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To whom it may concern:

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**Renewal of Countermeasures to Large-Scale Acquisitions of  
Nippon Television Shares (Takeover Defense Measures)**

Nippon Television Network Corporation (the “Company”) has adopted a plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) based on the approval of its shareholders obtained at the 73rd Ordinary General Meeting of Shareholders held on June 29, 2006 (the “2006 Shareholders Meeting”). The plan is effective until the conclusion of the ordinary general meeting of shareholders for the final fiscal year ending within one year after the conclusion of the 2006 Shareholders Meeting.

In anticipation of the expiry of the plan’s effective period expected at the conclusion of the 74th Ordinary General Meeting of Shareholders of the Company scheduled for June 28, 2007 (the “Shareholders Meeting”), the Company has, as a result of further considerations in light of circumstances such as the amendments to laws and ordinances, decided at its board of directors meeting held on May 17, 2007 to establish a basic policy regarding the persons who control decisions on the Company’s financial and business policies (Article 127 of the Enforcement Regulations of the Corporation Act; the “Basic Policy”) and to renew its plan for countermeasures to large-scale acquisitions of the shares in the Company with necessary amendments (takeover defense measures) (the renewed plan is referred to in this press release as the “Plan”) as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons viewed as inappropriate under the Basic Policy (Article 127, Item (ii)(b) of the Enforcement Regulations of the Corporation Act). The renewal will be subject to shareholder approval at the Shareholders Meeting.

**I. Basic Policy regarding Persons Who Control Decisions on the Company's Financial and Business Policies**

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value and who will make it possible to continually and persistently ensure and enhance the Company's corporate value and the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders: those with a purpose that would obviously harm corporate value of the target company and the common interests of its shareholders; those with the potential to substantially coerce shareholders into selling their shares; those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition, or for the target company's board of directors to make an alternative proposal; and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

The Company, as a group, strives to ensure and enhance its corporate value, and in particular the corporate value of the Company lies in its superior content development capability. The bedrock of the content development capability is founded mainly on the following elements:

- (i) The acquisition and development of high-caliber personnel with a pioneering and team spirit;
- (ii) The preservation of relationships of mutual trust with the external parties involved in the production of content;

- (iii) The preservation of relationships of cooperation and mutual trust with network companies;
- (iv) The maintenance of the corporate culture with a mid- to long-term outlook that encourages the development of high-quality content;
- (v) The maintenance of stable business results and financial framework; and
- (vi) The fulfillment of the public responsibilities as a broadcaster.

Unless the acquirer of a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium-to-long-term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who would control decisions on the Company's financial and business policies. The Company believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition by such persons.

## **II. The Source of the Company's Corporate Value and Special Measures to Realize the Basic Policy**

### **1. The Source of the Company's Corporate Value**

From the commencement of its first television broadcast as a commercial broadcaster in 1953, the Company, as a pioneer in the Japanese television broadcasting world, has been striving to ensure and enhance its corporate value and the common interests of shareholders. The Company believes that ensuring and enhancing these interests is a top priority for the future too.

The Company boasts its content development capability to create programs loved by viewers in every broadcasting field, be it news, sports, variety, drama, or documentary, and has consistently over a long period of time won strong support and trust from shareholders, viewers, consumers, sponsors and clients. This very content

development capability is the Company's greatest strength in its success in the face of fierce competition in the broadcasting field, and is the source of its corporate value and the common interests of shareholders.

The Company's capacity to produce superior content is supported by the following key matters:

(i) The Acquisition and Development of Personnel

Recruiting and developing high-caliber personnel with a pioneering spirit is absolutely essential to the production of high-quality content. For example, with its full live coverage of the "Hakone Ekiden" road race, said to be technically impossible to achieve by competitors at the time, and its charity program "24 Hour Television" based on the concept of "Love Saves the Earth," the first trial of its kind in Japan, the Company has continuously produced groundbreaking work, and has cemented these programs in the Japanese broadcasting culture as national programs. Such history-making content could only be realized through the enthusiasm of creators who were trained based on the Company's corporate culture.

(ii) The Preservation of Relationships of Mutual Trust with Related External Parties

The production of content requires close cooperation with external parties such as sponsors, performers, production companies, and broadcast writers. The Company has maintained strong relationships of mutual trust with these external parties over a long period of time, and these relationships greatly contribute to the maintenance and improvement of content quality.

(iii) The Preservation of Relationships of Cooperation and Mutual Trust with Network Companies

The Company encompasses two network organizations, NNN (Nippon News Network) and NNS (Nippon Television Network System). NNN is an organization geared towards the mutual exchange of news and currently has thirty members. NNS, primarily formed to supply the Company's programs to its respective network companies, currently engages in a wide range of activities such as joint ventures and media research, and has twenty-nine members. These strong networks, with which the Company has built up strong relationships of mutual trust over a long period of time, have become valuable assets of the Company, and support the content development

capability of the Company.

(iv) The Maintenance of the Corporate Culture of the Company

The Company has traditionally built and maintained a corporate culture that fully realizes the potential of the Company's personnel and the external parties involved in the production of content, with strong relationships of trust with management and encouragement of the production of high-quality content with a mid to long term vision that is not bound by short term interests. The maintenance and development of this corporate culture enables the Company to fully realize the potential capabilities of our high caliber and pioneering personnel, both in-house and external, and produce creative content.

(v) The Maintenance of Stable Business Results and Financial Framework

The production of high-quality content could require large amounts of capital to be provided in a short period of time as well as stable allocation of capital. In order to flexibly respond to these diverse kinds of financial needs, it is essential for broadcasters to consistently maintain a healthy business performance and financial condition, and to maintain robust operating base to facilitate stable business management. This secure financial condition economically supports the realization of high-quality content production.

(vi) The Public Responsibilities as a Broadcaster

As entities that control the airwaves, a public resource, broadcasters have public responsibilities. It is an important responsibility for broadcasters to promote a broadcasting culture that considers viewers' opinions, public order and morality over the long term. In this regard, in addition to efforts such as creating objective and fair news programs, the Company also conducts a variety of community projects. This community element of the Company greatly contributes towards winning the trust of viewers, sponsors and other groups, and helps to foster the Company's brand image. The trust and the brand image derived from the Company's community contributions form the backdrop to the production of the Company's high-quality content, and ultimately advance the common interests of shareholders.

**2. Measures to Ensure and Enhance the Corporate Value and the Common Interests of Shareholders**

In order to enhance its corporate value and the common interests of its shareholders, the Company decided on May 18, 2006, on the mid-term business plan for the fiscal 2006 through 2008 period, and it has implemented various measures in line with the mid-term business plan. The Company has seen sure and steady outcomes in various respects: for example, it has made an active commitment to content production and development, undertaken extensive reforms in its program line-up, and has significantly expanded its business in non-broadcasting areas such as movie business and mail-order business. To build on this progress even further, on May 17, 2007, the Company has decided on the new mid-term business plan by extending the current mid-term business plan in order to thoroughly respond to the recent business environment (for further details, see the Company's press release of the same date, entitled "Outline of NTVGroup New Mid-term Management Plan (FY 2007-2009)").

