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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”) renewed the plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) at the 77th ordinary general meeting of shareholders held on June 29, 2010, and the effective period of the plan is until the conclusion of the 78th ordinary general meeting of shareholders of the Company scheduled to be held on June 29, 2011 (the “Shareholders Meeting”). The Company decided at its board of directors meeting held on May 12, 2011 to renew its plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) with necessary amendments (the “Renewal”; and the renewed plan is referred to in this press release as the “Plan”) as a measure (Item 3(b)(ii) of Article 118, of the Ordinance for Enforcement of the Companies Act) to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate under the basic policy regarding the persons who control decisions on the Company’s financial and business policies (defined in Item 3 of Article 118 of the Ordinance for Enforcement of the Companies Act; the “Basic Policy”). 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 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 large-scale acquisitions of shares 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 the 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 alternative proposals; 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 source of the Company's corporate value 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;
- (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 each network station;
- (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 a financial framework; and

- (vi) The fulfillment of 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. Source of the Company's Corporate Value and Special Measures to Realize the Basic Policy**

### **1. 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 genre, be it news, sport, variety, drama, or documentaries, 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) 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 by competitors to be technically impossible to achieve 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) 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) Preservation of Relationships of Cooperation and Mutual Trust with Network Stations

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 stations. NNS, primarily formed to supply the Company’s programs to each network station, currently engages in a wide range of activities such as joint ventures and media research, and has twenty-nine stations. 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) 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) 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 financial needs, it is essential for broadcasters to consistently maintain a healthy business performance and financial condition, and to maintain a robust operating base to facilitate stable business management. This secure financial condition provides economic support for the realization of high-quality content production.

(vi) Responsibilities to the Public as a Broadcaster

As entities that control the airwaves, a public resource, broadcasters have a responsibility to the public. It is an important responsibility for broadcasters to promote a broadcasting culture that considers the 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**

The Company formulated a three-year mid-term business management plan commencing in fiscal 2006, and has seen sound outcomes in improving viewer ratings and expanding non-broadcasting areas with its basic policy of making an active commitment to its greatest asset that is content production and development, undertaking extensive reforms in its program lineup, and significantly expanding its business in non-broadcasting areas, in particular the movie business and media commerce business. However, with the extreme changes in the economic environment, while maintaining the basic concepts of the mid-term business management plan announced in 2008 and the last fiscal year for which is fiscal 2010, the Company has

temporarily frozen numerical targets since fiscal 2009, and has put all its energy into reinforcing the profit structure and recapturing its position as number one in viewer ratings in the terrestrial broadcasting business by establishing annual objectives.

While the Company had continued preparations to announce a new mid-term business management plan commencing in fiscal 2011, the Company determined that it would be best to establish the mid-term business management plan when the Company has a better projection of the future impact on the Company's business of the Great East Japan Earthquake, which occurred on March 11, because such impact was still relatively uncertain. For this reason, with respect to fiscal 2011, the Company established on May 12, 2011 the "Management Policy 2011" (its annual objectives), in order to further strengthen the profit structure while giving priority to efforts for recovery after the Great East Japan Earthquake and the full transition to digital terrestrial broadcasting. (For further details, see the Company's press release of the same date, titled "Overview of Management Policy 2011 for NTV Group.")

The matters to be worked on under the new policy are:

- to recapture the position as number one in household viewer ratings by increasing the core target viewer ratings (for viewers between 13 and 49 years of age);
- to increase profits and develop new sources of profits;
- to continue all aspects of cost control; and
- to increase profits of the NTV Group as a whole by utilizing individual characteristics of each Group company.

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

In order to strengthen the monitoring of the Company's management from outside the Company and to further enhance the Company's already sound management and transparency in its decision-making process, the Company has made five of its 14 directors outside directors and plans to submit to the Shareholders Meeting for its resolution a proposal to elect 15 directors, five of whom 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. The Company intends to continue to further strengthen 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 Plan is for the purpose of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, and is 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 continuing development and growth as the most powerful integrated media 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 each business field 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 who is an outside party, it would be necessary to thoroughly consider various factors, not only concerning the acquirer's understanding of and care for the source of the Company's corporate value, but also the terms of such large-scale acquisition, the Company's tangible and intangible business resources, the potential effect of forward-looking policies, 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 a large-scale acquisition proposal for the shares in the Company, it is necessary to introduce a mechanism that enables the Company's board of directors to present alternative proposals to the shareholders, or that 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 carry out the Renewal, conditional upon receiving the approval of the 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. Please note that the Company has not received any proposal of a large-scale acquisition from a third party. The principal shareholders of the Company as of March 31, 2011 are listed in the Appendix titled “Principal Shareholders of the Company.”<sup>1</sup>

## **2. Plan Details**

### 2.1 Plan Outline

#### (a) Purpose

The purpose 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 appropriate decisions in the case of large-scale acquisitions of the shares in the Company, by securing the opportunity to negotiate with the acquirer or by other means.

