

May 13, 2016

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 Holdings, Inc. (the “Company”) renewed the plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) at the 80th ordinary general meeting of shareholders held on June 27, 2013, and the effective period of the plan is until the conclusion of the 83rd ordinary general meeting of shareholders of the Company scheduled to be held on June 29, 2016 (the “Shareholders Meeting”). The Company decided at its Board of Directors meeting held on May 13, 2016 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 Enforcement Regulations 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 Enforcement Regulations 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 strives to ensure and enhance its corporate value as the Nippon Television Group ("Nippon TV Group"), and in particular the source of the Company's corporate value as a certified broadcasting holding company lies in the superior content development capability owned by Nippon TV Group, including the subsidiaries and the affiliates. 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 certified broadcasting holding company with broadcasters under its umbrella.

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. In order to respond to subsequent changes in the environment surrounding the media content industry, in particular television broadcasting, and to achieve sustainable growth as well as maximization of corporate value, the Company believed it necessary, in addition to maintaining its core competence in content production developed in terrestrial television broadcasting, to further strengthen our broadcasting business including BS broadcasting and CS broadcasting, develop the Internet video distribution service, pursue tie-ups with other digital media, strengthen and accelerate content development into overseas markets, and strengthen and cultivate non-broadcasting businesses, including new businesses, and based on such belief the Company completed the transition to a certified broadcasting holding company structure in October 2012. The Company believes that ensuring and

enhancing the corporate value of the Company and common interests of its shareholders is a top priority for the future as well.

Nippon TV Group boasts its content development capability to create programs loved by people in every broadcasting genre, be it news, sports, entertainment programs, infotainment programs, dramas, 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 created by Nippon TV Group as a whole 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.

Nippon TV Group'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 in Nippon TV Group is absolutely essential to the production of high-quality content. For example, with our full live coverage of the "Hakone Ekiden" road race, said by competitors to be technically impossible to achieve at the time, and our charity program "24-Hour Television" based on the concept of "Love Saves the Earth," the first trial of its kind in Japan, we have continuously produced national programs as groundbreaking work, thereby cementing the broadcasting culture in Japan. Such history-making content could only be realized through the enthusiasm of creators who were trained based on Nippon TV Group's corporate culture.

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

Nippon TV Group needs close cooperation with external parties such as sponsors, performers, production companies, and broadcast writers for the production of content. 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

Nippon TV Group 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 Nippon TV Group has built up strong relationships of mutual trust over a long period of time, have become valuable assets and support content development.

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

Nippon TV Group has traditionally built and maintained a corporate culture that fully realizes the potential of its 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 Company believes that the continued 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 Nippon TV Group 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 Certified Broadcasting Holding Company

As a company with broadcasters under its umbrella, the Company has a responsibility to the public as an entity that controls the airwaves, which are a public resource. 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 objective and fair journalism, Nippon TV Group also conducts a variety of community projects. This community

element of Nippon TV Group 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 Nippon TV Group's community contributions form the backdrop to the production of Nippon TV Group'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**

Following the transition to a certified broadcasting holding company structure that took effect on October 1, 2012, the Company, under the new structure and under its medium-term management plan covering fiscal years 2012 to 2015, the "Nippon TV Group Medium-Term Management Plan 2012-2015 Next60," targeted no less than consolidated net sales of 400 billion yen and consolidated recurring profit of 50 billion yen (a recurring profit margin of 12.5%) for fiscal year 2015. In our financial results for the target fiscal year of 2015, we achieved those targets.

In order to increase our corporate value even further, we have formulated a new medium-term management plan covering fiscal years 2016 through 2018, the "Nippon TV Group Medium-Term Management Plan 2016-2018 Change65."

An overview of key initiatives to achieve the above medium-term management plan is as set out below.

### **2.1 Nippon TV Group's Long-Term Management Goal**

Nippon TV Group recognizes that, looking well into the future, it should continue to be a corporate group that "provides enriching experiences" by producing new media and content as well as influencing life and culture, while fulfilling its social responsibilities as a media organization. Nippon TV Group will strive to be continuously selected as the "First Choice Nippon TV" by having the entire Group's employees in solidarity pursue the Group's growth and take preemptive actions in response to ever-changing environments.

In the ten-year term, Nippon TV Group will diversify its business portfolio and promote overseas expansion, keeping its media content and life and health related businesses at the core. Nippon TV Group will produce and deliver content through all types of media, ensuring that each creation appropriately meets the needs of the media for which it was intended, in order to increase both non-advertising and advertising revenues. Nippon TV Group will strive to gain a solid presence as an internet company

and a global company by developing an internet video distribution business and an overseas business.

