May 10, 2018

To Whom It May Concern

Company Name: Tokyo Broadcasting System Holdings, Inc.
President: Shinji Takeda
(Code: 9401, Tokyo Stock Exchange First Section)
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Position on Shareholder Proposal at Ordinary General Meeting of Shareholders

This company received a written notice (hereinafter called "This Shareholder Proposal") on May 1, 2018 concerning the exercising of the shareholder right to submit a proposal at the 91st Ordinary General Meeting of Shareholders of this company scheduled to be held on June 28, 2018 from J.P. Morgan Chase Bank National Association (Beneficial Shareholder: British Empire Securities and General Trust PLC, hereinafter called "proposing shareholder"). The board of directors of this company is hereby providing notice of its opposition to This Shareholder Proposal for the reasons described below.

Details

1. Overview of This Shareholder Proposal

This Shareholder Proposal suggests that the 3,064,414 common shares of Tokyo Electron Limited (hereinafter called "Tokyo Electron") owned by this company be distributed to the shareholders of this company as dividends in kind at a ratio of one share of Tokyo Electron stock per 57 common shares of this company in addition to the planned distribution of surplus funds by this company.

2. Position of This Company on This Shareholder Proposal

The proposing shareholder that made This Shareholder Proposal has stipulated the size of the ratio that Tokyo Electron shares account for in the assets of this company and the risk of price fluctuation as the reasons for making this proposal.

With respect to this point, Tokyo Electron is a company that was established in 1962 as an affiliate of this company (corporate name was Tokyo Electron Laboratories, Inc. at the time), and this company has continually owned Tokyo Electron shares throughout its corporate history to the present point in time. Therefore, the book value of the Tokyo

Electron shares owned by this company is an extremely low amount, meaning that for all practical purposes, there is no risk presented by price fluctuation.

In addition, these shares which have increased greatly in asset value due to dramatic growth of Tokyo Electron, providing a stable financial base in order to respond to the demands of society for the uninterrupted broadcasting by this company as an integral part of the information infrastructure for the people of Japan.

Naturally, this company does not have a policy of continuing to own Tokyo Electron shares at the current level in the future, and has effectively utilized various types of investment resources to increase the value of the company in the past. Over the past 20 years, the company has reduced the level of shares that it owns to approximately one half. For example, when the “Akasaka 5-Chome TBS Development Project” that included the “Akasaka Biz Tower” was implemented, which was completed in January 2008, this company sold a portion of the Tokyo Electron shares that it owned in order to cover a portion of the required investment resources. This investment has provided stable real estate business profits for the company, and it has been affirmed by the shareholders that it helps support this company that has broadcasting business at its core.

This company intends to utilize Tokyo Electron shares in the future as appropriate when expanding investments in order to increase the value of the company. More specifically, broadcasting and related fields have experienced remarkable technological innovation in recent years, and ongoing large capital investments are required in preparation for advanced broadcasting and promoting complementary services such as 4K broadcasting and video streaming as the means to facilitate a sustainable increase in the value of this company. In addition, it was stated in the “Group 2020 Medium Term Management Plan” that was announced on February 15, 2018 that strategic investments amounting to approximately 50 billion yen will be made by fiscal year 2020 that consist of expanding the CVC (Corporate Venture Capital) fund and promoting new businesses as well as promoting mergers and acquisitions (M&A) with the objective of expanding and facilitating the evolution of the business fields of the group. As stated above, this company has a policy of utilizing Tokyo Electron shares when the occasion demands to provide resources for significant or hopeful investments during the execution of its medium term growth strategy, while responding to changes in the broadcasting environment.

This company has received substantial dividends from Tokyo Electron on an ongoing basis, amounting to 3.871 billion yen in the 91st term of the company (ending March 2018). Dividends from Tokyo Electron as well as transactions between our group companies and Tokyo Electron make a substantial contribution to the performance of this company every year.

Furthermore, in the event Tokyo Electron shares were distributed as dividends in kind as requested in This Shareholder Proposal, due to the fact that the said dividends would not be considered tax-qualified share dividends, this company would be subject to a large amount of capital gains tax due to the difference in the price of the said shares utilized for the dividends in kind and the book value, and it is clear that being subjected to payment of a large amount of capital gains tax would undermine the value of this company and the shareholders of this company at this point in time. Moreover, if Tokyo Electron shares were distributed as dividends in kind as requested in This Shareholder Proposal, since the said dividends would not be considered income from dividends, this company would be required to withhold tax at the source for the concerned income and other taxes for the said dividends. Due to the fact that this would not be a dividend paid in cash, this company would need to pay the tax withheld at the source, and all the shareholders would be required to pay an amount equivalent to the tax withheld at the source in cash to this company, which would be an inconvenience for all the shareholders. In addition, in order to smoothly implement distribution as dividends in kind as requested in This Shareholder Proposal, a system would need to be developed for coordination between the many concerned parties which include the Japan Securities Depository Center, securities companies and securities agencies, and it is expected that these costs would need to be covered by this company.

As explained above, this company has made the judgment that utilizing Tokyo Electron shares as the resources for various investments in order to boost the value of this company at the optimum timing according to the internal and external environment confronting this company is the best policy to maximize corporate value. Therefore, at the current point in time, we do not think that disposing of these shares as dividends which would be entirely a temporary increase in dividends that would involve considerable taxes and covering the costs for clerical procedures is not appropriate from the standpoint of maximizing the value of this company and providing profits to all the shareholders.

For these reasons, the board of directors of this company is opposed to This Shareholder Proposal.

The board of directors of this company will do everything in its power to achieve the “Group 2020 Medium Term Management Plan” from a medium term perspective in order to maximize the value of this company and profits for all the shareholders, as well as continuing to strengthen corporate governance. We will continue to provide extensive explanation to provide all shareholders with an understanding of our position and obtain agreement with the position of the board of directors of this company.