#### (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, etc. emerges. (For further details, see section 2.2, ‘Procedures for the Plan’ below.)

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

In the event that an acquirer conducts a large-scale acquisition of the Company’s share certificates, etc. 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, as a general rule, 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

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<sup>1</sup> As of March 31, 2011, The Yomiuri Shimbun Holdings, the Company’s largest shareholder, directly and indirectly holds shares in the Company that are equivalent to 23.32% 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.



Company's shares and/or properties from persons other than the acquirer, etc. (the "Stock Acquisition Rights;" see section 2.4 below, 'Outline of the Gratis Allotment of Stock Acquisition Rights,' for an outline of these 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 shares in the Company 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 a maximum of 50%.

(d) Use of the Independent Committee and Confirmation of Shareholder Intent

In order to eliminate arbitrary decisions by directors, decisions with respect to 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 (the "Independent Committee;" see section 2.5 below, 'Use of the Independent Committee,' for details) which is composed of independent members such as outside directors of the Company. In addition, the Company's board of directors may, if prescribed in the Plan, convene a Shareholders Meeting for Confirmation of Shareholder Intent (defined in (g) of 2.2, 'Procedures for the Plan;' hereinafter the same) and confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of stock acquisition rights.

## 2.2 Procedures for the Plan

(a) Targeted Acquisitions

The Plan will apply in cases where there is a purchase or any other acquisition of the Company's share certificates, etc. that falls under (i) or (ii) below or any similar acts (including a proposal<sup>2</sup> for such acts) (except for such acts as the Company's board of directors separately determines not to be subject to the Plan; the "Acquisition"). The party effecting the Acquisition (the "Acquirer") shall follow the procedures set out in the Plan, and the Acquirer shall not effect the Acquisition until and unless the Company's board of directors passes a resolution not to implement the gratis allotment of Stock Acquisition Rights in accordance with the Plan.

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<sup>2</sup> "Proposal" includes solicitation of third parties.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*)<sup>3</sup> of a holder (*hoyuusha*)<sup>4</sup> amounting to 20% or more of the share certificates, etc. (*kabuken tou*)<sup>5</sup> issued by the Company; or
- (ii) A tender offer (*koukai kaitsuke*)<sup>6</sup> that would result in the owning ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*)<sup>7</sup> of a person conducting the tender offer and the owning ratio of share certificates, etc. of persons in a special relationship (*tokubetsu kankei-sha*)<sup>8</sup> totaling at least 20% of the share certificates, etc. (*kabuken tou*)<sup>9</sup> issued by the Company.

(b) Submission of the Acquirer's Statement

The Acquirer will submit to the Company in the form separately prescribed by the Company a document which includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (affixed with the signature, or the name and seal of the representative of the Acquirer) and a qualification certificate of the person whose signature, or whose name and seal, is placed on the document (collectively, the "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the Acquirer's name and address (location of headquarters, in case of a corporation), location of offices, the governing law for establishment, name of the representative, contact information in Japan and an outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below must be written in Japanese.

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<sup>3</sup> Defined in Article 27-23.4 of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document.

<sup>4</sup> Including persons described as a holder under Article 27-23.3 of the Financial Instruments 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.

<sup>5</sup> Defined in Article 27-23.1 of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document unless otherwise provided for in this document.

<sup>6</sup> Defined in Article 27-2.6 of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document.

<sup>7</sup> Defined in Article 27-2.8 of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document.

<sup>8</sup> Defined in Article 27-2.7 of the Financial Instruments 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 Financial Instruments and Exchange Act of Japan. The same is applied throughout this document.

<sup>9</sup> Defined in Article 27-2.1 of the Financial Instruments and Exchange Act of Japan.

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

The Company will provide the Acquirer with the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than ten business days after receiving the Acquirer's Statement. Unless otherwise approved by the Company's board of directors, the Company will require the Acquirer conducting the Acquisition to submit to the Company in a form prescribed by the Company, before the Acquisition, a document (the "Acquisition Document") which includes the information described in each item of the list below (the "Essential Information").

