

[Translation]

Cover

Document Name: Tender Offer Registration Statement
Attention: Director General of the Kanto Local Finance Bureau
Date of Filing: February 27, 2013
Name of Filing Party/1: KDDI Corporation
Address or Location: 3-2, Nishi Shinjuku 2-chome, Shinjuku-ku, Tokyo
Nearest Contact Place: 10-10, Iidabashi 3-chome, Chiyoda-ku, Tokyo
Telephone: 03-6678-0712
Person in Charge: Kenichiro Takagi, General Manager , Corporate Management Division

Name of Agent: Not applicable
Address or Location: Same as above
Nearest Contact Place: Same as above
Telephone: Same as above
Person in Charge: Same as above
Name of Filing Party/2: NJ Corporation
Address or Location: 10-10, Iidabashi 3-chome, Chiyoda-ku, Tokyo
Nearest Contact Place: Same as above
Telephone: 03-6678-0712
Person in Charge: Kenichiro Takagi, General Manager, Corporate Management Division, KDDI Corporation

Name of Agent: Not applicable
Address or Location: Same as above
Nearest Contact Place: Same as above
Telephone: Same as above
Person in Charge: Same as above
Place of Public Inspection: KDDI Corporation
(10-10, Iidabashi 3-chome, Chiyoda-ku, Tokyo)
NJ Corporation
(10-10, Iidabashi 3-chome, Chiyoda-ku, Tokyo)
Osaka Securities Exchange Co., Ltd.
(8-16, Kitahama 1-chome, Chuo-ku, Osaka)

(Note 1) When used in this statement, the “Tender Offeror” means, collectively or individually, KDDI Corporation (“KDDI”) and NJ Corporation (“NJ”). KDDI and NJ may be collectively referred to as the “Tender Offerors.”

(Note 2) When used in this statement, the “Target Company” means Jupiter Telecommunications Co., Ltd.

- (Note 3) In cases where numbers in this statement have been rounded or omitted, the numbers described as totals are not necessarily equal to the sum of the relevant numbers.
- (Note 4) When used in this statement, the “Act” means the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended).
- (Note 5) When used in this statement, “Enforcement Order” means an Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended).
- (Note 6) When used in this statement, “Cabinet Office Ordinance” means the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended).
- (Note 7) In this statement, unless otherwise stated, the number of days or the date and time means the number of days or the date and time in Japan.
- (Note 8) When used in this statement, “Business Day” means days other than the days provided in items of Article 1(1) of the Act on Holidays of Administrative Organs (Act No. 91 of 1988, as amended).
- (Note 9) In this statement, “Share Certificates, etc.” means the rights in or to the shares, etc.
- (Note 10) Unless otherwise described in this statement, all procedures concerning the tender offer in connection with the filing of this statement (the “Tender Offer”) will be conducted in Japanese. All or part of the documents concerning the Tender Offer will be prepared in English. If there is any discrepancy between the English version and the Japanese version, the Japanese version shall prevail.
- (Note 11) The Tender Offer will be conducted to purchase common shares and share options of the Target Company, a company incorporated in Japan. The Tender Offer will be conducted in compliance with the procedures prescribed by the Financial Instruments and Exchange Act of Japan and related information disclosure standards. These procedures and standards, however, are not necessarily identical to those in jurisdictions other than Japan.
- (Note 12) This statement contains forward-looking statements (“Forward-Looking Statements”). Due to known or unknown risks, uncertainties or other factors, actual results may materially differ from any forecast, expressly or implicitly, indicated as a Forward-Looking Statement contained herein. Neither the Tender Offerors nor any of its affiliates and agents guarantee that any forecast, expressly or implicitly indicated as a Forward-Looking Statement will turn out to be accurate. The Forward-Looking Statements are prepared based on information held by the Tender Offerors as of the date hereof, and the Tender Offerors and its affiliates and agents do not intend, and disclaim any obligation, to update or modify any such statement to reflect future events or developments, except as may be required by any applicable laws and regulations or financial instruments exchange rules.
- (Note 13) The Tender Offer is being initiated by Tender Offerors, both of which are companies incorporated in Japan and have only residents of Japan as its directors. In addition, the Tender Offer relates to the securities of the Target Company, a company incorporated in Japan and publicly listed only in Japan. Accordingly, the Tender Offer is being conducted in accordance with the procedures and information disclosure standards prescribed by Japanese law.
- (Note 14) The Tender Offerors’, Sumitomo Corporation (“Sumitomo”)’ and the Target Company’s respective financial advisors and the tender offer agent

(including their respective affiliates) may, to the extent of their ordinary businesses, and to the extent permitted under laws and regulations regarding securities trades in Japan, and any other applicable laws and regulations, and in compliance with Rule 14e-5(b) promulgated under the U.S. Securities Exchange Act of 1934, as amended, on its own account or for the account of its customers, purchase the Target Company's shares other than through the Tender Offer, or conduct any acts targeted therefor before the commencement of the Tender Offer, or during the period for purchase, etc. (a "Tender Offer Period") in the Tender Offer. If any information regarding such purchase is disclosed in Japan, disclosure will also be made on the English websites of the financial advisors or tender offer agent that conducted such purchases (or in other methods of public disclosure).

