

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

-- Article 17-3-2 and thereafter --

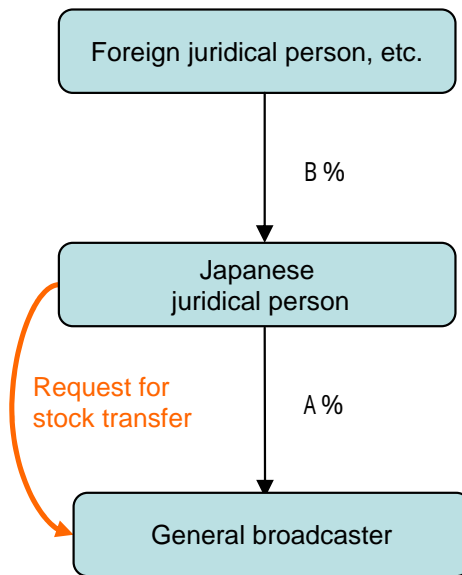
(Related to Article 52-8 paragraphs (1) through (3) of the Broadcast Law)

Article 17-3-2 (related to Article 52-8 paragraph (2) of the Broadcast Law)

Methods to enter (or record) foreigners, etc. (*) in the actual shareholders' list shall be as follows:

(*: Article 52-8 paragraph (2) of the Broadcast Law; foreigners, etc. (persons falling under Article 5 paragraph (1) items i) through iii) of the Radio Law); foreign-affiliated Japanese juridical person (persons falling under Article 5 paragraph (4) item iii) b) of the Radio Law)

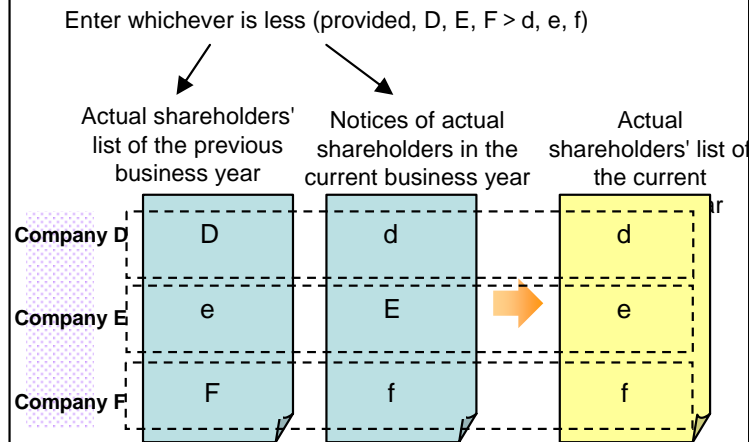
i) [item i)] First, enter shares other than those targets of foreign capital restrictions



If $A < 10$, or $A = 10$, in cases where $B < 10$, all shares equivalent to $A\%$ shall be entered in the list.

Where falling under the Exemption of less than 10% (Article 6-3-2 paragraph (3) of the Regulations for Enforcement of the Radio Law), names of shareholders shall not be entered.

ii) [item ii)] Second, with respect to the number of shares to be regulated, the licensee shall compare an actual shareholders' list of the previous business year with shares as noticed in the current business year, then enter whichever is less shares on a person-by-person basis.



In the figure above, - If $D, E, F > d, e, f$, as whichever is less is to be entered, the number to be entered in the actual shareholders' list of the current business year shall be d, e, f , respectively.

In cases where the "whichever is less" is entered, if exceeding the foreign capital ratio of 20%, enter such shares by lottery on a per-share basis.

(Example: In cases where a remaining rights allowed to be entered is 14%, if the total of "whichever is less" of numbers of shares for each company D,E,F is 15%, it can't be entered because of exceeding the foreign capital ratio(20%). In such a case, with respect to said remaining ratio of 14%, the licensee shall enter such shares by lottery on a per-share basis.

iii) [item iii)] After entering i) and ii), and recovering limited voting stocks, if there is still vacant percentages, the licensee may enter such shares by lottery on a per-share basis to the extent for filling the vacant percentages.

- After entering i) and recovering limited voting stocks, the number of voting rights possessed by foreigners does not exceed 20% of the total, the licensee may enter such shares by lottery on a per-share basis.

(Example: In cases where a remaining rights allowed to be entered is 14%, if the total of "whichever is less" of numbers of shares for each company D,E,F is 10%, it can't be entered because of exceeding the foreign capital ratio(20%). In such a case, with respect to said remaining ratio of 4%, the licensee shall enter such shares by lottery on a per-share basis.

Article 17-3-3 paragraph (1) (related to Article 52-8 paragraph (3) of the Broadcast Law)

Limited voting stocks shall be specified as follows:

[item i)] When exceeding the ratio of foreign capital restrictions through an increase in the ratio of indirect voting rights, voting rights of said surpassing portion of shares shall be limited.

Shareholders' list and actual shareholders' list during the business year

	Total	Shareholders' list	Actual shareholders' list
Japanese juridical person A (foreign capital ratio: 20%)	350 shares (limited voting stocks: 70)	300	50
Japanese juridical person B	200 shares	100	100
Foreign juridical person C	100 shares	100	0
Foreign juridical person D	99 shares	99	0
Japanese juridical person E	300 shares	0	300

Total number of shares is 1,000.