If it receives the Acquisition Document, the Company's board of directors will promptly send it to the Independent Committee. If the Independent Committee determines that the Acquisition Document does not include sufficient Essential Information, it may set a reply period (up to sixty days, as a general rule) and request the Acquirer to additionally provide information. In such case, the Acquirer should additionally provide such information within the relevant time limit.

- (i) Details (including name, capital structure, financial position, operation results, details of violation of laws and ordinances in the past (if any), and details of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including Joint Holders,<sup>10</sup> persons in a special relationship and persons in a special relationship with a person in relation to whom the Acquirer is the controlled corporation<sup>11</sup>).<sup>12</sup>
- (ii) The purpose, method and terms of the Acquisition (including the amount and type of consideration, the time frame, the scheme of any related transactions, the legality of the Acquisition method, and the probability that the Acquisition will be effected).
- (iii) The amount of and basis for the purchase price of the Acquisition.
- (iv) Information relating to any previous acquisition of the Company's share

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<sup>10</sup> "Joint Holders" are as defined in Article 27-23.5 of the Financial Instruments and Exchange Act of Japan, including persons regarded as a Joint Holder under Article 27-23.6 of the Financial Instruments and Exchange Act of Japan (including persons who are deemed to fall under the above by the Company's board of directors.) The same is applied throughout this document.

<sup>11</sup> Defined in Article 9.5 of the Order of the Enforcement of the Financial Instruments and Exchange Act.

<sup>12</sup> If the Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members shall be included.

certificates, etc. by the Acquirer.

- (v) Financial support for the Acquisition (including the specific names of the fund providers for the Acquisition (including all indirect fund providers), financing methods and the terms of any related transactions).
  - (vi) Post-Acquisition management policy, business plan, capital and dividend policies for the Company Group.
  - (vii) Post-Acquisition policies dealing with the Company's shareholders (excluding the Acquirer), employees, business partners, customers, and any other stakeholders in the Company.
  - (viii) Specific measures to avoid any conflict of interest with other shareholders in the Company in the event of the partial acquisition of outstanding shares in the Company.
  - (ix) Any other information that the Independent Committee reasonably considers necessary.
- (d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of Alternative Proposals

(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 the Company's board of directors to present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer's Acquisition terms, materials supporting such opinion, alternative proposals (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 policy and the business 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 will consider the Acquisition terms, collect information on materials such as the management policies and business plans of the Acquirer and the Company's board of directors and compare such materials, consider

any alternative proposals presented by the Company's board of directors, and the like for a period of time that does not, as a general rule, exceed sixty days after the day upon which the Independent Committee receives the information (including any information requested to be additionally provided) from the Acquirer and (if the Independent Committee requests the Company's board of directors to provide information as set out in (i) above) the Company's board of directors. (The period necessary for the collection of information, consideration and the like by the Independent Committee is referred to in this press release as the "Independent Committee Consideration Period"). 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 any alternative proposals presented by the Company's board of directors, or conduct any similar acts.

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.

(e) Recommendations by the Independent Committee

The Independent Committee will make recommendations to the Company's board of directors as follows based on the procedures set out above.

(i) Recommendations for the Triggering of the Plan

If the Independent Committee determines that the Acquisition falls under either of the trigger events (the "Trigger Events") set out below in 2.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' the Independent Committee will recommend to the Company's board of directors the implementation of the gratis allotment of Stock Acquisition Rights, except in any specific case where further information disclosure by the Acquirer or discussion or negotiation with the Acquirer is necessary. If it is concerned that the Acquisition may fall under the second Trigger

Event (“Trigger Event (2)”) set out below in 2.3, ‘Requirements for the Gratis Allotment of Stock Acquisition Rights,’ the Independent Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at a shareholders meeting in advance.

Notwithstanding the foregoing paragraph, 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 that (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights or that (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the Exercise Period Commencement Date (defined below in (f) of 2.4, ‘Outline of the Gratis Allotment of Stock Acquisition Rights’) of the Stock Acquisition Rights) the Company should acquire all Stock Acquisition Rights for no consideration.

- (A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.
- (B) There are no longer any Trigger Events due to a change in the facts or otherwise upon which the recommendation decision was made.