Under this new mid-term business plan, the Company is aiming to maintain and further develop its visions specified in the previous mid-term business plan of being "No. 1 in Broadcasting Sales," "No. 1 Growth Rate in Non-Broadcasting Sales," "No. 1 in Content Delivery Sales," and "No. 1 in Delivering Customer Satisfaction." It is also aiming to achieve consolidated sales of 426 billion yen and an ordinary profit of 46 billion yen (an ordinary profit rate of 10.8%) in fiscal 2009.

### **3. Organizational Upgrade to Effect Measures**

In order to strengthen the monitoring of the Company's management from outside the Company and to enhance even further the Company's already sound management and transparency in its decision-making process, the Company has made 6 of its 16 directors outside directors and plans to submit to the Shareholders Meeting for its resolution a proposal to elect 18 directors, 7 of which are outside directors. Also, in order to crystallize management's responsibilities to its shareholders, the Company has made the term of office of directors one year. Furthermore, in order to make statutory auditors even more independent of the board of directors and to strengthen the auditing functions of the statutory auditors with respect to the performance of operations, the Company has made 3 of its 4 statutory auditors outside statutory auditors. The Company intends to continue further strengthening its corporate governance practices in addition to making these efforts.

### **III. Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Viewed as Inappropriate Under**

## **the Basic Policy**

### **1. Purpose of the Plan**

The Company adopted the original plan for the purpose of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders and will hereby renew it as the Plan for the same purpose in accordance with the Basic Policy set out in Section I above.

The Company's corporate group is made up of numerous affiliates and, in striving for 'Total Success' in the multimedia era, the Company seeks to expand its business scope. By accurately understanding the whole picture of the business, the Company will organically bind its business fields and personnel networks and maximize the mid- to long-term corporate value of the Company and the common interests of its shareholders. Accordingly, if the Company were to receive a large-scale acquisition proposal or similar proposal from an acquirer, it would be necessary to give thorough consideration to various factors, in addition to the considerations concerning the acquirer's understanding of and care for the source of the Company's corporate value, the terms of such a large-scale acquisition, the Company's tangible and intangible business resources, the potential effect of forward-looking policies, and the synergism that could be created by the organic combination of business fields and personnel networks, and any other factors that contribute to the Company's corporate value, and then to weigh up the effect such a large-scale acquisition would have on the Company's corporate value and the common interests of its shareholders.

Taking into account these circumstances, the Company's board of directors has decided that, for occasions when it receives an acquisition proposal for the shares in the Company from an acquirer, it is necessary to introduce a mechanism that enables the Company's board of directors to present an alternative proposal to the shareholders, ensures necessary time and information for the shareholders to decide whether or not to accept such proposal, and for the board of directors to negotiate for the benefit of the shareholders, and thus deters acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders.

For the reasons above, the Company's board of directors has decided to renew the Plan, conditional upon receiving the approval of shareholders at the Shareholders Meeting with regard to assigning the Company's board of directors the authority to

determine matters pertaining to the gratis allotment of stock acquisition rights in accordance with the terms and conditions set out in the Plan pursuant to Article 15 of the Articles of Incorporation of the Company. For your information, the Company has not received any proposal of a large-scale acquisition from third parties. The principal shareholders of the Company as at March 31, 2007 are shown in Attachment entitled “Principal Shareholders of the Company<sup>1</sup>.”

## **2. Plan Details**

### **2.1 Plan Outline**

#### **(a) Purpose**

The aim of the Plan is to ensure and enhance the corporate value of the Company and the common interests of its shareholders by ensuring that all shareholders have the necessary and adequate information and time to make proper decisions in the case of large-scale acquisitions of the shares in the Company, and by securing the opportunity to negotiate with the acquirer or similar actions.

#### **(b) Establishment of Procedures**

The Plan sets out procedures necessary to achieve the purpose stated in (a) above, including requirements for acquirers to provide information in advance in the case that an acquirer intending to make an acquisition of 20% or more of the Company’s share certificates or other securities emerges (for further details, see section 2.2, ‘Plan Procedures’ below).

#### **(c) Triggering of the Plan by Gratis Allotment of Stock Acquisition Rights**

In the event that an acquirer conducts an acquisition of the Company’s share certificates or other securities without following the procedures set out in the Plan, or threatens to cause obvious harm to the corporate value of the Company and the common interests of its shareholders (see section 2.3 below, ‘Requirements for the Gratis Allotment of Stock Acquisition Rights,’ for details of these requirements), the Company will allot stock acquisition rights with (a) an exercise condition that does not allow the acquirer etc. to exercise the rights and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for the Company’s

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<sup>1</sup> As of March 31, 2007, the Yomiuri Shimbun Holdings, the Company’s largest shareholder, directly and indirectly holds shares in the Company that are equivalent to 23.19% of voting rights in the Company. However, the Company and the Yomiuri Shimbun Holdings make their own decisions on financial and business policies independent from each other.



shares and/or cash from persons other than the acquirer etc. (see section 2.4 below, ‘Outline of the Gratis Allotment of Stock Acquisition Rights,’ for the outline of these stock acquisition rights; the “Stock Acquisition Rights”), by means of a gratis allotment of stock acquisition rights (*shinkabu yoyakuken mushou wariate*) to all shareholders, except the Company, at that time.

If a gratis allotment of Stock Acquisition Rights were to take place in accordance with the Plan and all shareholders other than the acquirer receive the Company’s shares as a result of those shareholders exercising, or the Company acquiring, those Stock Acquisition Rights, the ratio of voting rights in the Company held by the acquirer may be diluted by up to a maximum of 50%.

(d) Use of the Independent Committee

In order to eliminate arbitrary decisions by directors, decisions with respect to the matters such as the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights or the acquisition of Stock Acquisition Rights under the Plan will be made through the objective judgment of an Independent Committee for the Assessment of Corporate Value (see section 2.5 below, ‘Establishment of the Independent Committee,’ for details; the “Independent Committee”) which is composed of highly independent members such as outside directors of the Company, and transparency with respect to those decisions will be ensured by timely disclosure to all of the Company’s shareholders.

## 2.2 Procedures for the Plan

(a) Targeted Acquisitions

The Plan will apply in cases where there is an acquisition of share certificates, etc. of the Company or any similar action, or a proposal for such action (the “Acquisition”), that falls under (i) or (ii) below. The party effecting the Acquisition (the “Acquirer”) shall follow the procedures set out in the Plan.