## 2.2 Medium-Term Management Goals for 2016-2018

Nippon TV Group will aim to accomplish the following objectives through FY2018.

- (a) Become the strongest production group, which produces and delivers enriching content.
  - i. Become a more reliable media organization by delivering news through various media in a manner that is accurate, timely and easy to comprehend.
  - ii. Obtain the “Quintuple Crown” title in the household zone and the core target (see Note 1) zone of terrestrial viewer ratings, and secure the largest share in terrestrial television advertisement revenues among Tokyo-based key broadcasters.
  - iii. Accelerate the growth of its internet video distribution business by producing content which the “Internet First” (see Note 2) demographic will support.
  - iv. Ensure that BS Nippon reaches the most viewers and achieves the highest revenues among the BS subsidiary companies of the key terrestrial broadcasters.
  - v. Maximize profits by delivering its content through various media.
  - vi. Research state-of-the-art technologies and maximize their usage in anticipation of the changes in the media environment.

Note 1: Core target ratings: an indicator that Nippon TV Group formulated to isolate the demographic of men and women between ages 13 and 49 and to track their ratings.

Note 2: Internet First demographic: a demographic that consists mostly of young generations that have an affinity with the internet, with little contact to TV media and TV content.

- (b) “Destroy and create” businesses to achieve continuous growth
  - i. Reconfirm the business domains in which Nippon TV Group should be engaged and change the business models by making bold organizational reforms and mobilizing sufficient human resources.
  - ii. Set up a total 50 billion yen investment line for new businesses, including strategic investments, and proceed with the diversification of the Group’s

- business portfolios.
- iii. Ensure that the companies in the life and health related segment pursue synergistic benefits with other companies in the Nippon TV Group and develop new services.
- (c) Gain a solid position in overseas markets
    - i. Promote the businesses which are rooted in the respective regions, especially in Asia, which the Group expects to grow.
    - ii. Address the needs of each country and accelerate global expansion of its content and production.
  - (d) Make social contributions that emphasize regions and individuals
  - (e) Foster a working environment that nurtures the talents of all the employees in the Nippon TV Group and motivate them to take on greater challenges.
    - i. Strengthen the Nippon TV Group's human resources by developing and improving the talents of all employees, making sure their productivity is maximized.
    - ii. Recruit and develop a diversified group of employees, and create a corporate culture as well as a system that encourages all employees to take on challenges.

By achieving these goals, Nippon TV Group will seek to increase its corporate value, targeting no less than consolidated net sales of 460 billion yen, consolidated recurring profit of 55 billion yen (a recurring profit margin of 12.0%), and consolidated operating profit of 60 billion yen (an operating profit margin of 13.0%) for fiscal year 2018. Nippon TV Group will work as one in the pursuit of “innovation and challenge” aimed at achieving the goals under the medium-term management plan.

### **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 12 Directors Outside Directors and plans to submit to the Shareholders Meeting for its resolution a proposal to elect 12 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 and awareness of 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 13 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, 2016 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 or Other Measures**

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

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<sup>1</sup> As of March 31, 2016, The Yomiuri Shimbun Holdings, the Company's largest shareholder, directly and indirectly holds shares in the Company that are equivalent to 23% 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.

Stock Acquisition Rights or Other Measures,' for details of these requirements), the Company will implement a gratis allotment of stock acquisition rights (*shinkabu yoyakuken mushou wariate*) for 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 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) or any other reasonable measures that could be taken under laws and ordinances and the Company's Articles of Incorporation.

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 approximately 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 section 2.2, 'Procedures for the Plan;' hereinafter the same) and confirm the intent of the Company's shareholders.

## 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

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

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 or other measures in accordance with the Plan.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariai*)<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 wariai*)<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 legally binding 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 to which no terms or conditions or reservations are attached) 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

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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.

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 and other materials submitted by the Acquirer to the Company or the Independent Committee must be written in Japanese.

(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>

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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 for 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.

- (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 agreement between the Acquirer and a third party regarding the share certificates, etc. of the Company, and any previous acquisition of the Company's share 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, the terms of any related transactions and the like).
  - (vi) Whether there is any communication of intention between the Acquirer and a third party regarding the Acquisition and the details of the communication.
  - (vii) Post-Acquisition management policy, business plan, capital and dividend policies for the Company Group.
  - (viii) Post-Acquisition policies dealing with the Company's shareholders (excluding the Acquirer), employees, business partners, customers, and any other stakeholders in the Company.
  - (ix) 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.
  - (x) Information regarding any relationship with an anti-social force.
  - (xi) 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 Independent Committee reasonably determines that the Acquirer has submitted the Acquisition Document and any additional information that the Independent Committee had requested (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 time when the Independent Committee reasonably determines that it has received 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 experts (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 section 2.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights or Other Measures,' the Independent Committee will recommend to the Company's Board of Directors the implementation of the gratis allotment of Stock Acquisition Rights or any other appropriate measures that could be taken under laws and ordinances and the Company's Articles of Incorporation, 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 section 2.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights or Other Measures,' 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 section 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 or other measures 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 or other measures, 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 or other measures.

