

**On "MIC Ordinance to Amend Part of the Regulations for Enforcement of the  
Radio Law"**

**-- Article 6-3-2 and Article 6-3-3 --**

(Related to Article 5 paragraph (4) of the Radio Law)

# Article 6-3-2 paragraph (1)

Method to calculate the ratio of indirect voting rights (A %)

- Where both of ratios B and C are 10% or more in the figure above in the right column, calculation shall be:

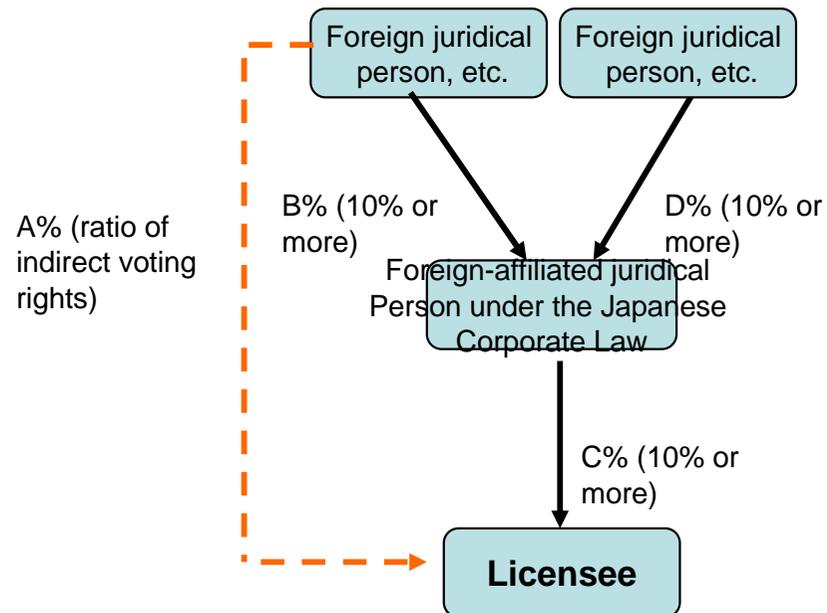
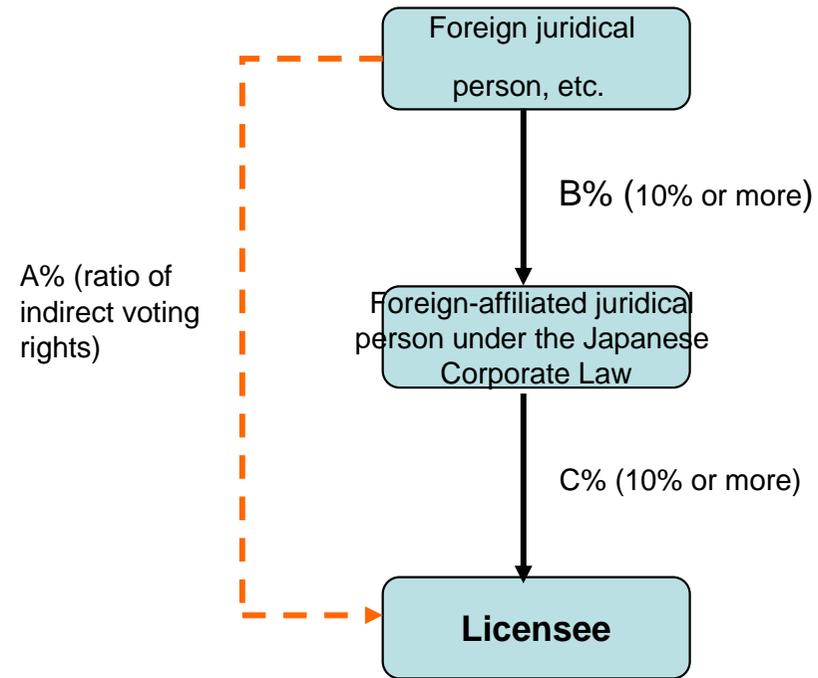
$$A = \frac{B \times C}{100} (\%)$$

