[Translation]

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Notice Concerning Items of Business to Be Resolved at Ordinary General Meeting of Shareholders and Opinion of Company's Board of Directors on Shareholder Proposal

TBS HOLDINGS, INC. (the "Company") hereby announces that the Company received a document from its shareholder Monex Activist Mother Fund, with Monex Asset Management, Inc. as its investment trust management company and The Master Trust Bank of Japan, Ltd. as its trustee company, which makes a shareholder proposal (the "Shareholder Proposal") as a matter for resolution at the 99th Ordinary General Meeting of Shareholders to be held on June 26, 2026 (the "General Meeting of Shareholders"), and the Company, at its Board of Directors' meeting held today, decided on its proposals (First and Second Items of Business) to the General Meeting of Shareholders and its opinion on the Shareholder Proposal (Third and Fourth Items of Business), as below.

1. Items of Business to Be Proposed at the General Meeting of Shareholders

<Company Proposals>

First Item of Business: Appropriation of Surplus

Second Item of Business: Election of Twelve (12) Directors

<The Shareholder Proposals>

Third Item of Business: Appropriation of Surplus

Fourth Item of Business: Acquisition of Treasury Stock

* For details of the Company's proposals, please see "Notice Concerning Dividends of Surplus" and "Notice Concerning Changes of Executive Personnel" published today.

* For an outline of the items of business pertaining to the Shareholder Proposals and the reasons for the proposals, the relevant statements in the Shareholder Proposals are quoted in the Attachment as they appear in the original.

2. Opinion of the Company's Board of Directors on Shareholder Proposals

(1) Board of Directors' Opinions

The Board of Directors is against the Shareholder Proposals (Third and Fourth Items of Business).

(2) Reasons for opposition

The Shareholder Proposals request that the Company provide shareholder returns until it achieves an ROE of 8% so that the sum of dividends and acquired treasury shares becomes 8% of shareholders' equity, and as a result, total shareholder returns are expected to reach the level of 90 billion yen on a FY2026 cash-out basis. The Company is striving to enhance its corporate value and improve capital efficiency in a sustainable manner by steadily promoting the capital allocation announced in the "TBS Group Medium-Term Business Plan 2026" ("MTBP 2026") announced in May 2024, and the "TBS Group Medium-Term Business Plan 2026 Updated" ("MTBP 2026 Updated") announced today as a partial update of its content. The Company believes that the Shareholder Proposal, which significantly exceeds the Company's current forecast, would prevent appropriate capital allocation for investments in growth and other initiatives, thereby damaging its long-term corporate value.

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The Company would like to elaborate on the reasons for its opposition below.

As the second phase of "TBS Group VISION 2030" ("VISION 2030"), the Company has been promoting management based on the "MTBP 2026" since FY2024. In the "MTBP 2026," the Company put forth its policy of both making the maximum effort to achieve sustainable growth and enhance its long-term corporate value through the steady promotion of its growth strategy, while fulfilling its social mission as a mainstream media broadcaster, expected to perform the function of a social lifeline, as well as implementing measures to make shareholder returns even more substantial through such growth, which are to be pursued as two core pillars of the Company's management strategy.

In FY2025, the Company achieved consolidated net sales of 424.8 billion yen and consolidated operating profit of 24.7 billion yen, achieving the operating profit target of 24.0 billion yen initially set for FY2026 in the "MTBP 2026" one year ahead of schedule. Based on this strong performance, for annual dividends, one of the shareholder returns, the Company plans to pay a dividend of 84 yen per share, an increase of 14 yen from the initial forecast of 70 yen per share (an increase of 11 yen from the revised forecast of 73 yen per share announced on November 11, 2025) (provided that the "First Item of Business: Appropriation of Surplus" is approved at the General Meeting of Shareholders as submitted by the Company for FY2025 year-end dividends). In addition to business growth, due to factors such as accelerating the sale of investment securities and strengthening shareholder returns compared to the initial plan, overall capital allocation is also expected to exceed the initial plan, which is why the Company announced the "MTBP 2026 Updated" today.

As shown in the "MTBP 2026 Updated," in order to "Drive EDGE Forward Leveraging Creative Engine" as stated in the "MTBP 2026," the Company is actively engaged in investments in growth. In May 2025, the Company announced the establishment of SAND B Inc. for the purpose of acquiring and developing content IPs, the acquisition of K contents inc. as a subsidiary, and also announced the acquisition of Xenotoon Inc. as a subsidiary today. In January 2026, through its subsidiary THE SEVEN US, INC., the Company invested in and executed a capital and business alliance agreement with Legend Pictures, LLC, a U.S. film production and media company. In April, the Company established StudioMonowa Co.,Ltd. as a joint venture with CJ ENM Co., Ltd., a Korean entertainment company, and U-NEXT HOLDINGS Co., Ltd., an operator of a distribution platform, thereby taking the initiative to establish a global content IP development and production system. In addition, the Company has launched the "Edu-Tainment" business, utilizing the Company group's content production capabilities. This is being done to spur motivation to learn through learning tied to the real world and to realize proactive, interactive, and deep learning, and the Company is promoting initiatives to reinforce and expand its IP portfolio, such as working toward commercialization through demonstration projects. In these ways, the Company will accelerate business growth in the "EDGE" domain as well as existing media businesses.

On the other hand, recognizing the importance of continuing to promote management that is conscious of capital efficiency, the "MTBP 2026 Updated" presents the direction the Company will take in the medium to long term. The Company will continue to place top priority on achieving sustainable growth by reinforcing its earnings base and investing in growth strategies. However, considering the nature of growth investments in content IP, which require a certain amount of time to generate a chain of operating cash flow expansion, the Company will take a balanced approach to growth-strategy investments and shareholder returns. In addition, when promoting business, the Company will review the balance between shareholders' equity and debt financing by carefully estimating risks and returns, and strive to improve capital efficiency. By making these capital allocations into management indicators, the Company will allocate resources appropriately and continue to promote management that is conscious of capital costs.