(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 or other measures 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, discussion and 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, discussion and negotiation 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 or other measures 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 or other measures respecting any recommendation made by the Independent Committee in accordance with (e) 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 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 or other measures 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 in accordance with (e)(i) above, if the Independent Committee recommends implementation of the gratis allotment of Stock Acquisition Rights or other measures subject to obtaining approval at a shareholders meeting in accordance with (e)(i) above or otherwise.

(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 or Other Measures

The requirements to trigger the Plan to implement a gratis allotment of Stock Acquisition Rights or other measures are as follows. As described above in (e) of section 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 material assets of the Company (hereinafter throughout this 2.3, including Nippon TV Group as context dictates).
  - (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 Broadcasting Act or the Radio Act or other laws or ordinances or by similar acts.

In addition to the above, the Company may take reasonable measures that could be taken under the laws and ordinances and the Company's Articles of Incorporation as the triggering of the Plan if any requirement similar to any of the Trigger Events above is met and it is reasonable to take such measures. In this case, such decision is always made through the recommendation of the Independent Committee as set out in (e) of section 2.2, 'Procedures for the Plan' above.

#### 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 the shareholders of the Company as at the end of the Allotment Date (excluding the Company) (the "Entitled Shareholders"), 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

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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

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>
- (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

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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 for 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 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 Enforcement Regulations of the Companies Act) of other corporations or entities.

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 (i)(ii) of section 2.4, ‘Acquisition of the Stock Acquisition Rights by the Company’ below.) 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 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.

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<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 159.2(v)(a)(1) of the Broadcasting Act), (ii) a foreign government or its representative (as defined in Article 159.2(v)(a)(2) of the Broadcasting Act), (iii) a foreign juridical person or organization (as defined in Article 159.2(v)(a)(3) of the Broadcasting 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 185 of the Enforcement Regulations of the Broadcasting Act or more of the aggregate of voting rights (as defined in Article 159.2(v)(b) of the Broadcasting Act). The same is applied throughout this document.

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 2, Item 5(a) of Article 159 of the Broadcasting Act or Paragraph 2, Item 5(b) of Article 159 of the Broadcasting Act (that is, under the Broadcasting 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 or other measures 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 three years 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 or other measures 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, revised, or amended, the Company will promptly disclose information including the fact that such abolition, revision, amendment or the like has taken place, and (in the event of a revision or amendment) the details of the revision, 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 13, 2016. 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 the Gratis Allotment Resolution, 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 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 the Gratis Allotment Resolution, the Company, by respecting any recommendation of the Independent Committee described above in (e)(i) of section 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 suffer 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 section 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 (i)(ii) of section 2.4, 'Outline of the Gratis Allotment of Stock Acquisition Rights' above.) 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 Audit & Supervisory Board Members 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 Audit & Supervisory Board Members 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 Audit & Supervisory Board Members 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 three years 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 in (e) of section III.2.2, 'Procedures for the Plan,' and section III.2.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights or Other Measures' 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 in (d)(ii) of section III.2.2, 'Procedures for the Plan,' if the Acquirer emerges, the Independent Committee may obtain the advice of experts (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 Audit & Supervisory Board Members 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 three years after the Shareholders Meeting. However, the term of office of any member of the Independent Committee who is an Outside Director or outside Audit & Supervisory Board Member of the Company will end at the same time they cease to be a Director or a Audit & Supervisory Board Member (except in the case of their re-election).
- The Independent Committee may make decisions on matters such as those 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 is convened, the Company's Board of Directors will act in accordance with the resolution at the

