RISING SUN
MANAGEMENT LTD

Fuji Media Holdings, Inc.

Mr Kenji Shimizu - President

Board of Directors

20th October 2025

Dear Mr Shimizu,

As before, I write to you on behalf of the investor group comprising Dalton Investments, Inc., Nippon Active Value Fund plc, and NAVF Select LLC.

First, I would like to offer our sincere congratulations. We are in receipt of your September update on the ‘Reform Action Plan’ announced back in May, plus it is very encouraging to see the launch of the new website dedicated to the journey ‘towards a new management structure’. The new Board has clearly been very active in tackling the ‘sins of the past’ and there is clear progress toward improving and reforming practices within the organisation. This is very heartening.

Specifically, we welcome the recent announcement of the sale of some of your holdings in Toei Animation, consistent with your commitment to reduce cross-shareholdings by over 100 billion yen by fiscal 2027, thus increasing liquidity and optionality. Similarly, the undertaking to increase share buybacks to 250 billion yen by fiscal 2029, suggests you have started to understand the importance of protecting and, one hopes, increasing your share price as part of the ‘reform’ process. Indeed, the intention to divide the business domains into two segments, one stable and profitable, and the other looking for growth, both makes sense and speaks of exciting ambition. We are enthusiastic about all your current announcements.

We are also pleased to see the return of advertisers and sponsors, although we note there is still a considerable way to go to recover all your previous supporters. Still, there is obvious momentum, and we applaud your efforts.

Nevertheless, it is not all plain sailing. When you became President and the new Board was elected, there was much speculation in the press about whether, given none of our proposed directors was appointed, we had been somehow defeated. I am delighted to say, we have never viewed things that way. In effectively forcing the entire previous Board to resign, we achieved our principal objective, and, indeed, we are happy to take some credit for the appointment f you and your new colleagues and the ‘reform’ programme that you subsequently launched. Thus, while we are no longer ‘outraged’, we are now merely confused.

Although, the ambition to address your capital efficiency, long overdue, is devoutly to be celebrated, there appears to be little substance to the plan:

1. A desire to achieve an 8% ROE, but no sense of “when”;

2. An intention to increase operating profit to 60 billion yen, and eventually to 75 billion yen, but again without saying “when”;

3. The desire to reduce equity capital to 650 billion yen, from the current 820 billion yen, without telling us by “when”. And of course, reducing equity capital from operating loss is unacceptable for any shareholder;

4. In asset sales, the ambition to sell lower quality and lower margin businesses, to optimise the portfolio, but without saying "what".

The Company's share price continues to prosper, another benefit for which my colleagues and I feel a certain responsibility. At one point, it was up over 100% in the calendar year, since we took up our engagement to expose the lassitude in your corporate governance and push for the much-needed change you are now implementing. Nevertheless, there is much further to go. You are ignoring the fundamental issue that is holding FMH back its conglomerate structure, which is why the shares trade at a discount to fair value.

We have always argued that the future lies in running a successful media business and selling off the superfluous property empire, exemplified by Sankei Building, for which the immediate rewards would be great. As an example of our central tenet, I would point to the recent success of 'Demon Slayer: The Movie Infinity Castle'. This film (which is, incidentally, still showing at my local cinema in Tuscany!), was produced by Aniplex/Sony, reportedly for $20 million. Revenue already exceeds $600 million worldwide. Like the Bluey cartoon in Australia, these are the sort of animation properties that should be in FMH's bailiwick. The generation of content, whether for streaming, theatrical release, or traditional terrestrial channels, is where the money is and where FMH has an unrivalled tradition in Japan. This is where capital should be deployed.

With this letter, we are releasing a slide deck entitled 'Time to Focus on the Content'. I will not repeat the details here, but the argument is simple, compelling, and, ultimately, overwhelming. Plus, there has never been a better time for you to spin off your real estate. With the current operating loss for the group, you should accelerate asset sales, including that of Sankei Building, and avoid paying tax while you can. The chance to end the conglomerate discount with tax impunity is too good to miss. We urge you to act swiftly and decisively, and, as one of your largest and most motivated shareholders, we will continue to be watching closely. If you seize the opportunity before you, the future of the Company, its employees, its profitability, and its share price is assured. All you need is courage and determination – this could be the true legacy of the passing of the 'ancien regime'. It could turn the announcement of the next 'Medium Term Group Vision', promised for May 2026, into an unparalleled victory roll.

For the avoidance of doubt, we will be releasing this letter and accompanying slide deck to the broader media. There is a lot at stake, and we wish you the best of luck.

Yours faithfully,

Paul ffolkes Davis

Paul ffolkes Davis
Chairman
Rising Sun Management Ltd.