- However, in cases where B>50%, calculation shall be:

$$A = C (\%)$$

Where there are two or more foreign juridical persons possessing 10% or more voting rights of foreign-affiliated Japanese juridical persons in the figure below in the right column, calculate by adding those voting rights:

$$A = \frac{(B + D) \times C}{100} (\%)$$



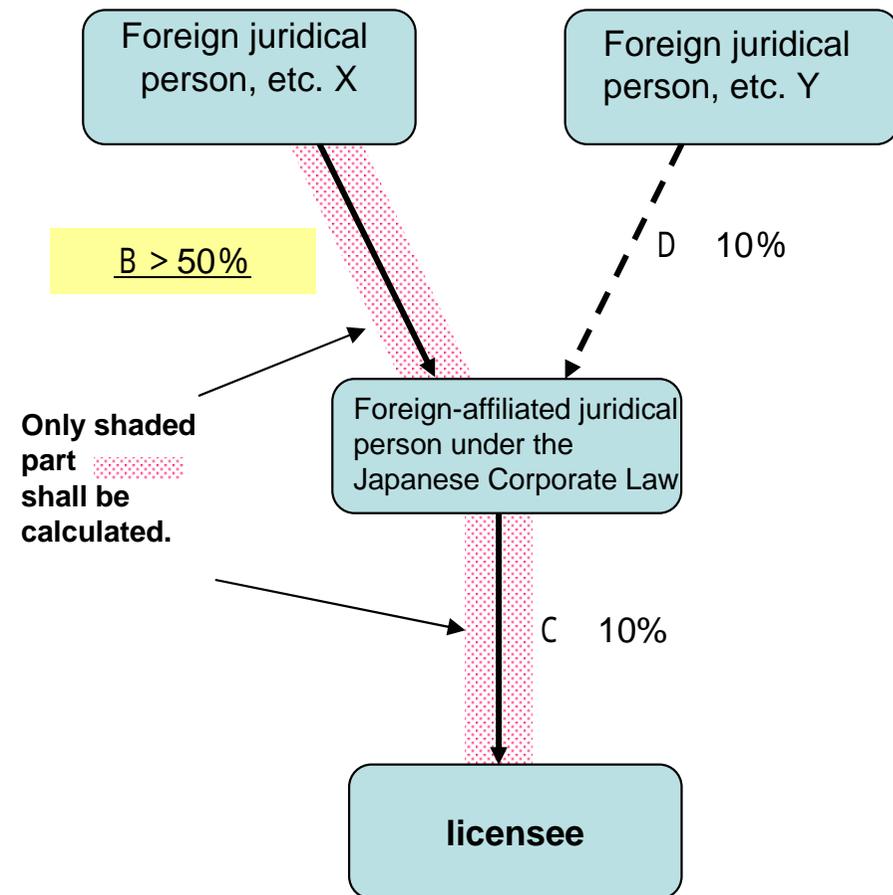
## Article 6-3-2 paragraph (2)

Treatment in cases where shares of one “foreign-affiliated juridical person under the Japanese Corporate Law” are possessed by two or more foreign juridical persons, etc.

Where there are two or more foreign juridical persons, etc. possessing 10% or more voting rights of a “foreign-affiliated juridical person under the Japanese Corporate Law” and where there is a person (X in the figure right) possessing more than 50% of voting rights of said two or more foreign juridical persons, etc., there is no need to calculate the ratio of indirect voting rights of other foreign juridical persons (Y in the figure right ) possessing more than 10% of voting rights.



The ratio of voting rights possessed by said “foreign-affiliated juridical person under the Japanese Corporate Law” shall be calculated as the ratio of indirect voting rights.



## 6-3-2 paragraph (3)

### Exemption of less than 10% of voting rights to the licensee

With respect to all of A, a, B and b, if these percentages do not exceed 10%, there is, in principle, no need to calculate the ratio of indirect voting rights. However, among such cases, even if “all or part” (Note) of those percentages are less than 10%, where the following formula is confirmed,

