

January 17, 2005

To Whom It May Concern:

Company Name: Fuji Television Network, Incorporated
Name of Representative: Koichi Murakami, President
(Stock Code No.: 4676, Tokyo Stock Exchange, 1st Section)
Direct your queries to: Corporate Planning DEPT.,
Executive Officer
Kazunobu Iijima
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Notice of Commencement of Tender Offer

Fuji Television Network, Incorporated (“the Offeror”) gives notice hereby that its Board of Directors resolved at its meeting today to acquire shares of Nippon Broadcasting System, Incorporated (Tokyo Stock Exchange, 2nd Section; Code Number 4660) (“the Target”).

1. Purpose of Tender Offer

The Offeror, which currently owns 12.39% (4,064,660 shares) of the total issued shares of the Target, is conducting this tender offer for the purpose of obtaining management control over the Target through the acquisition of all of the issued shares of the Target (excluding the treasury stocks owned by the Target).

With the rapid progress of digitalization in the business environment surrounding the world of broadcasting, the integration of broadcasting and other forms of communications has accelerated. In order to adapt to this changing business environment, we must clearly understand and analyze the development of technologies and market needs and establish a new business model free from pre-conceived ideas.

Although the Offeror and the Target have a history of cooperation, they have managed their companies separately and, based on independent management policies and strategies, have established their respective positions as leaders in the world of television and radio broadcasting. However, we believe that in order to continue to successfully compete in the media business of the 21st century, there is an urgent need to adopt a group management system that enables flexible and efficient implementation of the “selection and concentration” of operating resources of the group, supported by the capital policies of the entire group rather than those of the individual companies.

Furthermore, from the viewpoint of the shareholding relationships, we consider that it is necessary for the group to establish long-lasting and stable management system, since the group operates in the highly public business of mass media and there will be a continuous need to carry out the group’s social mission and responsibilities.

The obtainment of management control over the Target through this tender offer is the first step towards the Offeror’s aim to establish a new group management system in which the Offeror will be the core entity in the future.

The planned outline of the future capital strategies and finance strategies of the group are as follows:

<Capital Strategies>

- (i) To implement a capital reorganization involving affiliates toward achieving flexible and effective group management.
- (ii) Concurrently with the capital reorganization, to review the business allocation among the current group companies and to implement business restructuring to maximize group synergies.
- (iii) To actively promote alliances (capital alliances as well as business alliances) with outside companies in new and related areas.

<Finance Strategies>

- (i) To improve return on assets by enhancing the efficient use of funds and assets through efficient group management.
- (ii) To increase our current net income per share and to improve return on equity by managing the aggregate number of issued shares.
- (iii) To raise shareholder value through a review of the dividends policy, leading to possible enhanced returns to shareholders.

In addition, the business strategies of the Offeror itself remain as follows:

- (i) To strengthen its business base as a “media complex” by placing digital terrestrial broadcasting as its core media while also promoting the use of new broadcasting media, such as BS and CS, as well as communications media, such as broadband and mobile.
- (ii) To enrich its “digital content factory” by providing attractive and high-quality contents essential to the operation of a media complex.
- (iii) To strengthen the business base of the FNN network structure as it faces digitalization and to achieve a more solid competitive advantage over other networks.
- (iv) To continue reinforcement of businesses other than broadcasting, such as businesses related to movies, events, intellectual property rights, etc., which have been successful thus far.

Furthermore, the Offeror will consider reorganizing the radio operating department of the Target and starting new businesses following the obtainment of management control over the Target through this tender offer and mutual consultations between the Offeror and the Target.

For the purpose of effectively competing in the media industry of the 21st century, the Offeror will strengthen the business base of the whole Fuji-Sankei group and vigorously work toward establishing one of the strongest media groups in Japan with a global outlook.

The purchase price of this tender offer, 5,950 yen, has a premium of approximately 21 % over the average closing price of shares of the Target on the Tokyo Stock Exchange, Second Section during the three-month period ended January 14, 2005 (4,937 yen).

Shares of the Target, which are listed on the Tokyo Stock Exchange, Second Section, will possibly be delisted, depending on the results of this tender offer, since no maximum target ownership has been set for this tender offer. The Offeror will explore the possibility of making the Target its wholly owned subsidiary through a share exchange or otherwise in the future, in order to ensure the obtainment of management control over the Target.

The Target will need to dispose of shares of the Offeror owned by the Target within an appropriate period after the Target becomes a subsidiary of the Offeror as the result of this tender offer in accordance with Article 211-2 of the Commercial Code of Japan. We are considering giving high priority to the transfer of such shares from the Target to the Offeror and, if possible, minimizing the number of shares sold by the Target through the market as the method of disposition of such shares, taking into full consideration various factors including tax merits and demerits, impacts on the market price of shares, and compliance with restrictions on investments by foreigners. Furthermore, the Offeror will consider how it will use the treasury stock of the Offeror which it will own after such a transfer, choosing the method which it thinks is best from the perspective of various management strategies among options including retirement of the treasury stocks, allotment of the treasury stocks in conjunction with M & A transactions such as a share exchange and other options.

The board of directors of the Target, at a meeting held on January 17, 2005, passed a resolution supporting this tender offer.