Shareholders Meeting for Confirmation of Shareholder Intent.). 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 or any other reasonable measures that could be taken under the laws and ordinances and the Company's Articles of Incorporation.
  - (b) The cancellation of the gratis allotment of Stock Acquisition Rights or other measures or the gratis acquisition of Stock Acquisition Rights.
  - (c) Determination as to whether the Acquisition should be made subject to the Plan.
  - (d) 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.
  - (e) Examination and consideration of the terms of the Acquirer's Acquisition.
  - (f) Negotiation and discussion with the Acquirer.
  - (g) Request to the Company's Board of Directors for the submission of alternative proposals and consideration of the alternative proposals by the Company's Board of Directors.
  - (h) Extension of the Independent Committee Consideration Period.
  - (i) Determination as to whether the Shareholders Meeting for Confirmation of Shareholder Intent should be convened.
  - (j) Approval of revision or amendment of the Plan.
  - (k) Decision on whether it is appropriate to introduce any takeover defense measures other than the Plan.
  - (l) Any other matters that the Plan prescribes that the Independent Committee may conduct.
  - (m) Any matters that the Company's Board of Directors separately determines that the Independent Committee may conduct.
- In order to collect the necessary information, the Independent Committee may request the attendance of a Director, Audit & Supervisory Board Member 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 experts (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 (including attendance by video conference or telephone conference; the same applies below). 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 five 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
May 1990	Elected Director of Sogo Building Management Company (now Japan Reliance Service Corporation) (current position)
June 1990	Registered as a lawyer (current position)
June 2005	Elected Director of the Company (current position)
October 2012	Elected Director of Nippon Television Network 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.

## **Takashi Imai**

### Business background:

June 1993	Elected Representative Director and President of Nippon Steel Corporation (now Nippon Steel & Sumitomo Metal Corporation)
July 1995	Appointed Audit and Supervisory Board Member of Nippon Life Insurance Company (current position)
April 1998	Elected Representative Director and Chairman of Nippon Steel Corporation(now Nippon Steel & Sumitomo Metal Corporation)
May 1998	Appointed Chairman of the Japan Federation of Economic Organizations (now KEIDANREN(Japan Business Federation))
June 2002	Elected Director of Japan Securities Finance Co., Ltd. (current position)
June 2007	Elected Director of the Company (current position)
June 2008	Appointed Honorary Advisor and Chairman, and Colleague of Nippon Steel Corporation (now Nippon Steel & Sumitomo Metal Corporation) (current position)
October 2012	Elected Director of Nippon Television Network Corporation (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, a National Research and Development Corporation)
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, a National Research and Development Corporation)
June 2011	Elected Director of the Company (current position)
October 2012	Elected Director of Nippon Television Network Corporation (current position)

Note: Mr. Tadao Kakizoe is an Outside Director of the Company.

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

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

## **Yasushi Manago**

### Business background:

August 2012	Appointed Administrative Vice Minister of the Ministry of Finance
October 2013	Appointed Graduate School Visiting Professor at the University of Tokyo (current position)
February 2014	Registered as a lawyer (currently registered)
February 2014	Appointed Of Counsel of Nishimura & Asahi (current position)
June 2014	Elected Director of the Company (current position)
June 2014	Elected Director of Nippon Television Network Corporation (current position)

Note: Mr. Yaushi Manago is an Outside Director of the Company.

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

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

## **Toshinori Kanemoto**

### Business background:

April 1992	Appointed Commissioner of the Kumamoto Prefectural Police
October 1996	Appointed President of ICPO-INTERPOL
April 2001	Appointed Director of Cabinet Intelligence of the Cabinet Secretariat
January 2007	Registered as a lawyer (currently registered)
February 2007	Appointed Of-Counsel of City-Yuwa Partners (current position)
June 2015	Elected Audit & Supervisory Board Member of the Company (current position)
June 2015	Elected Audit & Supervisory Board Member of Nippon Television Network Corporation (current position)

Note: Mr. Toshinori Kanemoto is an Outside Audit & Supervisory Board Member of the Company.

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

The Company has notified the Tokyo Stock Exchange that Mr. Kanemoto is an independent Audit & Supervisory Board Member under the rules of the Tokyo Stock Exchange.



## Appendix

### Principal Shareholders of the Company

As of March 31, 2016

Rank	Name of shareholder	Number of shares held	Percentage of voting rights
1	The Yomiuri Shimbun Holdings	37,649,480	14.7%
2	Yomiuri Telecasting Corporation	16,563,160	6.4%
3	The Yomiuri Shimbun Tokyo Head Office	15,591,200	6.1%
4	Japan Trustee Services Bank, Ltd. (Trust Account)	9,896,000	3.8%
5	Teikyo University	9,553,920	3.7%
6	NTT Docomo, Inc.	7,779,000	3.0%
7	The Master Trust Bank of Japan, Ltd. (Trust Account)	6,656,600	2.6%
8	Recruit Holdings Co., Ltd.	6,454,600	2.5%
9	CB New York Orbis SICAV	5,327,145	2.0%
10	YOMIURI LAND CO., LTD.	5,236,000	2.0%

(Note)

1. The Company, which holds 5,990,540 treasury shares, is excluded from the above-mentioned major shareholders.
2. Percentages of voting rights less than one decimal place are disregarded.