- (i) An acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariai*)<sup>2</sup> of a holder (*hoyuusha*)<sup>3</sup> amounting to 20% or

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<sup>2</sup> Defined in Article 27-23(4) of the Securities and Exchange Act of Japan. This definition is applied throughout this document.

<sup>3</sup> Including persons described as a holder under Article 27-23(3) of the Securities and Exchange Act of Japan (including persons who are deemed to fall under the above by the board of directors of the Company). The same is applied throughout this document.

more of the share certificates, etc. (*kabuken tou*)<sup>4</sup> issued by the Company; or

- (ii) A tender offer (*koukai kaitsuke*)<sup>5</sup> that would result in the owning ratio of share certificates, etc. (*kabuken tou shoyuu wariai*)<sup>6</sup> of share certificates, etc. (*kabuken tou*)<sup>7</sup> relating to the tender offer and the owning ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*)<sup>8</sup> totaling at least 20% of the share certificates, etc. issued by the Company.

(b) Request to the Acquirer for the Provision of Information

Unless otherwise approved by the Company's board of directors, the Company will require any Acquirer conducting an Acquisition to submit to the Company in a form prescribed by the Company, before the Acquisition, a document which includes the information as described in each of the list below ("Essential Information") and a written undertaking that the Acquirer will upon the Acquisition comply with the procedures set out in the Plan ("Acquisition Document").

If the Independent Committee determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period (up to sixty days as a general rule) and request that the Acquirer additionally provide information. In such case, the Acquirer should additionally provide such information within the relevant time limit.

- (i) Details (specifically including name, capital structure and financial position) of the Acquirer and its group (including joint holders<sup>9</sup>, persons having a

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<sup>4</sup> Defined in Article 27-23(1) of the Securities and Exchange Act of Japan. Unless otherwise provided for in this document, the same is applied throughout this document.

<sup>5</sup> Defined in Article 27-2(6) of the Securities and Exchange Act of Japan. The same is applied throughout this document.

<sup>6</sup> Defined in Article 27-2(8) of the Securities and Exchange Act of Japan. The same is applied throughout this document.

<sup>7</sup> Defined in Article 27-2(1) of the Securities and Exchange Act of Japan. The same is applied in 3.1 (a)(ii).

<sup>8</sup> Defined in Article 27-2(7) of the Securities and Exchange Act of Japan (including persons who are deemed to fall under the above by the board of directors of the Company); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Securities and Exchange Act of Japan. The same is applied throughout this document.

<sup>9</sup> "Joint holders" are as defined in Article 27-23(5) of the Securities and Exchange Act of Japan, including persons regarded as a joint holder under Article 27-23(6) of the Securities and Exchange Act of Japan (including persons who are deemed to fall under the above by the Company's board of

special relationship and, in the case of funds, each partner and other constituent members).

- (ii) The purpose, method and terms of the Acquisition (including the price and type of the consideration for the Acquisition, the timeframe of the Acquisition, the scheme of any related transactions, the legality of the Acquisition method, and the probability that the Acquisition will be effected).
- (iii) The basis for the calculation of the purchase price of the Acquisitions (including the underlying facts and assumptions of the calculation, the calculation method, the numerical data used in the calculation, the details of any expected synergies from any series of transactions relating to the Acquisition including the details of such synergies to be shared with minority shareholders, and the basis for the calculation of such synergies).
- (iv) Financial support for the Acquisition (specifically including the name of the funds providers for the Acquisition (including all indirect funds providers), financing methods and the terms of any related transactions).
- (v) Post-Acquisition management policy, business plan, capital and dividend policies for the Company group.
- (vi) Post-Acquisition policies dealing with the Company's employees, business partners, customers, and any other stakeholders in the Company.
- (vii) Specific measures to avoid any conflict of interest with other shareholders in the Company.
- (viii) Any other information that the Independent Committee reasonably considers necessary.

If the Independent Committee recognizes that an Acquirer has initiated an Acquisition without complying with the procedures set out in the Plan, as a general rule, it will recommend the Company's board of directors to implement a gratis allotment of Stock Acquisition Rights in accordance with 2.2(d)(i) below, except in particular circumstances where it should continue with its requests for the submission of an Acquisition Document and the Essential Information, and its discussion and negotiation with the Acquirer.

- (c) Consideration of Acquisition Terms, Negotiation with the Acquirer, and

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directors.). The same is applied throughout this document.

## Consideration of an Alternative Proposal

### (i) Request to the Company's Board of Directors for the Provision of Information

If the Acquirer submits the Acquisition Document and any additional information that the Independent Committee requests (if any), the Independent Committee may set a reply period (up to sixty days as a general rule) and request that the Company's board of directors present an opinion (including qualified opinions; hereinafter the same) on the Acquirer's Acquisition terms, the materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee considers necessary, in order to compare the details of the Acquisition Document and the Essential Information to the management plan of the Company's board of directors and the company valuation conducted by the Company's board of directors for the purpose of ensuring and enhancing the Company's corporate value and the common interests of its shareholders.

### (ii) Independent Committee Consideration

The Independent Committee should conduct its consideration of the Acquisition terms, collection of information on the materials such as the management plans and business plans of the Acquirer and the Company's board of directors and comparison thereof, and consideration of any alternative plan presented by the Company's board of directors, and the like for a period of time that does not exceed sixty days after, as a general rule, (provided, however, that in the case described below at 2.2(d)(iii) or the like, the Independent Committee may extend this period (the "Independent Committee Consideration Period")) the date upon which the Independent Committee receives the information from the Acquirer and (if the Independent Committee requests the Company's board of directors to provide information as set out above) the Company's board of directors. Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee will directly or indirectly discuss and negotiate with the Acquirer, or present to shareholders the alternative proposal presented by the Company's board of directors, or conduct any similar action.

In order to ensure that the Independent Committee's decision contributes to the Company's corporate value and the common interests of its shareholders, the Independent Committee may at the cost of the Company obtain advice from independent third parties (including financial advisers, certified public accountants,

attorneys, consultants or any other experts). If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

(iii) Disclosure of Information

At a time the Independent Committee considers appropriate, the Company will disclose the fact that it has received an Acquisition Document from the Acquirer, the fact that the Independent Committee Consideration Period has commenced, and any matters considered appropriate by the Independent Committee out of the Essential Information or other information.

(d) Recommendation by the Independent Committee

If an Acquirer emerges, the Independent Committee will make recommendations to the Company's board of directors as follows. If the Independent Committee makes recommendations or otherwise as listed (i) through (iii) below to the Company's board of directors, or otherwise believes it to be appropriate, the Independent Committee will promptly disclose an outline of its recommendations and any other matters that the Independent Committee considers appropriate (in the case of extending the Independent Committee Consideration Period, including the period of and reason for such extension).