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

If the Independent Committee determines that the Acquisition does not fall under either of the Trigger Events, 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.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made a 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 either of the Trigger Events exist, 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 end of the initial Independent Committee Consideration Period, the Independent Committee may, to the reasonable extent that is considered necessary for acts such as consideration of the terms of the Acquirer's Acquisition, negotiation with the Acquirer and the consideration of alternative proposals, extend the Independent Committee Consideration Period (for a maximum of thirty days, as a general rule).

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

(f) Resolutions by the Board of Directors

The Company's board of directors, in exercising its role as an organ under the Companies Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting any recommendation made by the Independent Committee described above to the maximum extent.

However, if a shareholders meeting is convened in accordance with (g) below, the Company's board of directors will make a decision as an organ under the Companies Act regarding the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights in accordance with the resolution at the shareholders meeting.

(g) Convocation of the Shareholders Meeting for Confirmation of Shareholder Intent

In connection with the implementation of the gratis allotment of the Stock Acquisition Rights pursuant to the Plan, the Company's board of directors may convene a meeting of shareholders (the "Shareholders Meeting for Confirmation of Shareholder Intent") and confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of the Stock Acquisition Rights, if the Independent Committee recommends implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at a shareholders meeting in advance in accordance with (e)(i) above.

(h) Information Disclosure

When operating the Plan, the Company will disclose information in a timely manner on matters that the Independent Committee or the Company's board of directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, that the Independent Committee Consideration Period has commenced, and that the Independent Committee Consideration Period has been extended, as well as the period and reason for the extension), an outline of recommendations made by the Independent Committee, an outline of resolutions by the Company's board of directors and an outline of resolutions at the Shareholders Meeting for Confirmation of Shareholder Intent, in accordance with the applicable laws and ordinances or the regulations and rules of the financial instruments exchange.

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

The requirements to trigger the Plan to implement a gratis allotment of Stock Acquisition Rights are as follows. As described above in (e) of 2.2, 'Procedures for the Plan,' the Company's board of directors will make a determination as to whether any acts by the Acquirer falls under a requirement below after receiving a recommendation by the Independent Committee.

#### Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

#### Trigger Event (2)

The Acquisition falls under any of the requirements below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

- (a) Acquisitions that threaten to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through acts including:
  - (i) A buyout of share certificates, etc. to require the Company or its affiliates to purchase such share certificates, etc. at a high 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 paying temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity from the sudden rise in share price created by the temporarily high dividends.
- (b) 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).
- (c) 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 other stakeholders in the Company) are inadequate or inappropriate in light of the Company's intrinsic value.
- (d) 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 generate the Company's corporate value, or by possibly resulting in a violation of the Radio Act or other laws or ordinances or by similar acts.

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

An outline of the gratis allotment of Stock Acquisition Rights 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 determined by the Company’s board of directors or at the meeting of shareholders in a resolution relating to the gratis allotment of Stock Acquisition Rights (the “Gratis Allotment Resolution”).

(b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to shareholders, other than the Company, who are recorded in the Company’s final register of shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for each share in the Company held by each shareholder.

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

The date of the gratis allotment of Stock Acquisition Rights will be determined separately 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”) will, in principle, be one share.

(e) Amount of Contribution 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 in the Gratis Allotment Resolution within the range of 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 the 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 days on which trades are not made), with any fraction of a yen after such calculation rounded up to the nearest whole yen.

(f) Exercise Period of the Stock Acquisition Rights

The commencement date will be a date separately determined 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, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.

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

Except when an exceptional event<sup>13</sup> occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below will collectively be referred to as “Non-Qualified Parties”):

- (I) Specified Large Holders;<sup>14</sup>
- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers;<sup>15</sup>

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<sup>13</sup> Specifically, the Company intends to set out that an “exceptional event” means when (x) the Acquirer cancels or revokes the Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so and (y) the Acquirer’s shareholding ratio determined by the Company’s board of directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed to be the Acquirer’s Joint Holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the “Non-Qualified Parties’ Shareholding Ratio”) falls below the lower of (i) the Non-Qualified Parties’ Shareholding Ratio before the Acquisition or (ii) 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio under either (i) or (ii) above. Detailed conditions and procedures for exercise of Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Company’s board of directors.

<sup>14</sup> “Specified Large Holder” means, in principle, a party who is a holder of share certificates, etc. 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 a certain other party that the Company’s board of directors determines separately in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this document.

