

**“Study Group for the Development of Digitization and Broadcasting Policy”
(17th Meeting) Summary of Minutes**

1. Date and Time:

Friday, December 9, 2005 10:00-12:00

2. Location:

Meeting Room 1001, MIC (10th floor, Central Joint Government Building No. 2)

3. Attendees:

(1) Study Group Members (Honorifics omitted; in the order of the Japanese syllabary)

Susumu Ito, Norio Kumabe, Hiroshi Shiono, Toshiyuki Shinohara, Kazuhiro Takei, Ikufumi Niimi, Masayuki Funada, Haruko Yamashita
(A total of 8 members)

(2) MIC

Shimizu, Director-General for Policy Planning; Kono, Deputy Director-General; Fukuoka, Director, General Affairs Division, Information and Communications Policy Bureau; Okubo, Director, Broadcasting Technology Division; Ando, Director, Terrestrial Broadcasting Division; Imabayashi, Director, Satellite and International Broadcasting Division; Minami, Director, Broadcasting Policy Division; Nagashio, Senior Planning Officer, Broadcasting Policy Division; Yamamoto, Senior Advisor, Satellite and International Broadcasting Division

4. Proceedings:

(1) Opening

(2) Agenda

- 1) The Holding Company System (Hearing from the relevant parties)
- 2) The Principle of Excluding Multiple Ownership of the Media (Hearing from the relevant parties)
- 3) Other

(3) Closing

5. Proceedings Outline:

- (1) The Holding Company System (Hearing from the relevant parties)
Mr. Kidokoro, Director of Tokyo Broadcasting System, Inc.; Mr. Takada, Executive Director of TV Asahi Corporation; and Mr. Maekawa, Senior Executive Officer of Tokyo Broadcasting System, Inc., gave a presentation titled “Advancement of information society and management of broadcasters under the holding company system” as representatives of the National Association of Commercial Broadcasters in Japan.

In the subsequent Q&A session, the following questions and answers were presented:

- For the holding company system, it may be better to take measures to allow a holding company to choose from a wide range of options regarding businesses of the holding company itself and public listing of stock of the holding company or operational companies.
- The holding company system may be the only means of improving financial strength.
- It may be difficult for the local broadcasters to invest in digitization on an unconsolidated basis.
- It may be better to optimize devices, human resources and content from the multifaceted and fluid perspective under an integrated holding company, rather than handing everything at the prefecture level.
- If the holding company system does not allow a company that

is not related to broadcasting business to be an operational company under a holding company, the system may be very difficult to use.

- In order to respect local characteristics, it may be possible to impose restrictions on acts, such as establishing a frame for local programs.
- We are trying to find the best balance for local characteristics by considering operational efficiency. It seems preferable to provide security in a manner other than by quantitative restrictions.
- Since considerable efforts have been made for local characteristics and operational efficiency, they may not necessarily conflict with each other.
- Any holding companies would like to earn profits through their subsidiaries and may hate the situation where local broadcasters cannot improve profits in favor of local characteristics.
- Some local broadcasters have strong independence, but they may also need to consider their business after 2011.

(2) The Principle of Excluding Multiple Ownership of the Media
Mr. Nishimura, President of Asahi Broadcasting Corporation, and Mr. Yokoyama, President of Kitanihon Broadcasting Co., Ltd., explained the principle of excluding multiple ownership of the media regarding BS digital broadcasting.

In the subsequent Q&A session, the following key questions and answers were made:

- Is the actual recession of BS digital broadcasters a structural problem, or can it be solved if some efforts are made under the current situation?
- BS digital broadcasters may need to be supported as affiliates so that they can accumulate local programs in consideration of broadcasting that optimizes the characteristics of BS digital.
- Local broadcasters are enthusiastic about selling programs. The

number of programs will be considerable if they are gathered from all over Japan.

- Local broadcasters have produced many valuable programs for local communities. They may need to be broadcasted nationally because of their uniqueness.
- Since penetration of receivers for BS digital broadcasting has improved business chances, it may be possible for local broadcasters to provide programs in a way that benefits the broadcasters despite the competitive relationship.
- If the 2 waves for 1 station, i.e., dual operation of terrestrial broadcasting and BS broadcasting, is permitted, key stations will also have the programming right for BS broadcasting, and that will bring negative impacts, i.e., flow of key stations' programs into BS and reduction in advertising with local broadcasters.

(3) Other

The secretariat explained the schedule for the next meeting.