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May 26, 2020

Company Name	TV Asahi Holdings Corporation
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Securities Code	9409 (Tokyo Stock Exchange, First Section)
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**Notice Regarding Board of Directors Opinion on a Shareholder Proposal**

TV Asahi Holdings Corporation (the “Company”) received a letter from a shareholder (“the Shareholder’s Proposal Letter”) concerning a proposal to be made to shareholders (hereinafter referred to as “the Shareholder’s Proposal”) regarding the agenda at the 80th Ordinary General Meeting of Shareholders scheduled to be held on June 26, 2020. At a Board of Directors meeting held today, the Directors resolved to oppose the Shareholder’s Proposal. The Board’s decision is explained below.

1. Proposing Shareholder

Shareholder’s name: RMB Japan Opportunities Fund, LP

2. Content of and reason for the Shareholder’s Proposal

(1) Agenda item

Acquisition of own shares

(2) Outline of and reason for proposal

Please refer to the Attachment.

Please note that the Attachment presents the relevant portions of the Shareholder’s Proposal Letter submitted by the Proposing Shareholder in their original form and wording.

3. Opinion of the Board of Directors regarding the Shareholder's Proposal

**The Board of Directors opposes the Shareholder’s Proposal for the reasons below.**

- (1) The Company has formulated and is executing its current shareholder return policy from a medium- to long-term perspective, with due consideration given to the scale of strategic investment and capital investment outlined in the medium-term management plan**

The Company’s operating environment is changing dramatically, with digitalization driving a rapid expansion of the video advertising market and diversification of content style due to the widespread use of smartphones and tablets. The Company is currently promoting its “TV Asahi 360° 2017–2020”

management plan, which is aimed at transforming TV Asahi into a TV station for a new era. Under this plan, the Company has strengthened its content production capabilities and diversified its revenue sources by taking a 360° approach to content development (i.e.. developing content for all types of media, in addition to television).

Responding to the dramatic changes in its business environment, the Company rolled over its previous management plan one year ahead of schedule. Under the new plan, “TV Asahi 360° 2020–2025”, the Company will accelerate its transformation while maintaining the basic philosophy that “content is the source of all value for the TV Asahi Group”.

The most important factor in the deployment of the 360° strategy is strong content. Accordingly, maintaining and further reinforcing our content production capabilities will lead to the sustainable growth and development of the Company. Toward that end, the Company has established strategic investment quotas and entered into capital tie-ups and M&As that strengthen content production capabilities and businesses centered on content. The management plan had a strategic investment budget of ¥30 billion. The new plan also assumes that strategic investments will be made to achieve the aims of the plan, in addition to the usual investments to maintain stable broadcasting and other activities and to develop next-generation broadcasting technologies.

Through this strategy, the Company will continue its efforts to enhance shareholder value by improving capital efficiency with a focus on expanding profits in core businesses.

The Company is also strongly conscious of the importance of returning profits to shareholders, and has established a dividend policy that, as mentioned above, takes into consideration future funding needs and aims to pay stable common dividends with a focus on continuous growth while also enhancing shareholder returns as appropriate through commemorative dividends and other special dividends. In addition, the Company will continue to consider share buybacks as another means to enhance shareholder returns while maintaining an appropriate balance with investments in future growth. In accordance with this dividend policy, in recent years the Company has returned profits to shareholders through special dividends, commemorative dividends, and share buybacks, etc. as shown below. Going forward, the Company will continue to endeavor to flexibly provide shareholders with stable returns.

	FY2016/3	FY2017/3	FY2018/3	FY2019/3	FY2020/3
Common dividends	¥40	¥40	¥40	¥40	¥40
Special/commemorative dividends	—	—	¥10 (special)	¥10 (60 <sup>th</sup> anniversary commemoration)	—
Annual dividends	¥40	¥40	¥50	¥50	¥40
Share buybacks	¥2.24bn	—	—	—	—

The Company has made a continuous effort to improve corporate governance to ensure that management makes appropriate decisions treating all shareholders as important stakeholders. This effort has led to the implementation of various measures from the standpoint that shareholder returns are a key management issue. These measures have, to date, included turning the Company into a certified broadcasting holding company, shifting to a “company with an audit and supervisory committee” structure, increasing the number of independent outside directors and diversifying the composition of the Board of Directors, and establishing a Nomination and Compensation Committee. The Company will continue efforts to enhance the effectiveness of its corporate governance.

**(2) The novel coronavirus outbreak has increased uncertainty in the global economic environment, and securing short-term liquidity in preparation for a potential future management crisis has become a key issue for the Company’s management.**

The outbreak’s impact on the global economy is still considered to be enormous and there is as yet no end in sight to the outbreak and its impact. In this environment, corporations are becoming increasingly seriously concerned about securing short-term liquidity.

TV Asahi is no exception. Spot advertising sales revenue in the fourth quarter of FY2020/3 fell 9.8% year-on-year, despite the Company’s implementation of various measures to increase revenues. Moreover, the television advertising market has continued to fall off sharply since the start of FY2021/3, and the recording etc. of some programs has been discontinued. Accordingly, the impact on future revenue cannot be accurately forecast at this time.

While fulfilling its public mission as a certified broadcasting holding company with commercial broadcasters as subsidiaries, the Company endeavors to secure and train personnel who share the Company’s philosophy, maintain the trust of its stakeholders, and fulfill its mission as a broadcaster and news media outlet, and the Company believes that producing and disseminating content that meets the needs of society based on these principles is the source of its corporate value. Maintaining a stable management and financial base is a key management issue. Given the current situation, taking risks that could even slightly undermine the Company’s financial soundness could not be considered a sound management decision that contributes to the common interests of the Company and its shareholders over the medium to long term.

The Company is strongly conscious of the importance of returning profits to shareholders and will continue to consider measures such as investing in growth that enhances corporate value and working to maintain the soundness of the Company’s management and financial bases, based on comprehensive evaluation of the external environment.

For these reasons, the Board of Directors opposes the Shareholder's Proposal relating to acquisition of own shares.

## **Attachment**

### **Outline of and Reason for Proposal**

Please note that the relevant portions of the Shareholder's Proposal Letter submitted by the Proposing Shareholder are presented in their original form and wording.

#### **(1) Outline of Proposal**

The Company shall, in accordance with Article 156, Paragraph 1 of the Companies Act, acquire its own shares through the delivery of monies, with a limit on total number of shares of 1,250,000 and a total acquisition price of ¥2,000,000,000 within one year from the conclusion of this Ordinary General Meeting of Shareholders (however, if the total acquisition price allowed by the Companies Act (the "Distributable Amount" specified in Article 461 of the Companies Act) is less than this amount, the amount of the acquisition price shall be the maximum amount allowed under the Companies Act).

#### **(2) Reason for the Proposal**

The purchase by the Company of its own shares when the stock's price is undervalued by the stock market not only provides shareholders with an opportunity to recover invested capital but also enables management to indicate its view that the "the Company's shares are subject to improperly low evaluation by the stock market". This will contribute to the enhancement of future corporate value.

The impact of the novel coronavirus outbreak has led to the Company's stock price being assigned a lower valuation than its actual fair value. With the Japanese economy facing a recession, it is necessary to secure a certain amount of cash reserves in order to maintain management stability while dealing with uncertainties. However, in TV Asahi's case, even considering the expected outflow of funds, the acquisition of own shares on the scale presented in this proposal is sufficiently possible, and the acquisition of own shares could be expected to contribute to the enhancement of corporate value in the future. We therefore submit this proposal.