

July 22, 2008

To whom it may concern:

Satoshi Hoyano, Representative Director
media innovation Co., Ltd.
3-5, 3-chome Shibuya, Shibuya-ku, Tokyo

Notice Regarding the Acquisition of Treasury Shares

At a meeting held on June 20, 2008, the Board of Directors of the Company resolved to acquire treasury shares pursuant to a resolution adopted at the 10th Ordinary General Shareholders' Meeting held on March 27, 2008. We hereby notify you of the following matters in accordance with Article 158 of the Company Law.

Details

1. Type of shares to be acquired: Shares of common stock of the Company
2. Aggregate number of shares to be acquired: Up to 5,185,000 shares
(Ratio to the total number of shares outstanding: 65%)
3. Aggregate acquisition price of shares: Up to JPY 1,607,350,000
4. Acquisition price per share: JPY 310
5. Acquisition method: All shareholders of the Company will be solicited to sell their shares of stock.
6. Acquisition period: From July 1, 2008 to August 12, 2008
(Period for receipt of offers to sell shares)

* Reference information

The resolution adopted at the 10th Ordinary General Shareholders' Meeting held on March 27, 2008.

- Type of shares to be acquired: Shares of common stock of the Company
- Aggregate number of shares to be acquired: Up to 5,185,000 shares
- Aggregate acquisition price of shares: Up to JPY 1,607,350,000
- Acquisition period: Within one year following the conclusion of this Ordinary General Shareholders' Meeting

7. Purpose of acquiring treasury shares

(1) Outline and background of the treasury share acquisition plan

The shares of stock of the Company were delisted from the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") on April 14, 2006. The delisting led to a continued lack of liquidity of the shares of the stock of the Company.

Following the delisting, the Company has strived to expand its business by concentrating resources in the internet advertisement distribution technology of the Company from among the internet marketing businesses the Company has been pursuing. Furthermore, the Company has aggressively invested in behavioral marketing and other new techniques in order to maintain its pioneering, leadership position in the industry. However, reputation risks resulting from the livedoor incident coupled with the effects of pending litigations made it more difficult than initially anticipated to resume transactions with major clients including

foreign-affiliated firms, and the Company decided to divest the shares of its subsidiary, MI Co., Ltd. and acquisition Co., Ltd. from the Company and transfer 66.6% of the shares of MI Co., Ltd. held by the Company to So-net Entertainment Corporation.

The Company came to a conclusion that acquisition of treasury shares at this point of time and under the conditions and terms set forth below is in the best interests of shareholders.

(2) Outline and the terms and conditions for the acquisition of treasury shares

For the determination of the acquisition price of the shares in common stock of the Company in relation to this acquisition of treasury shares (the "Acquisition Price"), the company retained and requested an independent appraisal firm, PLUTUS CONSULTING Co., Ltd. ("PLUTUS CONSULTING") to appraise the value of shares of common stock of the Company as reference for the determination of the acquisition price.

Based on this request from the Company, PLUTUS CONSULTING appraised the value using the discounted cash flow method (the "DCF Method"), taking into account the business performance and the business plans of the Company provided by the Company, and the Company received a report on the appraisal result concerning the share value and a written appraisal report (the "Report") on January 31, 2008 from PLUTUS CONSULTING.

The appraised value of the shares in common stock of the Company was as follows:

- JPY 234 (per share)

While paying due consideration to the appraisal result under the DCF method contained in the Report, which is reflective of future earnings of the Company, the Company determined to set the acquisition price of treasury shares at JPY 310 per share, after careful consideration of original acquisition costs of shareholders as well as the soundness of various conditions related to the acquisition of treasury shares, including growth prospects of the Company reviewed after the base date for appraisal, recent financial conditions of the Company, the need to ensure fairness among shareholders, and historical trends of the market price of the shares of the Company.

This acquisition price represents a price which is approximately 32.5% higher (percentage figures are rounded to the nearest first decimal place) than the appraised value in the Report and approximately 0.6% higher (percentage figures are rounded to the nearest first decimal place) than the simple arithmetic mean of the share price during the one month period prior to the delisting from the Tokyo Stock Exchange (JPY 308). Also, this price is on a par with the closing price of the shares of common stock of the Company on April 13, 2006 (JPY 310).

(3) Post-acquisition plans

The Company plans to keep the acquired shares as treasury shares in order to implement flexible capital policies responsive to changing business environments.