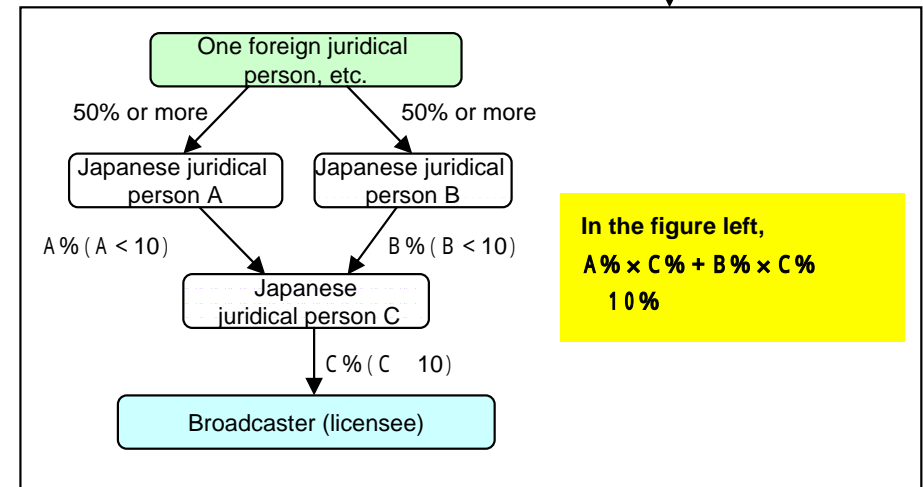
In the table above, the foreign capital ratio is 19.9% (10+9.9=19.9). However, if foreign juridical person X comes to obtain voting rights of 20% issued by Japanese juridical person A, a 7% (20% x 35%=7%) share is to be added to the foreign capital ratio, resulting in 26.9% (19.9+7=**26.9**).

Voting rights of a portion (7%) of shares exceeding 20% possessed by Japanese juridical person A shall be limited.

[item ii)] After calculation pursuant to the provisions of Article 6-3-2 paragraphs (3) through (4) of the Regulations for Enforcement of the Radio Law, when exceeding the ratio of foreign capital restrictions, voting rights pertaining to said calculation shall be limited.

Article 6-3-2 paragraphs (3) through (4) of the Regulations for Enforcement of the Radio Law

- Exemption of adding voting rights to the ratio of indirect voting rights even if the ratio of said voting rights is less than 10% (item iii))
- Exemption of actual control that a parent company of juridical persons, etc. possessing voting rights of a foreign-affiliated Japanese company (item iv))
- Exemption 2 of actual control (item v)) in this case



When the licensee comes to know the fact that can be used for calculation of the ratio of indirect voting rights, the licensee shall calculate thereof and report the results of such calculation to the Minister for Internal Affairs and Communications. As a result, a portion of shares surpassing 20% as clarified by said calculation shall be restricted.

Article 17-3-3 paragraph (2) (related to Article 52-8 paragraph (3) of the Broadcast Law)

Limits on voting rights to be lifted shall be specified as follows:

- Cases where the ratio of foreign capital comes to less than 20% after foreigners, etc. do not possess all or part of voting rights of the licensee
- Even after entering share transfer and entering shares whichever is less in comparison with the actual shareholders' list of the previous business year and notified shares in the current business year, cases where the foreign capital ratio is still lower than 20%



Shares whichever earlier become limited voting stocks shall become shares as having voting rights.

Example] In the cases on the previous page,

< Shareholders' list and actual shareholders' list during the business year >

	Total	Shareholders' list	
		Shareholders' list	Actual shareholders' list
Japanese juridical person A (Foreign capital ratio: 20%)	350 shares (limited voting stocks: 70 shares)	300	50
Japanese juridical person B	200 shares	100	100
Foreign juridical person C	100 50 shares	100 50	0
Foreign juridical person D	99 shares	99	0
Japanese juridical person E	300 shares	0	300
Japanese juridical person F	0 50 shares	0 50	0

50 shares sold

If there is a deal as follows:

During a business year, 50 shares out of 100 shares possessed by foreign juridical person C were sold to Japanese juridical person F in the shareholders' list.

Upon completion of such deal, when transfer of names from foreign juridical person C to Japanese juridical person F was made, there will be 50 vacant shares within the limit on the foreign capital ratio.

Thus, 50 shares out of 70 shares with limited voting rights possessed by Japanese juridical person A are to become ordinary shares (=having voting rights).

Note 1: Total number of shares is 1,000.

Note 2: It is presumed that the numbers of shares in the actual shareholders' list for each juridical person does not change in comparison with the previous and current business years.

Article 17-3-4

When resulting in cases where refusing entering of names in an actual shareholders' list, limiting voting rights of stocks, or lifting the limitation on voting rights occurs, the licensee shall notify each shareholder, etc. of that effect.

Any general broadcaster shall, when any of the following shares occurs, notify persons possessing or regarded as possessing such shares to that effect without delay.

-- Pursuant to Article **52-8** paragraph (2) of the Broadcast Law, shares not to be entered in the actual shareholders' list

-- Limited voting stocks

-- Recovered shares after being limited voting stocks

} **Article 52-8 paragraph (3) of the Broadcast Law**

Items to be notified are as follows:



i) Name or legal name of shareholder

ii) Address of shareholder

iii) Number of shares of being refused to enter, or limited voting stocks or recovered shares from being limited voting stocks

iv) Day of occurrence of such shares listed in iii)