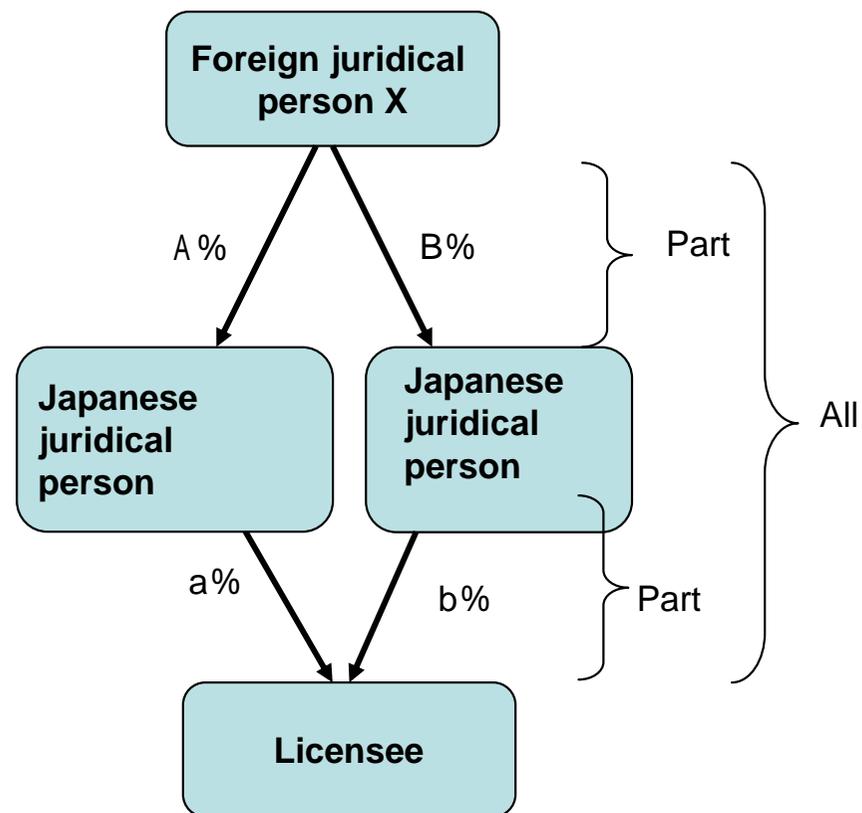
$$\frac{A \times a + B \times b}{100} \leq 10 (\%)$$

the result of said calculation shall be added as the ratio of indirect voting rights.

Note: Examples of “all” or “part” are as follows:

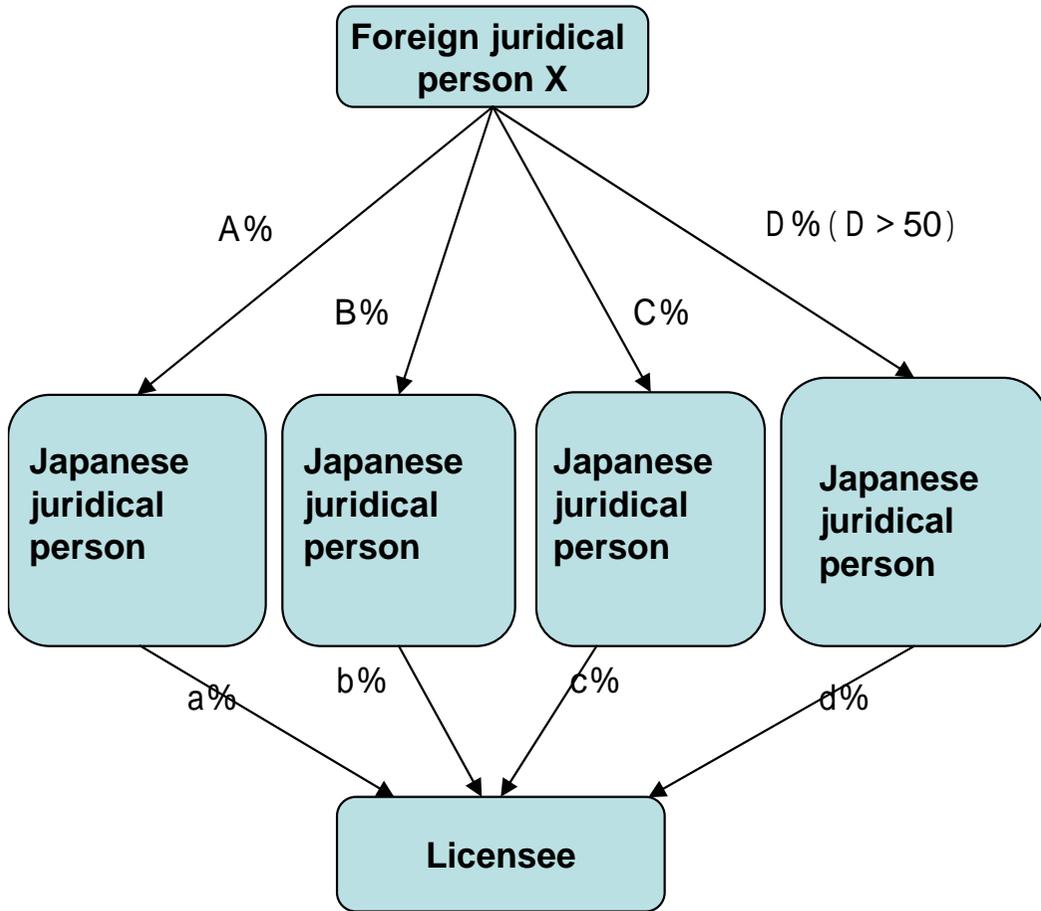
“All”: 1) Both A and a are less than 10 respectively, 2) Both of B and b are less than 10 respectively, and 3) 1) and 2)

