

Japan Catalyst, Inc.

Shareholder Proposal to TBS Holdings, Inc. (9401)

TOKYO, May 28, 2026 – Japan Catalyst, Inc. (hereinafter referred to as "JCI") implements an engagement strategy with Japanese listed companies through two investment vehicles under its advisory: the Monex Activist Mother Fund ("MAMF", a Japan-registered mutual fund) and the Japan Catalyst Fund ("JCF", a Cayman-registered corporate-type investment fund).

As part of our ongoing engagement with TBS Holdings, Inc. ("TBS HD"), one of the key holdings of both MAMF and JCF, MAMF, advised by JCI, has submitted the shareholder proposal set forth in Appendix 1 for presentation at TBS HD's 99th Annual General Meeting of Shareholders, scheduled for June 2026.

Appendix 2 has been prepared as supplemental materials for this press release.

**This shareholder proposal was submitted by Monex Asset Management, Inc. ("MAM"), acting as the proxy agent for MAMF. JCI has provided support to MAM in connection with the submission of this proposal.*

Appendix 1

*In this shareholder proposal, the “Company” refers to TBS Holdings, Inc.

Shareholder Proposals (Summary Only)

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 $(\text{dividends} + \text{share repurchases}) / \text{equity}^*$ 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.

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 :

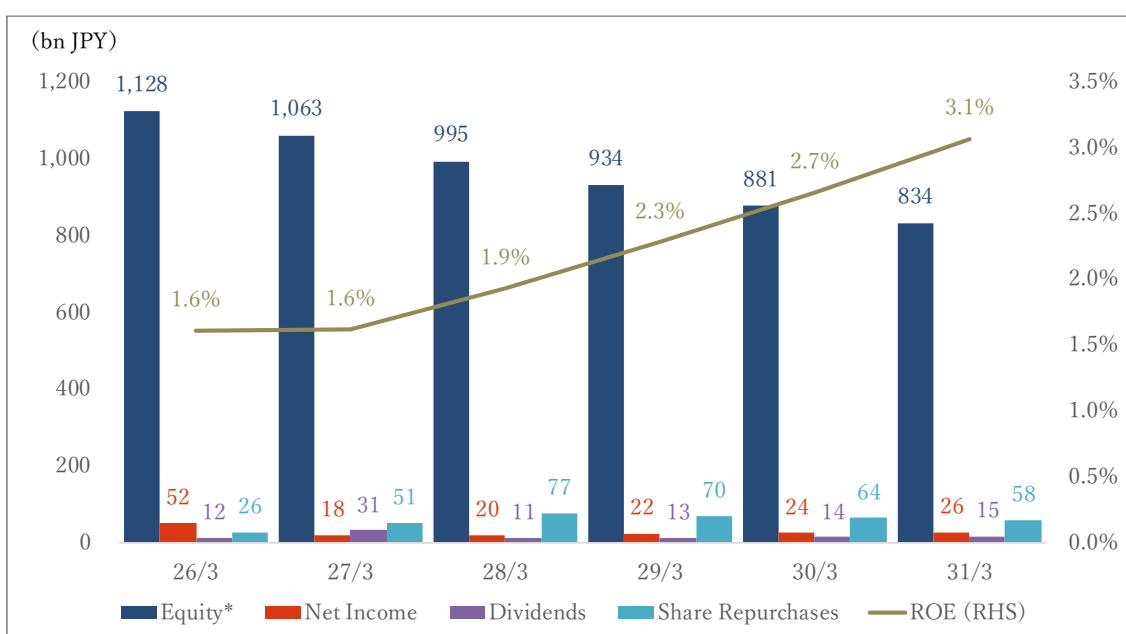
This proposal, together with the above dividend proposal, is intended to make $(\text{dividends} + \text{share repurchases}) / \text{equity}^*$ equal to 8%.

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

Appendix 2

The chart below presents an illustrative estimate of how TBS Holdings, Inc.’s (the “Company”) equity*, dividends, share repurchases and ROE would evolve under the capital discipline referenced in the shareholder proposal: a 60% dividend payout ratio and share repurchases designed to make (dividends + share repurchases) / equity* at least 8%. ROE in the chart is based on estimated net income calculated by applying the statutory effective tax rate to operating profit.



All figures for the fiscal year ended March 2026 are based on the Company’s actual results. For the fiscal years ending March 2027 and March 2031, net income is estimated based on the operating profit targets disclosed by the Company, after applying the statutory effective tax rate. For the fiscal years ending March 2028 through March 2030, net income is assumed to increase by an equal amount each year. Dividends and share repurchases are presented on an assumed cash outflow basis for each fiscal year.

* 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.

This English document is a translation of the original Japanese shareholder proposal and supplemental materials. In the event of any inconsistency or ambiguity, the Japanese version shall prevail.