(i) Recommendations for the Triggering of the Plan

If the Acquirer fails to comply with the procedures set out in the Plan, or if as a result of the consideration of the terms of the Acquisition or the like, the Independent Committee determines that the Acquisition by the Acquirer meets any of the requirements set out below at 3.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights' and that the implementation of the gratis allotment of Stock Acquisition Rights is reasonable, the Independent Committee will recommend the implementation of the gratis allotment of Stock Acquisition Rights to the Company's board of directors, regardless of whether the Independent Committee Consideration Period has commenced or ended.

However, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the events below applies, it may make a new recommendation before commencement of the exercise period of Stock Acquisition Rights that (before the gratis allotment has taken effect) the Company

should suspend the gratis allotment of Stock Acquisition Rights or that (after the gratis allotment has taken effect) the Company should acquire the Stock Acquisition Rights without consideration.

- (A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.
- (B) There is a change in the facts or otherwise upon which the recommendation decision was made, and the Acquisition by the Acquirer does not meet any of the requirements set out below in 3.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' or it is not reasonable to implement the gratis allotment or allow shareholders to exercise the Stock Acquisition Rights even if the Acquisition by the Acquirer does meet one of the requirements under 3.3 below.

(ii) Recommendations for the Non-Triggering of the Plan

If as a result of its consideration of the terms of the Acquirer's Acquisition and discussion, negotiation or the like with the Acquirer, the Independent Committee determines that the Acquisition by the Acquirer does not meet any of the requirements set out below at 3.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' or that the implementation of the gratis allotment of Stock Acquisition Rights is not reasonable even if the Acquisition by the Acquirer does meet one of the requirements set out in 3.3 below, the Independent Committee will recommend the non-implementation of the gratis allotment of Stock Acquisition Rights to the Company's board of directors, regardless of whether the Independent Committee Consideration Period has ended.

However, even after the Independent Committee has already made one recommendation for the non-implementation of the gratis allotment of Stock Acquisition Rights, if there is a change in the facts or otherwise upon which the recommendation decision was made and the situation has come to satisfy the requirements set out in (i) above, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

(iii) Extension of the Independent Committee Consideration Period

If the Independent Committee does not reach a recommendation for either the

implementation or non-implementation of the gratis allotment of Stock Acquisition Rights by the expiry of the initial Independent Committee Consideration Period, the Independent Committee will, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, negotiation with the Acquirer and the consideration of an alternative proposal, pass a resolution to extend the Independent Committee Consideration Period (and any extension of the new period after a period has been extended will follow the same procedure).

If the Independent Committee Consideration Period is extended as a result of the resolution described above, the Independent Committee will continue with its information collection, consideration process and like activities, and use best efforts to make a recommendation for the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights within the extended period.

(e) Resolutions of the Board of Directors

The Company's board of directors, in exercising their role under the Corporation Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting any recommendation of the Independent Committee described above to the maximum extent. After the Company's board of directors passes abovementioned resolution, the Company will promptly disclose an outline of its resolution, and any other matters that the Company's board of directors considers appropriate. The Acquirer must not effect an Acquisition until and unless the Company's board of directors passes a resolution for the non-implementation of the gratis allotment of Stock Acquisition Rights.

### 2.3 Requirements for the Gratis Allotment of Stock Acquisition Rights

The Company intends to implement the gratis allotment of Stock Acquisition Rights by a resolution of the Company's board of directors as described above at (e) of 3.2, 'Procedures for the Plan,' if it is considered that an action of an Acquirer falls under any of the items below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights. However, the Company's board of directors will without fail make its determination as to whether an action of an Acquirer falls under a requirement below and if it is reasonable or not to implement the gratis allotment of Stock Acquisition Rights through the recommendation of the Independent Committee in accordance with (d) of section 3.2 above, 'Procedures for the Plan.'

(a) An Acquisition not in compliance with the procedures prescribed in the Plan.

- (b) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through actions including any of the actions below:
  - (i) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company at an inflated price.
  - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.
  - (iii) Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company.
  - (iv) Temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (c) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers that do not offer to acquire all shares in the initial acquisition, and set acquisition terms for the second stage that are unfavorable or do not set clear terms for the second stage).
- (d) Acquisitions that do not provide the Company's board of directors with the period of time reasonably necessary to produce an alternative proposal to the Acquisition.
- (e) Acquisitions in which the Essential Information or any other information considered reasonably necessary to assess the Acquisition terms is not provided to Company's shareholders, or the provision of such information (if any) is inadequate.
- (f) Acquisitions whose terms (including amount and type of consideration for the Acquisition, the Acquisition schedule, the legality of the Acquisition method, the probability of the Acquisition being effected, post-Acquisition management policies and business plans, and post-Acquisition policies dealing with the



Company's other shareholders, employees, business partners such as business associates, advertisers and production companies, performers, broadcast writers and any other stakeholders in the Company) are inadequate or inappropriate in light of the Company's intrinsic value.

- (g) Acquisitions that materially threaten to be against the corporate value of the Company and, in turn, the common interests of shareholders, by destroying the Company's corporate culture or relationships with the Company's employees, business partners such as business associates, advertisers and production companies, performers, broadcast writers and the like, which support the content production system and, are indispensable to the generation of the Company's corporate value or by possibly resulting in a violation of the Radio Law or other laws or regulations or by similar action.

#### 2.4 Outline of the Gratis Allotment of Stock Acquisition Rights

An outline of the gratis allotment of Stock Acquisition Rights scheduled to be implemented under the Plan is described below.

- (a) Number of Stock Acquisition Rights

The Company will implement a gratis allotment of Stock Acquisition Rights in the same number as the final and total number of issued and outstanding shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined by the Company's board of directors in a resolution relating to the gratis allotment of Stock Acquisition Rights ("Gratis Allotment Resolution").

- (b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to those shareholders, other than the Company, who appear or are recorded in the Company's final register of shareholders or register of beneficial shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for every one share in the Company held.

- (c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The Company's board of directors will separately determine the effective date of the gratis allotment of Stock Acquisition Rights in the Gratis Allotment Resolution.

- (d) Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights

The number of shares in the Company to be acquired upon exercise of each Stock Acquisition Right (the “Applicable Number of Shares”) shall, in principle, be one share.