I. Overview of the Tender Offer

1. Name of the Target Company

Jupiter Telecommunications Co., Ltd.

2. The types of share certificates, etc. to be purchased

(1) Common shares

(2) Share options

- (i) Share options issued pursuant to the resolution of the Target Company's ordinary shareholders' meeting held on March 28, 2006 (the "Stock Compensation Type Share Options 2006")
- (ii) Share options issued pursuant to the resolution of the Target Company's board of directors meeting held on April 27, 2007 (the "Stock Compensation Type Share Options 2007")
- (iii) Share options as mid-term incentive issued pursuant to the resolution of the Target Company's board of directors meeting held on July 29, 2008 (the "Stock Compensation Type Share Options 2008 (Mid-Term Incentive)")
- (iv) Share options as mid-term incentive issued pursuant to the resolution of the Target Company's board of directors meeting held on April 23, 2009 (the "Stock Compensation Type Share Options 2009 (Mid-Term Incentive)")
- (v) Share options as long-term incentive issued pursuant to the resolution of the Target Company's board of directors meeting held on March 25, 2009 (the "Stock Compensation Type Share Options 2009 (Long-Term Incentive)")
- (vi) Share options as mid-term incentive issued pursuant to the resolution of the Target Company's board of directors meeting held on February 25, 2010 (the "Stock Compensation Type Share Options 2010 (Mid-Term Incentive)")
- (vii) Share options as long-term incentive issued pursuant to the resolution of the Target Company's board of directors meeting held on February 25, 2010 (the "Stock Compensation Type Share Options 2010 (Long-Term Incentive)")
- (viii) Share options as mid-term incentive issued pursuant to the resolution of the Target Company's board of directors meeting held on February 24, 2011 (the "Stock Compensation Type Share Options 2011 (Mid-Term Incentive)")
- (ix) Share options as long-term incentive issued pursuant to the resolution of the Target Company's board of directors meeting held on February 24, 2011 (the "Stock Compensation Type Share Options 2011 (Long-Term Incentive)")
- (x) Share options as mid-term incentive issued pursuant to the resolution of the Target Company's board of directors meeting held on February 29, 2012 (the "Stock Compensation Type Share Options 2012 (Mid-Term Incentive)")

- (xi) Share options as long-term incentive issued pursuant to the resolution of the Target Company's board of directors meeting held on February 29, 2012 (the "Stock Compensation Type Share Options 2012 (Long-Term Incentive)", and collectively with the Stock Compensation Type Share Options 2006, the Stock Compensation Type Share Options 2007, the Stock Compensation Type Share Options 2008 (Mid-Term Incentive), the Stock Compensation Type Share Options 2009 (Mid-Term Incentive), the Stock Compensation Type Share Options 2009 (Long-Term Incentive), the Stock Compensation Type Share Options 2010 (Mid-Term Incentive), the Stock Compensation Type Share Options 2010 (Long-Term Incentive), the Stock Compensation Type Share Options 2011 (Mid-Term Incentive), the Stock Compensation Type Share Options 2011 (Long-Term Incentive), and the Stock Compensation Type Share Options 2012 (Mid-Term Incentive), the "Share Options").

3. Purpose of the Purchase, etc.

(1) Outline of the Tender Offer

As of filing date of this statement, KDDI owns 30.71% (2,133,797 shares) of the total issued common shares of the Target Company (based on the (6,947,813 shares) total issued shares as of December 31, 2012 stated in the "Consolidated Annual Financial Results Release For the Year Ended December 31, 2012 [U.S. GAAP]" announced on January 29, 2013 by the Target Company (the "Target Company's Annual Financial Results"); hereinafter the same), and the Target Company is an equity-method affiliated company of KDDI. As announced by Sumitomo and KDDI in the "Notice on Tender Offer for Share Certificates etc. of Jupiter Telecommunications Co., Ltd." dated October 24, 2012 ("Press Release dated October 24, 2012"), pursuant to the shareholders agreement (the "Shareholders Agreement") executed between Sumitomo and KDDI regarding the joint operation of the Target Company as of October 24, 2012, NJ is the company incorporated as of January 7, 2013 for the purpose of acquiring the common shares and the share options of the Target Company, and Sumitomo and KDDI each made a 50% contribution and dispatched one (1) director, respectively, as of the filing date of this statement. As of the filing date of this statement, Sumitomo owns 39.98% (2,777,912 shares) of the total issued common shares of the Target Company, and the Target Company is an equity-method affiliated company of Sumitomo.