<sup>15</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 Financial Instruments and Exchange Act; the same is applied throughout this Note) of share certificates, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same is applied throughout this Note) issued by the Company through a tender offer and whose ratio of owning of share certificates, etc. in respect of such share certificates, etc. owned by such person after such purchase, etc. (including similar owning as prescribed in Article 7.1 of the Order of the Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ratio of owning of share certificates, etc. of a person in 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

- (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>16</sup>

Further, nonresidents of Japan and foreigners<sup>17</sup> who are required to follow certain procedures under foreign laws and ordinances to exercise the Stock Acquisition Rights may not, as a general rule, exercise the Stock Acquisition Rights (provided, however, that 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 including 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 day immediately prior to the Exercise Period

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Company is not contrary to the Company's corporate value or the common interests of shareholders or a certain other party that the Company's board of directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this document.

<sup>16</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 Ordinance for Enforcement of the Companies Act) of other corporations or entities.

<sup>17</sup> A "foreigner" means a person deemed by the Company's board of directors to be (i) a person not holding Japanese nationality (as defined in Article 5.1(i) of the Radio Act), (ii) a foreign government or its representative (as defined in Article 5.1(ii) of the Radio Act), (iii) a foreign juridical person or organization (as defined in Article 5.1(iii) of the Radio Act) or (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 Act or more of the aggregate of voting rights (as defined in Article 5.4(iii)(b) of the Radiot Act). The same is applied throughout this document.

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 for no 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 on or before the day immediately prior to such day 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 each 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 on or before 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 each 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 to the 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 Paragraph 4, Item 2 or 3 of Article 5 of the Radio Act (that is, under the Radio Act, 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) by (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 those foreigners.

(iii) In addition to (i) and (ii) above, matters relating to the acquisition of the Stock Acquisition Rights may be separately determined in the Gratis Allotment Resolution as necessary.

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

These matters will be separately determined 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) Miscellaneous

In addition, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

## 2.5 Use of the Independent Committee

The Company has established, and will maintain upon the Renewal, 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 the Renewal will be four outside directors of the Company, who are 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 the Renewal will be as described in Attachment 2 ‘Profiles of the Members of the Independent Committee for the Assessment of Corporate Value.’)

If the Acquisition is actually to be made, the Independent Committee shall make

an effective determination as to 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 an organ under the Companies 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 at the Shareholders Meeting (the "Effective Period") will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one year of 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 of the authority 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 will be abolished in accordance with that resolution.

Further, the Company's board of directors may revise or amend the Plan even during the Effective Period of the Plan in such cases as where any law, ordinance, financial instruments exchange rules or the like concerning the Plan is enacted, amended or abolished and it is appropriate to reflect such enactment, 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 is not detrimental to the Company's shareholders, if such revision or amendment is not against the purpose of the assignment by resolution at the Shareholders Meeting and subject to the approval of the Independent Committee.

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

## 2.7 Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to

the prevailing provisions as of May 12, 2011. 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 enactment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such enactment, amendment or abolishment.

### **3. Impact on Shareholders and Investors**

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

Upon the Renewal, the Plan will have no direct or material impact on shareholders and investors. This is because at that time, by resolution at a general meeting of shareholders, only the assignment of authority to the board of directors 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**

If the Company's board of directors or a meeting of shareholders of the Company passes a resolution for a gratis allotment of Stock Acquisition Rights, the Allotment Date will also be decided in the same resolution and public notice of the Allotment Date given. In this case, the Company will make a gratis allotment of Stock Acquisition Rights to the shareholders who are registered in the Company's most recent register of shareholders as of the Allotment Date (the "Entitled Shareholders") of one Stock Acquisition Right per share in the Company held by the Entitled Shareholders. 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 (e)(i) of 2.2, 'Procedures for the Plan,' to the maximum extent, may (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) suspend the gratis allotment of Stock Acquisition Rights or (from



the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the Exercise Period Commencement Date of the Stock Acquisition Rights) acquire all Stock Acquisition Rights for no consideration. In such cases, no dilution of the value per share in the Company held by the shareholders will result, and it is possible that any investors who have sold or bought the shares in the Company expecting to see such a dilution will sustain unexpected damage 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 including 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 the fact that the shareholders themselves satisfy the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, and information necessary to allocate shares in the Company to the accounts of the Entitled Shareholders) and other documents to the Entitled Shareholders. After the gratis allotment of Stock Acquisition Rights, the shareholders will, as a general rule, 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 by paying in the prescribed method an amount equivalent to the exercise price determined in the Gratis Allotment Resolution, which will, as a general rule, be an amount within the range of a minimum of one yen and a maximum of one-half of the fair market value of one share in the Company per Stock Acquisition Right. The Non-Qualified Parties intending to exercise Stock Acquisition Rights must follow the procedures separately determined by the Company in accordance with (g) of 2.4, 'Outline of the Gratis Allotment of Stock Acquisition Rights.'