(e) The Amount to be Contributed upon Exercise of the Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount separately determined by the Company’s board of directors in the Gratis Allotment Resolution within the range between a minimum of one yen and a maximum of any amount equivalent to one-half of the fair market value of one share in the Company. “Fair market value” means an amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the ninety day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction of a yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise Period of the Stock Acquisition Rights

The commencement date will be a date separately determined by the Company’s board of directors in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the “Exercise Period Commencement Date”), and the period will be a period from one month to three months long as separately determined by the Company’s board of directors in the Gratis Allotment Resolution; provided, however, that if the Company acquires the Stock Acquisition Rights pursuant to the provisions of paragraph (i) below, the exercise period for the Stock Acquisition Rights with respect to that acquisition will be up to and including the day immediately prior to the relevant acquisition date. Further, if the final day of the exercise period falls on a holiday for the payment place for the cash payable upon exercise, the final day will be the preceding business day.

(g) Conditions for the Exercise of the Stock Acquisition Rights

As a general rule, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

(I) Specified Large Holders;<sup>10</sup>

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<sup>10</sup> “Specified Large Holder” means, in principle, a party who is a holder of share certificates, etc.,

- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers;<sup>11</sup>
- (IV) Persons having a Special Relationship with Specified Large Purchasers;
- (V) Any transferee of or successor to the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Company's board of directors; or
- (VI) Any Affiliated Party of any party falling under (I) through (V).<sup>12</sup>

Further, nonresidents of Japan and foreigners<sup>13</sup> who are required to follow certain procedures under foreign laws and regulations to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that

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issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed to fall under the above by the Company's board of directors). Provided, however, that a party that the Company's board of directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this document.

<sup>11</sup> "Specified Large Purchaser" means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Securities and Exchange Act; the same is applied throughout this Note 11) of share certificates, etc., (as defined in Article 27-2(1) of the Securities and Exchange Act; the same is applied throughout this Note 11) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order of the Enforcement of the Securities and Exchange Act) is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship (including any party who is deemed to fall under the above by the Company's board of directors). Provided, however, that a party that the Company's board of directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or certain other party that the Company's board of directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. This is applied throughout this document.

<sup>12</sup> An "Affiliated Party" of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Company's board of directors), or a party deemed by the Company's board of directors to act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3(3) of the Enforcement Regulations of the Corporation Act) of other corporations or entities.

<sup>13</sup> A "foreigner" means a person deemed by the Company's board of directors to be any of (i) a person not holding Japanese nationality (as defined in Article 5-1(1) of the Radio Law), (ii) a foreign government or its representative (as defined in Article 5-1(2) of the Radio Law), (iii) a foreign juridical person or organization (as defined in Article 5-1(3) of the Radio Law) and (iv) a juridical person or organization, of which any person referred to in items (i) through (iii) above directly holds the proportion prescribed in Article 6-3(3) of the Order of the Enforcement of the Radio Law or more of the aggregate of voting rights (as defined in Article 5-4(3)(ii) of the Radio Law). The same is applied throughout this document.

the Stock Acquisition Rights held by nonresidents and foreigners will be subject to acquisition by the Company in exchange for shares in the Company or the like as set out in (ii) of paragraph (i) below, 'Acquisition of the Stock Acquisition Rights by the Company.'). In addition, anyone who fails to submit a written undertaking, in a form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants may not exercise the Stock Acquisition Rights.

(h) Assignment of the Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Company's board of directors.

(i) Acquisition of the Stock Acquisition Rights by the Company

- (i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Company's board of directors recognizes that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day that falls on a date separately determined by the Company's board of directors, acquire all of the Stock Acquisition Rights without consideration.
- (ii) On a day that falls on a date separately determined by the Company's board of directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Company's board of directors, that are held by parties other than Non-Qualified Parties and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for every one Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Company's board of directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a day falling on a date determined by the Company's board of directors after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Company's board of directors (if any) and, in

exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for every one Stock Acquisition Right. The same will apply thereafter.

However, the property delivered in exchange for Stock Acquisition Rights held by foreigners (“SAR held by foreigners”) is (x) shares in the Company in a number obtained by multiplying (i) the number of Stock Acquisition Rights reasonably determined by the Company’s board of directors, within a range in which there is no threat that the Company will fall under the disqualification grounds set out in Article 5-4(2) or 5-4(3) of the Radio Law (that is, under the Radio Law, within a range in which there is no threat that 20% or more of the total voting rights of the Company will come to be substantially held, either directly or indirectly, by foreigners) and (ii) the Applicable Number of Shares and (y) the cash amount reasonably determined by the Company’s board of directors as the fair market value of the Stock Acquisition Rights remaining after deducting the Stock Acquisition Rights to be acquired in accordance with (x) above from SAR held by foreigners. The Company may deliver such shares and cash to the relevant foreigners in proportion to the number of Stock Acquisition Rights held by each of such foreigners.

(j) Delivery of the Stock Acquisition Rights in the Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)

The Company’s board of directors shall separately determine these matters in the Gratis Allotment Resolution.

(k) Issuance of certificates representing the Stock Acquisition Rights  
Certificates representing the Stock Acquisition Rights will not be issued.

(l) Revision due to amendment to laws and ordinances

The provisions of laws and ordinances referred to above are subject to the prevailing provisions as of May 17, 2007. If it becomes necessary after such date to amend the terms and conditions or definitions of terms set out in the paragraphs above due to the formulation, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above shall be read accordingly as required to a reasonable extent, taking into consideration the purposes of

such formulation, amendment or abolishment.

## 2.5 Establishment of the Independent Committee

The Company has established, and will maintain upon renewal of the Plan, the Independent Committee as an organization that will eliminate arbitrary decisions by its directors and objectively carry out the substantive decisions on behalf of the shareholders in the event of triggering or other operation of the Plan. The members of the Independent Committee at the time of renewal of the Plan will be five outside directors of the Company (one of which is to be elected at the Shareholders Meeting), who are highly independent from the management of the Company. (Standards for appointing members, requirements for resolution, resolution matters, and other matters concerning the Independent Committee are as described in Attachment 1 ‘Outline of the Rules of the Independent Committee for the Assessment of Corporate Value’ and members of the Independent Committee at the time of renewal of the Plan will be as described in Attachment 2 ‘Profiles of the Members of the Independent Committee for the Assessment of Corporate Value’.)

If an Acquisition is actually to be made, the Independent Committee shall substantially determine whether or not that Acquisition could harm the corporate value of the Company and the common interests of its shareholders, and the Company’s board of directors shall pass a resolution as a function under the Corporation Act, respecting such decision of the Independent Committee to the maximum extent, in accordance with section 2.2, ‘Procedures for the Plan’ above.

## 2.6 Effective Period, Abolition and Amendment of the Plan

The period for the authority to decide matters relating to the gratis allotment of Stock Acquisition Rights under the Plan as assigned by a resolution of the Shareholders Meeting (the “Effective Period”) shall be the period until the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within one year after the conclusion of the Shareholders Meeting.