“Part”: 1) Either A or a is less than 10, 2) Either B or b is less than 10, and 3) 1) and 2)



# Article 6-3-2 paragraph (3) Examples of application

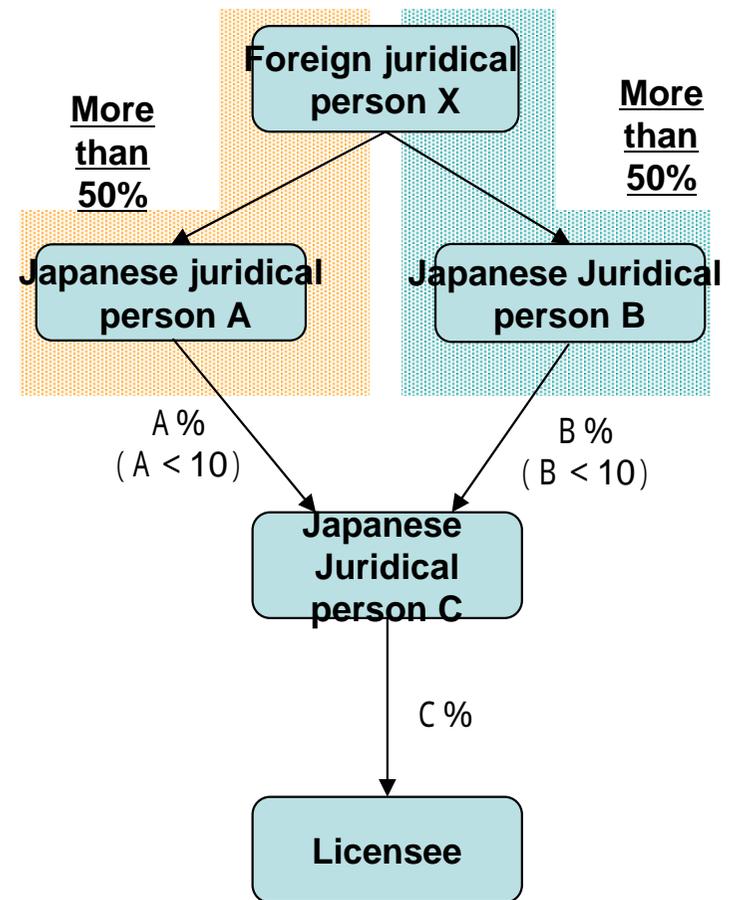
Case i)



Note: A through C are 10 or more, respectively, and a through d are less than 10, respectively.

$$\frac{A \times a + B \times b + C \times c + d}{100} \quad 10 \text{ (\%)}$$

Case ii)



Note: This shall be applied in parallel with the provisions of paragraph (4) (Exemption of actual control).