8. Outline of the treasury share acquisition plan

(1) Acquisition period

From July 1, 2008 (Tuesday) to August 12, 2008 (Tuesday) (30 business days)

(2) Acquisition price per share:

JPY 310

(3) Grounds for determination of acquisition price

i. Basis for determination of acquisition price

For the determination of the acquisition price of the shares in common stock of the Company in relation to this acquisition of treasury shares, the company retained and requested an independent appraisal firm, PLUTUS CONSULTING Co., Ltd. to appraise the value of shares of common stock of the Company as reference for the determination of the acquisition price.

Based on this request from the Company, PLUTUS CONSULTING appraised the value using the discounted cash flow method, taking into account the business results and the business plans of the Company provided by the Company, and the Company received a report on the appraisal result concerning the share value and a written appraisal report on January 31, 2008 from PLUTUS CONSULTING.

The appraised value of the shares in common stock of the Company was as follows:

- JPY 234 (per share)

While paying due consideration to the appraisal result under the DCF method contained in the Report, which is reflective of future earnings of the Company, the Company determined to set the acquisition price of treasury shares at JPY 310 per share, after careful consideration of original acquisition costs of shareholders as well as the soundness of various conditions related to the acquisition of treasury shares, including growth prospects of the Company reviewed after the base date for appraisal, recent financial conditions of the Company, the need to ensure fairness among shareholders, and historical trends of the market price of the shares of the Company.

This acquisition price represents a price which is approximately 32.5% higher (percentage figures are rounded to the nearest first decimal place) than the appraised value in the Report and approximately 0.6% higher (percentage figures are rounded to the nearest first decimal place) than the simple arithmetic mean of the share price during the one month period prior to the delisting from the Tokyo Stock Exchange (JPY 308). Also, this price is on a par with the closing price of the shares of common stock of the Company on April 13, 2006 (JPY 310).

ii. Factors leading to the determination of acquisition price

The shares of stock of the Company were delisted from the Tokyo Stock Exchange, Inc. on April 14, 2006. The delisting led to a continued lack of liquidity of the shares of the stock of the Company.

Following the delisting, however, the Company has implemented the process for restructuring its business, and with the conclusion of a joint-venture agreement with So-net Entertainment Corporation, the overall course for achieving business restructuring and the prospects of resumed growth of business came into sight. Accordingly, in belief that it would be appropriate to propose an acquisition price as a means for distributing assets to shareholders, the Company determined the acquisition price.

a. Acquisition of a "Share Appraisal Report" from a third-party appraiser

In the determination of the acquisition price, the company retained and requested PLUTUS CONSULTING to appraise the value of shares of common stock of the Company as reference for the determination of the acquisition price around November 2007, and received a share appraisal report from PLUTO CONSULTING on January 31, 2008.

b. Outline of the “Share Appraisal Report”

The Share Appraisal Report the Company referred to as a basis for the determination of the acquisition price employed the DCF Method for appraisal purposes. According to the Report, as it was necessary to use an appraisal method suitable for the appraisal of a going-concern value of the Company, it was decided to adopt an appraisal value based on earnings capitalization models as the reference share appraisal value for the business decision making related to the acquisition of treasury shares and, from among earnings capitalization models, an appraisal value based on the DCF method was adopted as the basis for the share appraisal result of JPY 234 for the shares in common stock of the Company.

(3) Grounds for computation of acquisition price

As shown above, the ways for restructuring and resuming the growth of our Company Group have been clarified and the business of the Company recovered to the level immediately prior to delisting. In light of the future growth prospects of the Company based on the joint-venture agreement with So-net Entertainment Corporation and the current business condition of the Company which is equivalent to the condition prior to delisting, the Company came to a conclusion that it is appropriate to set the acquisition price at JPY 310 which is on a par with the share price prior to delisting and equivalent to the upper limit approved by resolution of the shareholders.

(4) Determination of acquisition price

With reference to the foregoing appraisal result, the Company ultimately decided to adopt the acquisition price of JPY 310 at a meeting of the Board of Directors held on June 20, 2008.

(3) Relationship with the appraiser

PLUTUS CONSULTING is an independent appraiser and is not a related party of the Company.

