalton Investments and/or Rising Sun Management , but it is unclear why this affiliation is a reason to oppose the proposal, because they are treated as "independent directors" under the definition of the Tokyo Stock Exchange, even if they are related to us.

We are only a 7% shareholder and have no business relationship with FMH. Therefore, even if a person related to us is appointed as a director of FMH, it is impossible for the Board of FMH to make a decision favorable only to us, and there is no conflict of interest between FMH and us. Rather, the important role of an independent outside director is to reflect the opinions of shareholders in the Board (Corporate Governance Code Principle 4-7(iv)), and these two candidates can be expected to represent the shareholders and reflect their opinions in the Board. FMH is a company listed on the Tokyo Stock Exchange Prime Market, but its stock price has been significantly depressed as a result of neglecting its shareholders for a long time, and we believe that an outside director who represents the shareholders is absolutely necessary for FMH's new Board.

Other than Messrs. Mizuochi and Nishida, the ten candidates proposed by us are completely independent of us.

3. FMH opposes candidates whose experience and knowledge overlap with FMH's newly proposed director candidates.

We do not believe that proposed director candidates should be neglected or rejected due to duplicated skills with the FMH-nominated candidates. We believe that the shareholders deserve a choice, and we are merely providing them with a choice to select who they believe are most qualified for the role.

4. FMH opposes candidates who are interested in participating in the day-to-day operations and execution of corporate strategy, rather than simply acting as external directors of FMH.

FMH's subsidiary, Fuji Television, requires a significant turnaround effort since it has lost 90% of its revenues from the scandal. As a result, Fuji Television requires a business overhaul. We feel that our candidates are well-suited to assist with this turnaround, which requires expertise, knowledge and passion. We do not understand why FMH chooses to decline candidates that are looking to help improve and make FMH stronger.

Our Ask

FMH's allegations and misconception tactics are sadly unsurprising to us. The company has long rejected the idea of any good corporate governance. Shareholders may be facing the same ghost today, and FMH gives no valid reason for opposing our proposed candidates.

We have one simple request: Please choose the best directors in the same way you would select the best players for an All-Star baseball team.

Your decision should be based on "who is best-suited for the position," and not whether the proposal came from us or FMH management.

We trust that your votes, as a shareholder, will make FMH stronger. We hope that June 25, 2025 will mark the dawn of shareholder democracy in Japan.

Dalton Investments

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Our 12 Director Candidates and Skill Matrix

Finance, Real Estate, and Governance Specialists

Kotaro Okamura, 69
Independent Director, Sapporo Holdings
Former Head of FIG Investment Banking for JP Morgan Chase Bank

Minoru Kikuoka, 62
Former CEO of Japan Display
Former CFO of Astellas Pharma

Kei Tanaka, 43
Former Co-Head of Goldman Sachs Special Situations Group Japan

Professional Management and Founders

Yoshitaka Kitao, 74
CEO of SBI Holdings

Takami Kondo, 57
CEO of NEXYZ. Group

Media and Entertainment Professionals

Kenji Kitatani, Ph.D., 70
Chairman of Warner Music Japan, Chairman of DAZN Japan
Professor of Kanazawa Institute of Technology Toranomon Graduate School

Shinsuke Tsutsumi, 68
Former Editor in Chief at Foresight (Japanese business magazine)
TV commentator on politics, economy, and international affairs

Naoko Banno, 67
Former Announcer at Fuji Television
Founder and CEO of Nonstress Inc.

Atsushi Fukuda, 59
Founder and CEO of Starto Entertainment

Emi Matsushima, 58
Former General Counsel, Sony Pictures Entertainment

Shareholder Representation

Kazutaka Mizuochi, 55
Former partner at Baker McKenzie
President of Rising Sun Management
(advisor to Nippon Active Value Fund)

Masumi Nishida, 40
Former Distressed Debt Trading, Citigroup Global Markets Inc
Partner, Dalton Investments

- More than 100 meetings conducted from a pool of 50 – 60 people
- 18 seats available at AGM
- All directors are “independent”

Our Ask to Fuji Media Holdings

<u>1. Revamp of Corporate Governance</u>

Move beyond "zero" governance Hieda regime
Execution is questionable, yet key to recovery

THIRD PARTY REPORT

- Hieda Sat Above the Board for Decades
- Hieda Controlled Internal and External Director Nominations
- Hieda Controlled Subsidiary Appointment

<u>2. Spin Off of Real Estate</u>

Remove conflict –
Real Estate or
Content Business

Reality check: the share price never improved, despite Shimizu's claim of 5x in operating profit at Sankei Building over 10 years. Why focus?

<u>3. Sale of Cross-Shareholdings</u>

Listed equity	Y200bn
Unlisted equity	<u>Y100bn</u>
Cross Shareholdings	Y300bn
Cash and Equiv.	<u>Y200bn</u>
TOTAL	Y500bn

Utilize Existing Balance Sheet
Instead of building more real estate

<u>4. Focus on Content Business</u>

Move away from traditional TV

Create the next Bluey ($3-4bn business), or Cocomelon to allow a strong FujiTV, FMH with GLOBAL content

On May 28, 2025, Fuji Media Holdings ("FMH") announced that it had conducted 64 "dialogues" with Dalton Investments ("Dalton or "we"), the proposing shareholders, following the receipt of our shareholder proposal, contrary to our previous statement that "no discussions had taken place."