However, if, before the expiration of the Effective Period, (a) a general meeting of shareholders of the Company passes a resolution to withdraw the abovementioned assignment to the board of directors to decide matters relating to the gratis allotment of Stock Acquisition Rights under the Plan, or (b) the Company’s board of directors passes a resolution to abolish the Plan, the Plan shall be abolished at that time.

Further, the Company's board of directors may revise or amend the Plan even during the Effective Period of the Plan, if such revision or amendment is not against the purpose of the assignment by a resolution of the Shareholders Meeting (including cases where any law, regulation, stock exchange rules or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, and cases where such revision or amendment does not detriment the Company's shareholders, and the like), and subject to the approval of the Independent Committee.

If the Plan is abolished, modified, amended or the like, the Company will promptly disclose facts including the fact that such abolition, modification amendment or the like has taken place, and (in the event of a modification or amendment or the like) the details of the modification, amendment and any other matters.

### **3. Impact on Shareholders**

#### **3.1 Impact on Shareholders and Investors Upon Renewal of the Plan**

Upon renewal, the Plan will have no direct or material impact on shareholders and investors. This is because at that time, by resolution of a general meeting of shareholders, only the assignment of authority to determine matters relating to the gratis allotment of Stock Acquisition Rights will take place and no actual gratis allotment of Stock Acquisition Rights will be implemented.

#### **3.2 Impact on Shareholders and Investors at the Time of the Gratis Allotment of Stock Acquisition Rights**

##### **(i) Procedures for Shareholders upon the Gratis Allotment of Stock Acquisition Rights and Procedures for Entry of Name Change**

If the Company's board of directors passes a resolution for a gratis allotment of Stock Acquisition Rights, the Company's board of directors will also decide the Allotment Date by the same resolution and give public notice of this Allotment Date. In this case, the Company will make a gratis allotment of Stock Acquisition Rights to the shareholders who are registered or recorded in the Company's last register of shareholders and register of beneficial shareholders as of the Allotment Date (the "Entitled Shareholders") for one Stock Acquisition Right per share in the Company held by the Entitled Shareholders. Therefore, it will be necessary for shareholders who have not entered their name change to arrange for the procedures for such change as

soon as possible in time for the Allotment Date. (No procedures for entry of name change are required for those share certificates deposited with the Japan Securities Depository Center, Inc.) All Entitled Shareholders will become Stock Acquisition Right holders as a matter of course on the effective date of the gratis allotment of Stock Acquisition Rights, and no further procedures, such as applying for such gratis allotment, will be necessary.

In addition, even after the Company's board of directors passes a resolution for gratis allotment of Stock Acquisition Rights, the Company, by respecting any recommendation of the Independent Committee described above at section (d)(i) of 2.2, 'Procedures for the Plan,' to the maximum extent, on or before the date immediately prior to the Exercise Period Commencement Date of Stock Acquisition Rights, may (before the gratis allotment has taken effect) cancel the gratis allotment of Stock Acquisition Rights or (after the gratis allotment has taken effect) acquire the Stock Acquisition Rights without consideration. In such cases, no dilution of the value per share in the Company held by the shareholders will result, and it is likely that any investors who have sold or bought the shares in the Company expecting to see such a dilution will be commensurately affected as a result of a fluctuation in the share price.

(ii) Procedures for Exercising Stock Acquisition Rights

The Company will deliver, as a general rule, an exercise request form for the Stock Acquisition Rights (in a form prescribed by the Company and containing necessary matters such as the terms and number of the Stock Acquisition Rights for exercise and the exercise date for the Stock Acquisition Rights, as well as representations and warranties regarding matters such as that the shareholders themselves satisfy the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants) and other documents necessary for the exercise of the Stock Acquisition Rights to the Entitled Shareholders. After the gratis allotment of Stock Acquisition Rights, the shareholders will be issued one share in the Company per Stock Acquisition Right upon submitting these necessary documents during the exercise period of Stock Acquisition Rights and, as a general rule, by paying to the place handling such payments an amount equivalent to the exercise price determined by the Company's board of directors in the Gratis Allotment Resolution, which will be an amount within the range of one yen and one-half of the fair market value of the Company's stock per Stock Acquisition Right.

If the Company's shareholders do not exercise their Stock Acquisition Rights or



pay the amount equivalent to the exercise price, the shares they hold in the Company will be diluted by the exercise of Stock Acquisition Rights by other shareholders.

However, it is also possible for the Company to acquire the Stock Acquisition Rights of all shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company and/or monetary payment, in accordance with the procedures set out in (iii) below. If the Company carries out such an acquisition procedure, all shareholders other than Non-Qualified Parties will come to receive shares in the Company and/or monetary payment without exercising their Stock Acquisition Rights or paying an amount equivalent to the exercise price, and, in principle, no dilution of the shares in the Company they hold will result (noting that, in principle, only a dilution of the ratio of voting rights they hold, not the economic value they hold, may result if, and to the extent that, the Company delivers to the Company's shareholders who are foreigners monetary payment in exchange for the Company's acquisition of the Stock Acquisition Rights).

(iii) Procedures for the Acquisition of Stock Acquisition Rights by the Company

If the Company's board of directors determines to acquire the Stock Acquisition Rights, the Company will acquire the Stock Acquisition Rights in accordance with the statutory procedures from the shareholders other than Non-Qualified Parties, on the day that falls on the date separately determined by the Company's board of directors, and in exchange, deliver shares in the Company. In this case, the shareholders concerned will, in principle, come to receive one share in the Company for every one Stock Acquisition Right as consideration for the acquisition by the Company of those Stock Acquisition Rights, without paying an amount equivalent to the exercise price (although the Company's shareholders who are foreigners may come to receive shares in the Company and/or monetary payment in accordance with above section (ii) of 2.4 paragraph (i), 'Outline of the Gratis Allotment of Stock Acquisition Rights'). Further, in such case, the shareholders concerned will be separately requested to submit, in a form prescribed by the Company, a written undertaking including representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses and other covenants.

In addition to the above, the Company will disclose information or notify all of its shareholders with respect to the particulars of the allotment method, method of procedures for entry of name change, exercise method and method for acquisition by the Company after any resolution in relation to a gratis allotment of Stock Acquisition Rights, so we request that shareholders check these details at that time.

#### **IV. Decisions and Reasoning of the Company's Board of Directors regarding Above Measures**

##### **1. Decisions and Reasoning regarding the Special Measures to Realize the Basic Policy (measures set out in II. above)**

The Company has implemented such measures as establishing the mid-term business plan and strengthening its corporate governance practices as specific measures to continually and persistently enhance the Company's corporate value and the common interests of the Company's shareholders. These measures will assuredly realize the Basic Policy.

Therefore, these measures comply with the Basic Policy and consistent with the common interests of the Company's shareholders, and are not implemented for the purpose of maintaining the positions of the directors and the statutory auditors of the Company.