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 the Company's shares and/or properties, 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 the Company's shares and/or

properties 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. (Note 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

The Company will acquire the Stock Acquisition Rights from the shareholders other than Non-Qualified Parties in accordance with the statutory procedures, 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 if the Company's board of directors determines to acquire the Stock Acquisition Rights. In this case, the shareholders concerned will, in principle, come to receive one share in the Company for each 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. (However, the Company's shareholders who are foreigners may come to receive the Company's shares and/or properties 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 provide information necessary to allocate shares in the Company to the accounts of the Entitled Shareholders and 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, exercise method and method for acquisition by the Company after they are determined in the Gratis Allotment Resolution, so we request the shareholders to 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 management policy 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 indisputably contribute to the realization of the Basic Policy.

Therefore, these measures comply with the Basic Policy and are 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 the Company's share certificates, etc. and for the board of directors to present alternative proposals 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. Therefore, the Plan is in compliance with the Basic Policy.

2.2 The Plan is not detrimental to 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 be detrimental to 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 Protection and Enhancement of 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 on the condition that the general meeting of shareholders of the Company passes a resolution to assign to the Company's board of directors the authority to decide matters relating to the Plan.

Further, the Company's board of directors will, under certain circumstances, confirm the intent of the Company's shareholders at the Shareholders Meeting for Confirmation of Shareholder Intent regarding the need to trigger the Plan.

Moreover, 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 at approximately one year and if, even before the expiration of the Effective Period of the Plan, a general meeting of shareholders of the Company passes a resolution to revoke the authority assigned to the Company's board of directors 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 independent parties such as outside directors

As set out above in section III.2.5, 'Use of the Independent Committee,' the triggering of the Plan will be made through the recommendation by the Independent Committee, composed only of independent outside directors of the Company, etc. 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 reasonable, objective requirements

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

(v) Obtaining the advice of third-party experts

As set out above at section (d)(ii) of III.2.2, 'Procedures for the Plan,' if the 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 as 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 through a resolution by the board of directors composed of directors who are elected at a meeting of shareholders in accordance with nomination by a person who acquires a large number of the Company's share certificates, etc.

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 is 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 the triggering takes more time to stop due to the fact that all members of the board of directors cannot be replaced 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 will be established by resolution of the Company's board of directors.
- There will be no less than three members of the Independent Committee, and the Company's board of directors will 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, the 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 Companies 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 includes a provision obligating them to exercise the duty of care of a good manager or similar provision.
- Unless otherwise determined by resolution of the Company's board of directors, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one 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 will end at the same time they cease to be a director or a statutory auditor (except in the case of their re-appointment).
- The Independent Committee will make decisions on the matters listed below and make recommendations to the Company's board of directors including 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 will make decisions as an organ under the Companies Act of Japan. (However, if the Shareholders Meeting for Confirmation of Shareholder Intent otherwise passes a resolution for the implementation of the gratis allotment of Stock Acquisition Rights as set out in (a) below, the Company's board of directors will act in accordance with such resolution.) Each member of the Independent Committee and each

director of the Company must make such decisions solely considering whether or not the corporate value of the Company and the common interests of its shareholders will be enhanced, and they must not serve 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 and in respect to which the Company's board of directors has consulted the Independent Committee.
- In addition to the matters prescribed above, the Independent Committee shall conduct the matters listed below.
    - (a) Determination as to whether the Acquisition should be made subject to the Plan.
    - (b) Determination as to 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 Acquisition.
    - (d) Negotiation and discussion with the Acquirer.
    - (e) Request for alternative proposals and consideration of the alternative proposals.
    - (f) Extension of the Independent Committee Consideration Period.
    - (g) Determination as to whether a meeting of shareholders should be convened with respect to implementation of the gratis allotment of the Stock Acquisition Rights.
    - (h) Approval of modification or amendment of the Plan.
    - (i) Any other matters that the Plan prescribes that the Independent Committee may conduct.
    - (j) 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 the Essential Information, it shall request the Acquirer to provide additional information. Further, if the Independent Committee receives from the Acquirer the Acquisition Document and any additional information that it requests, the Independent Committee may