$$\frac{(A + B) \times C}{100} \quad 10 \text{ (\%)}$$

## Article 6-3-2 paragraph (4)

Exemption of actual control

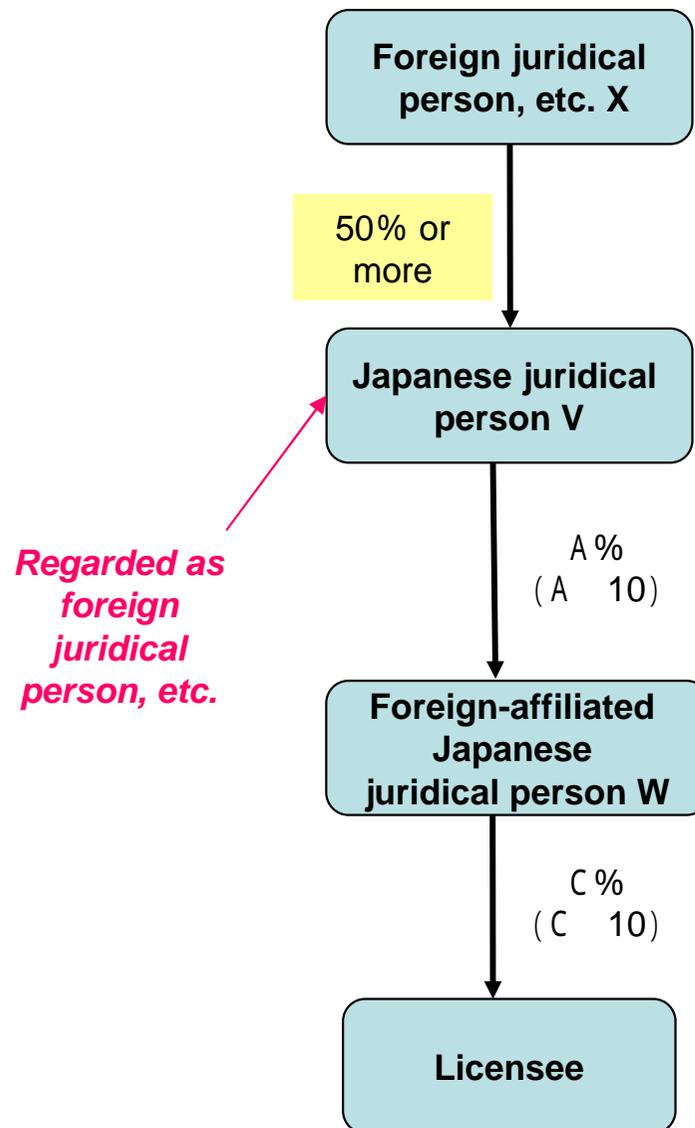
In cases where more than 50% of voting rights of Japanese juridical person V possessing 10% or more voting rights of foreign-affiliated Japanese juridical person W are possessed by foreign juridical person, etc. (where virtually under control), the ratio of foreign capital shall be calculated on a basis that said Japanese juridical person V is regarded as foreign juridical person, etc. (the same shall apply to cases where there are two or more such relationships.)



In the case as in the figure in the right column, the ratio of indirect voting rights of the licensee possessed by foreign juridical person, etc. shall be:

If  $A \leq 50\%$ , the ratio becomes  $\frac{A \times C}{100}$  (%)

If  $A > 50\%$ , the ratio becomes  $C$  (%)