FMH attempts to enforce its view that it "communicated closely with the proposing shareholders." Despite its position as a licensee to use the public spectrum and its functions as a news organization, the attempt to deceive the public is incredibly concerning.

"Dialogue" (engagement) with shareholders typically refers to "face-to-face meetings" according to the Corporate Governance Code (Principle 5-1). We submitted the shareholder proposal on April 16, 2025, and only two "dialogues" occurred until FMH's Board of Directors meeting on May 16, 2025.

1. April 21, 2025 (Monday) web conference with Mr. Shimizu, Executive Vice President
2. May 14, 2025 (Wednesday) web conference with Mr. Fukami, Senior Managing Director

In both "dialogues," FMH provided absolutely no feedback on our candidates. Its response was consistent, stating: "Nothing has been decided at this point." No discussions were intended to reach an agreement with us.

On May 16, 2025 (Friday), the Board of Directors resolved to oppose all twelve of our candidates. As a result, we stated that we regret that FMH opposed all twelve of our candidates **without** any discussion.

Most of the 64 "dialogues" claimed by FMH were "administrative communication" with FMH's IR Manager. We counted our emails, and there were approximately 30 with the IR Manager. FMH likely counted confirmation of receipt and a simple "Thank you" in its counting of 64 "dialogues." Specifically, the following "administrative communication" were conducted:

• Communication regarding mailing and receipt of the shareholder proposal document
• Communication regarding procedures for copying the shareholder register
• Communication regarding scheduling meetings on April 21, May 14, and May 21
• Communication regarding the format and content of candidate interviews and questionnaires
• Communication regarding scheduling adjustments for candidate interviews
• Communication regarding the sending of questionnaires to candidates
• Communication regarding the request for a 400-character limit on shareholder proposal document
• Communication regarding requests for discussions

We do not consider the above "administrative communications" to be a "dialogue." We never imagined that FMH would appeal to stakeholders about these administrative communications.

We kindly ask the shareholders of FMH not to be misled by such attempts to manipulate perceptions. We urge you to make a calm judgment based on the facts.

Dalton Investments
Co-Founder and Chief Investment Officer
James B. Rosenwald III

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Shareholders of Fuji Media Holdings, Inc. (FMH or the Company)

30th May 2025

All-Star Election

The series of events surrounding FMH, including the forthcoming elections to the Board, is no longer just about a single company. Rather, it has become a matter of general public concern and has caught the attention of society as a whole. Over the past several months, FMH's shareholders, employees, viewers, and sponsors, all its stakeholders, have put a lot of pressure on FMH's Board of Directors to reform the Company. As a result, all of FMH's Directors resigned, except one, Mr. Shimizu, and the Company announced its Reform Action Plan. This would have been unthinkable for FMH until last year, and we would like to thank all of FMH's shareholders, employees, viewers, sponsors, all its stakeholders, for their actions and support.

At FMH's Annual General Meeting of Shareholders on 25th June 2025 there will be a true "election". Comprehensive information on each of the multiple candidates will be available, and each shareholder will be able to compare the candidates, come to their own conclusion, and cast his or her own vote. This is "Shareholder Democracy," and we hope that this principle will take root in Japan through opportunities like the FMH Annual Shareholders' Meeting.

FMH has proposed 11 candidates for the Board of Directors and we, as shareholders, have responded by proposing our own slate of 12 individual candidates for the Board of Directors. So, 23 candidates will compete for 18 available seats, in accordance with FMH's Articles of Incorporation.

Our request to you is simple.

Choose the best Directors, just as you would choose a baseball All-Stars team.

Please make your choice based on "who is best suited for the position," not on "whether it is the company's proposal or the shareholder's proposal." Please cast your vote for the candidate you, as a responsible shareholder, would like to entrust with the future of FMH.

FMH shareholders will vote for each of the 23 candidates by stating approval or disapproval.

Please read the Notice of Annual General Meeting carefully; a blank or unmarked ballot could be treated as an affirmative vote on FMH's proposal and a rejection on the shareholder's proposal. This may not be your intention. Of the 23 candidates, the top 18 who receive a majority of the voting rights exercised will be elected (assuming there are no changes made to the maximum number of Directors under FMH's Articles of Incorporation at this Annual Meeting of Shareholders).

FMH's reforms are just getting started. Sponsors have not returned, and the Company needs to assemble an All-Star team in order to regain their trust and to push forward strongly with its reforms.

The 12 candidates proposed by us are all specialists in their respective fields and compose an All-Star team in terms of ability, experience, and passion. Our 12 candidates can be grouped into the following four categories:

1） Corporate governance, finance and real estate experts (Mr. Okamura, Mr. Kikuoka, Mr. Tanaka)
2） Professional managers and founders (Mr. Kitao, Ms. Banno, Mr. Kikuoka, Mr. Fukuda, Mr. Kondo)
3） Media and Entertainment Experts (Mr. Kitatani, Mr. Fukuda, Mr. Tsutsumi, Ms. Matsushima, Ms. Banno)
4） Shareholder Representatives (Mr. Mizuochi and Mr. Nishida)

Please refer to the attached list for the biographies and further details on our slate of 12 proposed candidates. This is not just about changing the governance of one company. This vote will have a profound impact, not only on the future of FMH, but also on the development of the Japanese media and content industries as a whole.

We believe that this landmark opportunity will help the concept of Shareholder Democracy take deeper root in Japan and further transform how Japanese companies are run as a whole.

Please use your vote wisely.

Paul ffolkes Davis

Chairman

Rising Sun Management Ltd.