Under these circumstances, the Company currently forecasts that the total amount of cash-based dividend payments and share buybacks for FY2026 will be approximately 50.0 billion yen. Combined with the actual results for FY2024 and FY2025, this total is 105.0 billion yen, which significantly exceeds the total shareholder return target of 60.0 billion yen over the three-year period initially set in its "MTBP 2026." The Company believes this to be an appropriate scale, considering the balance with investments in growth for medium- to long-term enhancement of corporate value.

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The Company believes that achieving the growth and financial and other strategies set forth in the "MTBP 2026" and the "MTBP 2026 Updated" and delivering returns to its shareholders through these initiatives will help to strengthen its corporate value over the medium to long term. Based on the current disclosure information, the Company will seek further improvements in capital efficiency and returns to shareholders based on the degree to which the "MTBP 2026 Updated" has been achieved with regard to these target figures, and will continue to conduct ongoing reviews.

For details of the "MTBP 2026" and the "MTBP 2026 Updated," including the Company's financial strategy, please refer to the materials listed below, which are published on the Company's website.

URL: https://www.tbsholdings.co.jp/en/about/pdf/plan_2026.pdf

URL: https://www.tbsholdings.co.jp/en/about/pdf/plan_2026_updated.pdf

For the reasons above, the Company's Board of Directors opposes the Shareholder Proposals, because they conflict with the Company's policy of achieving its medium- to long-term growth and stably and continuously returning profits to its shareholders through steady implementation of the growth and financial strategies set forth in the "MTBP 2026" and the "MTBP 2026 Updated," in pursuit of the achievement of "VISION 2030."

However, in formulating the next medium-term business plan which will start in the fiscal year ending March 2028, the Company will continue to engage in sincere acknowledgement of the recent revisions to the Corporate Governance Code and the importance of dialogue with capital markets, and will continue to consider its capital policy, including shareholder returns, appropriately. We ask for your understanding of our basic policy of striving to enhance medium- to long-term corporate value while placing importance on the interests of all stakeholders.

END

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(Attachment)

All company figures referenced in the following proposals are based on the consolidated financial statements.

1. Proposal: Appropriation of Surplus

(1) Summary of the Proposal：

We propose that surplus be appropriated as follows so that the total amount of annual dividends corresponds to the amount equivalent to a 60% payout ratio.

This proposal is made independently of any proposal for appropriation of surplus that may be submitted by the Company's Board of Directors at the Annual General Meeting.

(a) Type of Dividend Assets:
Cash

(b) Amount of Dividend per Share:
The amount shall be ¥164 minus the amount of dividend per share proposed by the Board of Directors and approved at the Annual General Meeting. If the amount obtained by multiplying the net income per share for the 99th fiscal year ending March 2026 by 0.6 (rounded down to the nearest yen) and subtracting ¥35 differs from ¥164, then ¥164 shall be replaced with the amount equivalent to a 60% payout ratio.

(c) Method of Allocation and Total Amount:
A dividend of the per-share amount described in item (b) shall be paid for each share of the Company's common stock. The total amount of dividends shall be calculated by multiplying the per-share dividend by the total number of issued shares as of March 31, 2026, excluding treasury shares.

(d) Effective Date of Dividend Distribution:
The date of the Annual General Meeting.

(e) Commencement Date of Dividend Payment:
The date falling three weeks after the business day following the date of the Annual General Meeting of Shareholders

(2) Reason for the Proposal：

The Company holds a substantial amount of investment securities. For the fiscal year ended March 2025, while operating income amounted to ¥19.5 billion, dividend income reached ¥13.0 billion and gain on sale of investment securities amounted to ¥37.7 billion. This indicates that, in addition to its media and real estate businesses, the Company can be regarded as effectively operating an investment business.

On the other hand, the Company's dividend payout ratio under its capital policy is calculated excluding gain on sale of investment securities and other such items, and therefore does not sufficiently reflect its actual business and earnings structure. Furthermore, equity* exceeds ¥1 trillion, and the five-year average ROE calculated excluding extraordinary gains and losses remains at 2%.

Therefore, to achieve an ROE of 8%, we believe it is appropriate to introduce capital discipline under which (dividends + share repurchases) / equity* is at least 8%.

Even with the introduction of such discipline, based on the Company's operating profit target of ¥38.5 billion for the fiscal year ending March 2031, we estimate that ROE for that fiscal year would be only around 3%. As a minimum initial step, we propose the adoption of a 60% dividend payout ratio.

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2. Proposal: Acquisition of Treasury Stock

(1) Summary of the Proposal：

Pursuant to Article 156, Paragraph 1 of the Companies Act, we propose that the Company be authorized to acquire up to 15 million shares of its common stock for a total acquisition amount not exceeding ¥51 billion, by means of monetary payment, within one year from the conclusion of this Annual General Meeting.

(2) Reason for the Proposal：

This proposal, together with the above dividend proposal, is intended to make (dividends + share repurchases) / equity* equal to 8%.

The Company's net assets exceed ¥1 trillion. Taking into account the value of its investment securities and real estate holdings, we believe that shareholder returns of several tens of billions of yen would not impair the Company's capacity to invest in content and IP and that such an approach would enhance capital efficiency and contribute to maximizing corporate value over the medium to long term.

End of Proposal

* For purposes of this English translation, the term "equity" is used as the equivalent of "jiko shihon" in the original Japanese proposal and means the sum of shareholders' equity and accumulated other comprehensive income.

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