##### **2. Decisions and Reasoning regarding the Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by a Person Viewed as Inappropriate under the Basic Policy (measures set out in III. above)**

###### **2.1 The Plan Fully Satisfies the Basic Policy**

The Plan is a mechanism to maintain the corporate value of the Company and, in turn, the common interests of its shareholders by ensuring the necessary time and information is made available for the shareholders to decide whether or not to accept the Acquisition of share certificates, etc. of the Company and for the board of directors to present an alternative proposal to the shareholders, and by enabling the board of directors to negotiate with the Acquirer for the benefit of the shareholders when the Acquisition is to be effected. As above, the Plan is in compliance with the Basic Policy.

## 2.2 The Plan Does Not Detriment the Common Interests of the Shareholders and Does Not Aim to Maintain the Positions of Directors and Statutory Auditors of the Company

For the following reasons, the Company believes that the Plan would not detriment the common interests of the Company's shareholders, and that it has not been implemented for the purpose of maintaining the positions of the directors and the statutory auditors of the Company.

### (i) Satisfying the Requirements of the Guidelines for Takeover Defense Measures

The Plan satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

### (ii) Placing High Value on the Intent of Shareholders

As set out above in section III.1, 'Purpose of the Plan,' the Plan will be renewed upon a resolution of the general meeting of shareholders of the Company to assign to the Company's board of directors the authority to decide matters relating to the Plan.

Further, as set out above in section III.2.6, 'Effective Period, Abolition and Amendment of the Plan,' the Plan is subject to a so-called sunset clause setting the Effective Period to be approximately one year and if, even before the expiration of the Effective Period of the Plan, the general meeting of shareholders of the Company passes a resolution to revoke its resolution to assign the authority as set out above, the Plan will be abolished at that time. In this regard, the life of the Plan depends on the intent of the Company's shareholders.

### (iii) Disclosure of information and emphasis on the decisions of highly independent parties such as outside directors

As set out above in section III.2.5, 'Establishment of the Independent Committee for the Assessment of Corporate Value,' the Independent Committee, composed only of members who are highly independent, such as outside directors of the Company, will make the substantive decisions for the management of the Plan, including its triggering.

Further, outlines of the Independent Committee's decisions are required to be disclosed to all shareholders, and the Plan will ensure a structure under which the Plan

is operated in a transparent way that serves the corporate value of the Company and the common interests of its shareholders.

(iv) Establishment of Reasonably Objective Requirements

As set out above at section (d) of III.2.2, 'Procedures for the Plan,' and section III.2.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' the Company believes that the Plan is established so that it will not be triggered unless reasonable and objective requirements have been satisfied, and ensures a structure to eliminate arbitrary triggering by the Company's board of directors.

(v) Obtaining the Advice of Third-Party Experts

As set out above at section (c)(ii) of III.2.2, 'Procedures for the Plan,' if an Acquirer emerges, the Independent Committee may obtain the advice of independent third parties (financial advisors, certified public accountants, lawyers, consultants and other experts) at the cost of the Company. This is a mechanism to even more securely enhance the objectivity and fairness of the decisions made by the Independent Committee.

(vi) Term of Office of Directors of the Company is One Year

The Company has established the term of office of directors one year, and this crystallizes the responsibilities of its management to its shareholders and strengthens its corporate governance practices.

(vii) No Dead-Hand or Slow-Hand Takeover Defense Measures

As stated above in section III.2.6, 'Effective Period, Abolition and Amendment of the Plan,' the Plan may be abolished by a person who acquires a large number of share certificates of the shares in the Company through an election at a general meeting of shareholders of directors nominated by that person and through a resolution of the Company's board of directors attended by the so-elected directors.

Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the board of directors are replaced, the triggering of the measure cannot be stopped). Also, as the Company has not adopted a system of staggered terms of office, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure in which triggering takes more time to stop due to the fact that the members of the board of directors cannot be replaced all at once).

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## **Attachment 1**

### **Outline of the Rules of the Independent Committee for the Assessment of Corporate Value**

- The Independent Committee shall be established by resolution of the Company's board of directors.
- There shall be no less than three (3) members of the Independent Committee, and the Company's board of directors shall elect the members from (i) outside directors of the Company, (ii) outside statutory auditors of the Company and (iii) other experts who are independent from the management that conducts the execution of the business of the Company. However, such experts must be experienced corporate managers, parties with knowledge of the investment banking industry or the Company's business field, lawyers, certified public accountants, researchers whose research focuses on the Corporation Act of Japan or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Company's board of directors that contains a provision obligating them to exercise the duty of care of a good manager or similar provision.
- Unless otherwise determined by a resolution of the Company's board of directors, the term of office of members of the Independent Committee shall be until the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within one (1) year after the Shareholders Meeting. However, the term of office of any member of the Independent Committee who is an outside director or outside statutory auditor shall end simultaneously in the event that they cease to be a director or statutory auditor (except in the case of their re-appointment).
- The Independent Committee shall make decisions on the matters listed below and make recommendations to the Company's board of directors containing the details of and reasons for the recommendation. Respecting such recommendations of the Independent Committee to the maximum extent, the Company's board of directors shall make decisions as a function under the Corporation Act of Japan. Each member of the Independent Committee and each director of the Company must make such decisions solely with a view to whether or not the corporate value of the Company and the common interests of its shareholders will be enhanced, and they must not serve the purpose of their own interests or those of the management of the Company.

- (a) The implementation or non-implementation of the gratis allotment of Stock Acquisition Rights.
  - (b) The cancellation of the gratis allotment of Stock Acquisition Rights or the gratis acquisition of Stock Acquisition Rights.
  - (c) Any other matters that are for determination by the Company's board of directors in respect to which it has consulted the Independent Committee.
- In addition to the matters prescribed above, the Independent Committee shall conduct the matters listed below.
    - (a) Determining whether the Acquisitions should be made subject to the Plan.
    - (b) Determining the information that the Acquirer and the Company's board of directors should provide to the Independent Committee, and the deadline for the provision of that information.
    - (c) Examination and consideration of the terms of the Acquirer's Acquisitions.
    - (d) Negotiation and discussion with the Acquirer.
    - (e) Request for an alternative proposal and consideration of the alternative proposal.
    - (f) Extension of the Independent Committee Consideration Period.
    - (g) Approval of modification or amendment of the Plan.
    - (h) Any other matters that the Plan prescribes that the Independent Committee may conduct.
    - (i) Any matters that the Company's board of directors separately determines that the Independent Committee may conduct.
  - If the Independent Committee decides that the details stated in the Acquisition Document are inadequate as Essential Information, it shall request that the Acquirer provide additional information. Further, if the Independent Committee receives from the Acquirer the Acquisition Document and any additional information that it requests, it may request that the Company's board of directors provide within a certain period an opinion regarding the terms of the Acquisition by the Acquirer and materials supporting that opinion, an alternative proposal (if any), and any other information that the Independent Committee may consider necessary from time to time.
  - If it is necessary in order to have the terms of the Acquirer's Acquisition revised from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent

Committee shall either directly or indirectly discuss and negotiate with the Acquirer, or present to shareholders the alternative plan of the Company's board of directors or conduct any similar action.