## Article 6-3-2 paragraph (5)

### Exemption of inquiry

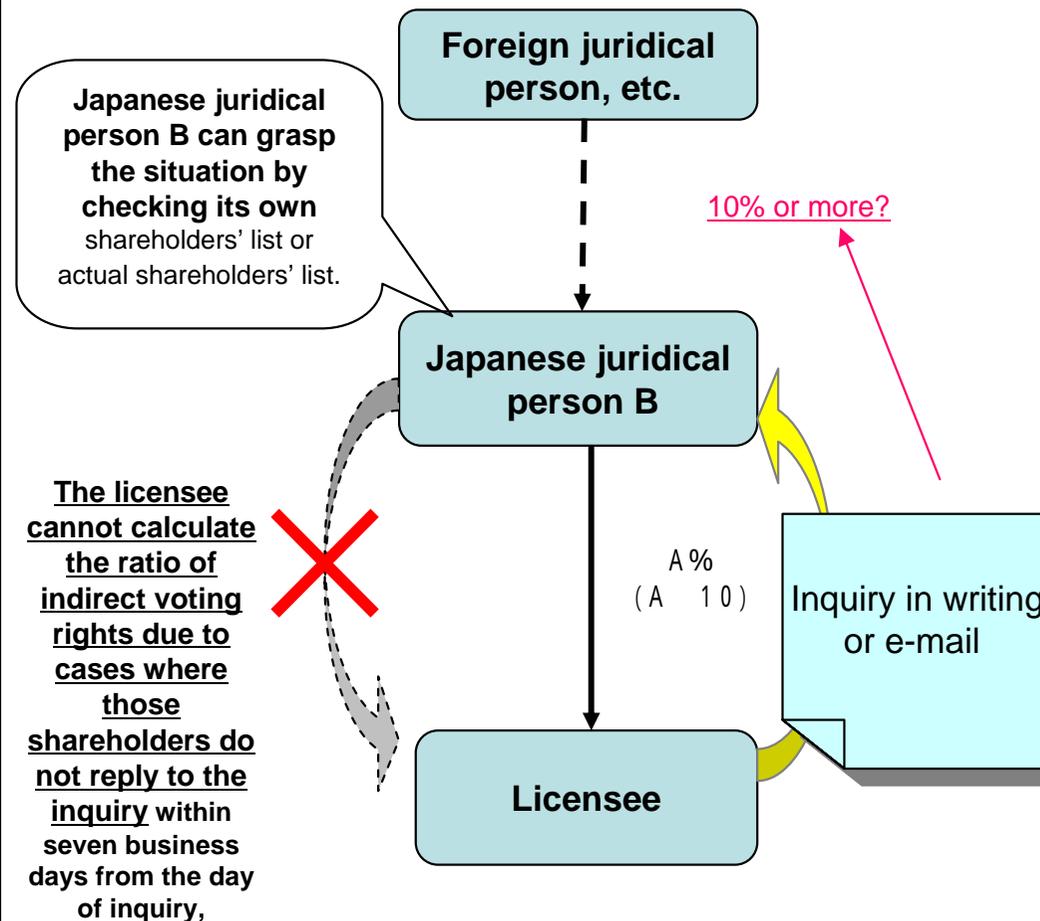
- In order to calculate the ratio of indirect voting rights, where the licensee inquires (\*1) of shareholders who may be target shareholders of the calculation about their ratios of voting rights possessed by foreign juridical person, etc. through the use of written documents or electronic measures (\*2),
- and when said licensee cannot calculate the ratio of indirect voting rights due to cases where those shareholders do not reply to the inquiry within seven business days from the day of inquiry,



- The ratio of foreign capital of those shareholders shall be regarded as 100%. (As a result, upon entry in the (actual) shareholders' list of the licensee, A% shall be the ratio of indirect voting rights.)

Notes: \*1: Said inquiry shall be made, when necessary, upon transfer of names, etc. in a shareholders' list or an actual shareholders' list.

\*2: In this case, the "use of electronic measures" includes e-mail transmission and reception.



## Article 6-3-2 paragraph (6)

Since the broadcaster, in fact, cannot grasp the fact behind calculations of paragraphs (3) through (4) as needed (or upon stock transfer), said broadcaster shall, when realizing the fact that calculation shall be made based upon those Exemptions, calculate the ratio in accordance with the provisions of those paragraphs and send a report to the Minister for Internal Affairs and Communications as of the day of said report.

### [Reference]

- Voting rights are to be exercised after entry of obtained shares in a shareholders' list or actual shareholders' list. Thus, calculation of the ratio of indirect voting rights shall be made at the time of said entry (= namely, the ratio of indirect voting rights changed.).

Specifically, the ratio of indirect voting rights shall be made in the following cases:

- When foreign juridical person, etc. obtains anew (or additional) voting rights of an existing licensee,

**==> When foreign juridical persons, etc. are entered in a shareholders' list or actual shareholders' list of said existing licensee.**

- Where a juridical person or organization (foreign-affiliated Japanese juridical person) whose voting rights are already possessed by foreign juridical person, etc. newly becomes a shareholder (or obtains additional shares) of the licensee,

**==> When entering in a shareholders' list or actual shareholders' list of the licensee (Note: When entering all of requests or notifications, if exceeding the foreign capital restrictions, the licensee is allowed to refuse stock transfer. Those shares are not calculated as the ratio of indirect voting rights.)**

In these cases, the licensee, in fact, cannot grasp the actual status of its shareholders' list everyday. Thus, the licensee shall grasp the former cases upon responses to request or notification concerning the latter cases and upon responses to requests for stock transfer in its shareholders' list by foreigners, etc.