2. Summary of Tender Offer

(1) Description of the Target

- (i) Trade Name : Nippon Broadcasting System, Incorporated
- (ii) Main Business : Radio broadcasting
- (iii) Date of Incorporation : April 23, 1954
- (iv) Address of Head Office : 1-9-3, Yurakucho, Chiyoda-ku, Tokyo
- (v) Representative : Akinobu Kamebuchi, Representative Director and President
- (vi) Amount of Capital : 4,150 Million Yen (As of September 30, 2004)

(vii) Composition of Major Shareholders and Shareholding Ratios (As of September 30, 2004):

MAC Corporation	16.64 %
Fuji Television Network, Incorporated	12.39 %
Boston Safe Deposit BSDT Treaty Clients Omnibus	5.37 %
The Master Trust Bank of Japan, Ltd.	4.98 %
Japan Trustee Services Bank, Ltd.	4.38 %

(viii) Relationship with the Offeror:

Capital relationship	:	The Offeror owns 12.39% of the issued shares of the Target. The Target owns 22.51% of the issued shares of the Offeror.
Personal relationship	:	Four directors of the Offeror work concurrently as directors of the Target and one full time statutory auditor of the Offeror works concurrently as a part-time statutory auditor of the Target.
Transactional relationship	:	The Offeror and the Target collaborate to manage a studio for program production

(2) Type of Shares to be Purchased:

Common Shares

(3) Tender Offer Period:

January 18, 2005 (Tuesday) - February 21, 2005 (Monday)

(4) Purchase Price:

5,950 yen per share

(5) Basis for Calculation of Purchase Price:

Purchase Price proposed by the Offeror (5,950 yen per share) was determined by taking into consideration various factors including the historical market prices of shares of the Target, the financial and operational conditions of the Target, and the results of a share value appraisal conducted by the Offeror's advisor (Deloitte Tomatsu Corporate Finance Co., Ltd.), based on the premise that the Offeror will acquire over 50 % of the voting rights of the Target. Purchase Price is approximately 21% higher than the average closing price of shares of the Target on the Tokyo Stock Exchange, 2nd Section during the three-month period ended January 14, 2005 (4,937 yen).

(6) The Total Number of Shares Planned to be Purchased : 12,335,341 shares

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The Number Excess of Number Planned to be Purchased : 0 shares

(Note) If the total number of tendered shares is less than the Number of Shares Planned to be Purchased (12,335,341 shares), none of the tendered shares will be purchased. If the total number of tendered shares is more than the Number of Shares Planned to be Purchased (12,335,341 shares), all of the tendered shares will be purchased. The Offeror does not intend to purchase treasury stock owned by the Target through this tender offer. Accordingly, the maximum number of shares to be acquired by the Offeror is 28,659,520 shares.

(7) Changes in Number of Shares Owned by the Offeror

Number of Shares Owned by the Offeror Prior to Tender Offer:

4,064,660 shares (Ownership Ratio 12.39%)

Number of Shares Owned by the Offeror After Tender Offer:

16,400,001 shares (Ownership Ratio 50.00%)

(Note 1) Number of Shares Owned by the Offeror After Tender Offer is the number of shares, assuming that the Offeror will purchase 16,400,001 shares through this tender offer.

(Note 2) The maximum voting rights ratio after the tender offer is 100%, since all of the tendered shares will be purchased if the total number of tendered shares is more than the Number of Shares Planned to be Purchased.

(Note 3) The ownership ratio is calculated based on the total number of the issued shares of the Target as of September 30, 2004 (32,800,000 shares). The voting right ratio is calculated based on 3,272,418 voting rights pertaining to 32,724,180 shares, deducting 75,820 treasury stocks owned by the Target as of September 30, 2004 from the total number of the issued shares of the Target.

(8) Date of Public Notification:

January 18, 2005 (Tuesday)

(9) TOB Agent:

Daiwa Securities SMBC Co., Ltd.

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(Note) Daiwa Securities SMBC Co., Ltd. holds approximately 8 % of all of the issued shares of the Target. The purchase price for this tender offer was determined by the Offeror independently.

(10) Funds Required for the Tender Offer:

73,395 million yen

(Note) The number above is an estimate and is based on the assumption that the Offeror will purchase the Number of Shares Planned to be Purchased (12,335,341 shares). The maximum of the estimated amount is 170,524 yen, since all of the tendered shares will be purchased if the number of tendered shares is more than the Number of Shares Planned to be Purchased.

3. Agreements with Target on Tender Offer

The Board of Directors of the Target today expressed its support for this tender offer.

4. Prospects after Tender Offer

After this tender offer, the Target will become the Offeror's consolidated subsidiary.

If this tender offer is successfully completed, the voting rights of the shares in the Offeror that are currently held by the Target will cease to exist. In view of the restrictions on investments by foreigners to the Offeror under the Radio Law of Japan and the Broadcast Law of Japan, the Target is considering taking appropriate measures, such as loaning out of such shares, if necessary.

The future business performance of the Offeror for the Fiscal Year ended March 31, 2006 on a consolidated basis, will be announced officially after this tender offer is completed.