(4) Number of shares planned to be acquired

Number of shares to be acquired	Minimum number of shares to be acquired	Maximum number of shares to be acquired
5,185,000 shares	shares	5,185,000 shares

Note: Pursuant to Article 159 of the Companies Law, the Company will accept the transfer of shares shareholders will offer to sell in connection with this acquisition of treasury shares. However, if the total number of shares shareholders will offer to sell (the “Total Number of Shares Offered”) exceeds the upper limit provided for above (the “Total Number of Shares to be Acquired”), the Company will accept the transfer of shares obtained by first dividing the Total Number of Shares to be Acquired by the Total Number of Shares Offered, and then multiplying such product by the number of the shares offered by the shareholders (in cases where the number so obtained includes a fraction of less than one, such fraction will be discarded).

(5) Acquisition price:

JPY 1,607,350,000

(6) Procedures for application

Shareholders who will apply to sell shares are required to send in the “Share Transfer Application Form” enclosed with the “Notice of Acquisition of Treasury Shares” to the Company using the enclosed return

envelope after filling in the necessary fields on the form. Please do not send share certificates using the enclosed return envelope. Immediately upon receipt of your "Share Transfer Application Form," the Company will send you a "You-Pack Kit for Share Certificates" of Japan Post Service Co., Ltd. Upon receipt of the "You-Pack Kit for Share Certificates," please send your share certificates using "You-Pack Kit for Share Certificates". The "You-Pack Kit for Share Certificates" shall be sent to the following address (the address is already printed on the "You-Pack Kit for Share Certificates").

Address to which "You-Pack Kit for Share Certificates" is to be sent:

media innovation Co., Ltd.
Ebisu Garden Place Tower 18th floor
Ebisu 20-3, Ebisu 4-chome,
Shibuya-ku Tokyo 150-6018

Share certificates sent to any other address will not be accepted. Applications by bringing in the share certificates to the head office of the Company will not be accepted.

* The "You-Pack Kit for Share Certificates" of Japan Post Service Co., Ltd. is the nickname for the postage collect You-Pack of post offices. Post office personnel will pick up share certificates at a place designated by shareholders. Postage will be paid by media innovation Co., Ltd. upon receipt. Only share certificates designated in the Share Transfer Application Form will be accepted.

9. Settlement method

(1) Settlement commencement day

September 1, 2008 (Monday)

(2) Method of settlement

Upon expiration of the period for acquisition of treasury shares, the Company will, without delay, send a notification of acquisition to each shareholder who has filed an application to sell shares.

The acquisition will be made in the form of cash, and the price for the share certificates applied for sale will be remitted by the Company to the financial institution designated by shareholders without delay on or after the settlement commencement day in accordance with the settlement method designated by shareholders in the "Share Transfer Application Form". Remittance fees will be borne by the Company.

10. Other terms, conditions and method for acquisition

(1) Matters related to cancellation of contracts by shareholders who have applied to sell their shares

At any time up to the final date of the period for application to transfer their shares, shareholders who have applied to transfer their shares can cancel the contracts concerning the acquisition. When canceling the contracts, shareholders are required to send a written cancellation (receipt of application for sale of shares together with a written form for the cancellation of the transfer contract) to the Company by the final date for application. In the case of mailing, letters postmarked not later than the final date for application will be deemed to be effective.

The Company will not request shareholders who have applied to sell their shares to pay any damages or penalty in connection with the cancellation of the contracts. The Company will bear the expenses necessary

for returning share certificates to shareholders who have applied to sell their shares. Promptly upon completion of necessary procedures, share certificates applied for sale will be mailed back to the address of the shareholders who have applied to sell their shares.

(2) Method of announcing changes in the terms and conditions of acquisition

The Company may from time to time alter the terms and condition for the acquisition of treasury shares. When the Company is going to change the terms and conditions for acquisition, the Company will make electronic public notice to that effect. However, when it is difficult to make such electronic public notice by the final date of the period for acquisition of treasury shares, the Company will make such public notice in The Nihon Keizai Shimbun.

(3) Method of disclosure of the results, etc. of acquisition of treasury shares

Such matters will be reported on the internet homepage of the Company.

11. Date of notice for the commencement of acquiring treasury shares

June 20, 2008 (Friday)

12. Call center (for inquiries concerning the acquisition of treasury shares)

The Company has established a call center for accepting inquiries, etc. concerning the acquisition of treasury shares. For your inquiries, please call the following telephone number.

0120-038-854

The call center will be open from 10:00 AM to 16:00 PM on weekdays.