request the Company's board of directors to provide within a certain period an opinion regarding the terms of the Acquisition by the Acquirer and materials supporting that opinion, alternative proposals (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 will either directly or indirectly discuss and negotiate with the Acquirer, or present to shareholders the alternative proposals of the Company's board of directors or conduct any similar acts.
- 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) or conduct similar acts.
- Any member of the Independent Committee may convene a meeting of the Independent Committee when the Acquisition arises, or at any other time.
- As a general rule, resolutions at meeting of the Independent Committee will pass with a majority when at least two-thirds 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 is in attendance.

---End---



## Attachment 2

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

The following four persons are scheduled to be the initial members of the Independent Committee upon the Renewal.

#### Hiroshi Maeda

Business background:

- April 1977 Appointed Public Prosecutor of the Supreme Public Prosecutors' Office
- December 1983 Appointed Administrative Vice-Minister for Justice
- December 1985 Appointed Superintending Prosecutor of the Tokyo High Public Prosecutors' Office
- March 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 of Sogo Building Management Company (now Japan Reliance Service Corporation) (current position)

Note: Mr. Hiroshi Maeda is an outside director of the Company.

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

The Company has notified the Tokyo Stock Exchange that Mr. Maeda is an independent director under the rules of the Tokyo Stock Exchange.

**Seiji Tsutsumi**

Business background:

- February 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 (now a public interest incorporated foundation) (current position)
- February 1991 Appointed Chairman of the Board of Directors of Saison Corporation
- June 2006 Appointed Director of the Company (current position)

Note: Mr. Seiji Tsutsumi is an outside director of the Company.

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

The Company has notified the Tokyo Stock Exchange that Mr. Tsutsumi is an independent director under the rules of the Tokyo Stock Exchange.

**Takashi Imai**

Business background:

- June 1993 Appointed Representative Director and President of Nippon Steel Corporation
- April 1998 Appointed Representative Director and Chairman of Nippon Steel Corporation
- May 1998 Appointed Chairman of the Japan Federation of Economic Organizations (now Nippon Keidanren)
- June 2007 Appointed Director of the Company (current position)
- June 2008 Appointed Honorary Advisor and Chairman, and Colleague of Nippon Steel Corporation (current position)

Major concurrent offices:

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

Note: Mr. Takashi Imai is an outside director of the Company.

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

The Company has notified the Tokyo Stock Exchange that Mr. Imai is an independent director under the rules of the Tokyo Stock Exchange.

**Tadao Kakizoe**

Business background:

- January 1992 Appointed Director of Hospital of National Cancer Center (now National Cancer Center, an independent administrative institution)
- April 2002 Appointed President of National Cancer Center
- March 2007 Appointed President of Japan Cancer Society (now a public interest incorporated foundation) (current position)
- April 2007 Appointed President Emeritus of National Cancer Center (now National Cancer Center, an independent administrative institution)

Major concurrent offices:

- June 2009 Appointed Outside Director of Terumo Corporation (current position)

Note: Mr. Tadao Kakizoe is a candidate for an outside director of the Company, and is scheduled to assume the position after the election at the Shareholders Meeting. Mr. Kakizoe does not have any special interest in the Company. The Company plans to notify the Tokyo Stock Exchange that Mr. Kakizoe is an independent director under the rules of the Tokyo Stock Exchange.

**Appendix****Principal Shareholders of the Company**

As of March 31, 2011

Rank	Name of shareholder	Number of shares held	Percentage of voting rights
1	The Yomiuri Shimbun Holdings	3,764,948	15.5%
2	Yomiuri Telecasting Corporation	1,574,836	6.4%
3	The Yomiuri Shimbun Tokyo Head Office	1,363,920	5.6%
4	CB New York Orbis SICAV	1,241,199	5.1%
5	Japan Trustee Services Bank, Ltd. (Trust Account)	1,058,140	4.3%
6	CB New York Orbis Funds	1,041,541	4.2%
7	The Master Trust Bank of Japan, Ltd. (Trust Account)	1,024,250	4.2%
8	Teikyo University	897,270	3.7%
9	NTT DoCoMo, Inc.	760,500	3.1%
10	RECRUIT Co., Ltd.	645,460	2.6%

(Note)

Percentages of voting rights less than one decimal place are disregarded.