- In order to collect the necessary information, the Independent Committee may request the attendance of a director, statutory auditor or employee of the Company, or any other party that the Independent Committee considers necessary, and may require explanation of any matter it requests.
- The Independent Committee may, at the Company's expense, obtain the advice of an independent third party (including financial advisers, certified public accountants, lawyers, consultants and other experts) and conduct similar actions.
- Any member of the Independent Committee may convene a meeting of the Independent Committee when an Acquisition arises, or at any other time.
- As a general rule, resolutions of meeting of the Independent Committee shall pass with a majority when at least three-quarters of the members of the Independent Committee are in attendance. However, in unavoidable circumstances a resolution may pass with a majority of voting rights when a majority of the members of the Independent Committee are in attendance.

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## **Attachment 2**

### **Profiles of the Members of the Independent Committee for the Assessment of Corporate Value**

The following five persons are scheduled to be the initial members of the Independent Committee upon renewal of the Plan.

#### **Gaishi Hiraiwa**

##### Business Background:

June 1984	Appointed Chairman and Representative Director of the Tokyo Electric Power Co., Inc.
Dec. 1990	Appointed Chairman of the Japan Federation of Economic Organizations (Keidanren)
Sept. 1992	Appointed Chief Director of The Industry Club of Japan (current position)
June 2001	Appointed Director of the Company (current position)
Apr. 2006	Appointed Honorary Chairman of the Japan Business Federation (Nippon Keidanren) (current position)

Note: Mr. Gaishi Hiraiwa is an outside director of the Company as set out in Article 2(15) of the Corporation Act of Japan.

Mr. Hiraiwa does not have any special interest in the Company.

## **Nobuo Yamaguchi**

### Business Background:

- Apr. 1992      Appointed Chairman and Representative Director of Asahi Chemical Industry Co., Ltd. (now Asahi Kasei Corporation) (current position)
- June 2001      Appointed Director of the Company (current position)
- July 2001      Appointed Chairman of The Japan Chamber of Commerce and Industry (current position)
- July 2001      Appointed Chairman of The Tokyo Chamber of Commerce and Industry (current position)

### Major concurrent office:

- Mar. 1978      Appointed Director of Asahi Breweries, Ltd. (current position)
- Jan. 2004      Appointed Statutory Auditor of The Yomiuri Shimbun Holdings (current position)

Note: Mr. Nobuo Yamaguchi is an outside director of the Company as set out in Article 2(15) of the Corporation Act of Japan.

Mr. Yamaguchi does not have any special interest in the Company.

## **Hiroshi Maeda**

### Business Background:

Apr. 1977	Appointed public prosecutor of the Supreme Public Prosecutors' Office
Dec. 1983	Administrative Vice-Minister for Justice
Dec. 1985	Appointed Superintending Prosecutor of the Tokyo High Public Prosecutors' Office
Mar. 1988	Appointed Prosecutor General
June 1990	Registered as a lawyer (current position)
June 2005	Appointed Director of the Company (current position)

### Major concurrent office:

May 1990	Appointed Director and Counselor of Sogo Building Management Company (now Japan Reliance Service Corporation) (current position)
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Note: Mr. Hiroshi Maeda is an outside director of the Company as set out in Article 2(15) of the Corporation Act of Japan.

Mr. Maeda does not have any special interest in the Company.

## **Seiji Tsutsumi**

### Business Background:

Mar. 1951	Appointed Chief Director of the Kunitachi Gakuen (current position)
Feb. 1966	Appointed Representative Director and President of The Seibu Department Stores, Ltd.
May 1986	Appointed Chairman of Takanawa Museum (now Sezon Museum of Modern Art) (current position)
July 1987	Appointed President of the Saison Foundation (current position)
Feb. 1991	Appointed Chairman of the Board of Directors of Saison Corporation
June 2006	Appointed Director of the Company (current position)

### Major concurrent office:

May 1981	Appointed Director of SBN Inc. (now I&S BBDO Inc.) (current position)
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Note: Mr. Seiji Tsutsumi is an outside director of the Company as set out in Article 2(15) of the Corporation Act of Japan.

Mr. Tsutsumi does not have any special interest in the Company.

## **Takashi Imai**

### Business Background:

- Jun. 1993 Appointed Representative Director and President of Nippon Steel Corporation
- Apr. 1998 Appointed Representative Director and Chairman of Nippon Steel Corporation
- May 1998 Appointed Chairman of the Japan Federation of Economic Organizations (Keidanren)
- May 2002 Appointed Honorary Chairman of the Japan Business Federation (Nippon Keidanren) (current position)
- Jun. 2003 Appointed Senior Corporate Advisor and Honorary Chairman of Nippon Steel Corporation (current position)

### Major concurrent office:

- Jul. 1995 Appointed Statutory Auditor of Nippon Life Insurance Company (current position)
- Jul. 1999 Appointed Director of Nippon Telegraph and Telephone Corporation (current position)
- Jun. 2002 Appointed Director of Japan Securities Finance Co., Ltd. (current position)

Note: Mr. Takashi Imai is a candidate for outside director as set out in Article 2-3(7) of the Enforcement Regulations of the Corporation Act of Japan, and is scheduled to be appointed as an outside director upon his election as such by the Shareholders Meeting.

Mr. Imai does not have any special interest in the Company.

## Appendix

### Principal Shareholders of the Company

As of March 31, 2007

Rank	Name of Shareholders	Number of shares held	Percentage of Voting Securities
1	The Yomiuri Shimbun Holdings	3,764,948	15.9%
2	Yomiuri Telecasting Corporation	1,574,836	6.6%
3	The Yomiuri Shimbun	1,353,920	5.7%
4	Teikyo University	897,270	3.8%
5	Japan Trustee Services Bank, Ltd. (Trust Account)	790,300	3.3%
6	NTT DoCoMo, Inc.	760,500	3.2%
7	Morgan Stanley & Co. International Limited	588,520	2.4%
8	The Master Trust Bank of Japan, Ltd. (Trust Account)	567,920	2.4%
9	Nagoya Broadcasting Network Co., Ltd.	566,000	2.4%
10	Yomiuri Land Co., Ltd.	523,600	2.2%

(Note)

In respect of percentage of voting securities, fractions of less than one decimal place shall be disregarded.