As announced in the Press Release dated October 24, 2012, Sumitomo and KDDI decided at their respective board of directors meetings to jointly conduct the Tender Offer by KDDI and NJ, so that the Target Company will be delisted and Sumitomo and KDDI will each own 50% of the voting rights of the Target Company upon certain conditions being met, such as completion of the procedures and responses required under domestic and foreign competition laws. (Sumitomo and KDDI resolved to change the price of the purchase, etc. per common share of the Target Company in the Tender Offer (the "Tender Offer Price"), at each board of directors meeting held on February 26, 2013, to 123,000 yen per share from the 110,000 yen per share price determined on October 24, 2012). Upon completion of the procedures and responses required under domestic and foreign competition laws, and the conditions to commence the Tender Offer by the Tender Offerors set forth in the Shareholders Agreement being met, and pursuant to the decisions above, the

Tender Offerors determined to jointly commence the Tender Offer on February 26, 2013.

For the Tender Offer, neither a maximum nor a minimum number of shares to be purchased will be set. Therefore, in the Tender Offer, all the Share Certificates, etc. tendered will be purchased. However, (i)(a) KDDI will purchase all tendered common shares until the number of voting rights owned by Sumitomo and KDDI become equal (644,115 shares), (b) NJ will purchase all common shares exceeding the number of such common shares, and (ii) NJ will purchase all of the Share Options.

For your reference, the Target Company published the “NOTICE OF COMPANY’S OPINION ON JOINT TENDER OFFER FOR SHARE CERTIFICATES ETC. OF THE COMPANY BY KDDI CORPORATION AND NJ CORPORATION” on February 26, 2013 (the “Target Company’s Press Release dated February 26, 2013”). According to the Target Company, it resolved at its board of directors meeting held on February 26, 2013, that it expresses its opinion in favor of the Tender Offer and recommends that the shareholders and share option holders of the Target Company accept the Tender Offer (the “Expression of Endorsement”).

The above resolution of the board of directors has been passed in the manner stated in “(v) Approval of All Directors and Consent of All Company Auditors Without Interests” in “(4) Measures to ensure the fairness of the price for the purchase, etc. and to avoid conflicts of interest” below.

Should Sumitomo and KDDI fail to acquire all the issued common shares of the Target Company (including the Target Company’s common shares to be delivered upon the exercise of the Share Options; however, excluding the treasury shares held by the Target Company) in the Tender Offer, then after the Tender Offer, notwithstanding the number of Share Certificates, etc. tendered in the Tender Offer, the Tender Offerors plan to implement procedures for either Sumitomo, KDDI, and NJ, or Sumitomo and KDDI, to acquire all the issued shares of the Target Company (details of which procedures are as stated in “(5) Policy on Reorganization, etc. after the Tender Offer (Matters regarding So-Called Two-Tiered Offer)” and the subsequent acquisition by Sumitomo, KDDI, and NJ, or Sumitomo and KDDI of all the issued shares of the Target Company (excluding, however, the treasury shares held by the Target Company) are collectively referred to as the “Going Private Transaction”).

(2) Background to, and Purpose of, the Tender Offer; Decision-Making Process to Conduct the Tender Offer; and Management Policy, etc. after the Tender Offer

NJ’s major shareholder Sumitomo has been developing a wide range of business operations in the media and lifestyle area. For more than 25 years since entering the media market in 1984 as a new business, Sumitomo has worked to spread and expand its media business in Japan. In particular, Sumitomo has positioned, as the core of its media business, the cable TV business providing customers with multi-channel cable TV services, high-speed Internet services, and fixed-line telephone services on a one-stop-shop basis, as well as the specialized channel operation business for cable TVs and satellite TVs. Furthermore, it proactively invested management resources such as capital and personnel in those business areas. As for the cable TV business, Sumitomo established the Target Company that is a Multiple System Operator (MSO) supervising and operating multiple cable

TV stations for the first time in Japan in January 1995; furthermore, it has continuously invested its management resources in the Target Company, thereby leading to its growth. In March 2005, Sumitomo agreed to list the Target Company's shares on the JASDAQ standard market (which is a market operated by the Osaka Securities Exchange Co., Ltd.) (the "JASDAQ Market") as its shareholder, and it has worked to contribute to the sustainable growth of the Target Company by providing it with the wide-range of management resources held by the Sumitomo group, as well as to contribute to the development of the cable TV industry in Japan.

In September 2007, Sumitomo agreed to the Target Company's integration of the specialized channel operations business, which is a major part of K.K. Jupiter TV's business that Sumitomo had operated as its core business, thereby strengthening the Target Company's media business. Sumitomo announced a tender offer for the share certificates of the Target Company in February 2010 and completed it in April 2010, and it has supported and operated the Target Company as its largest shareholder, until today.

In the meantime, as the only comprehensive telecommunications carrier providing both mobile communications (au mobile phone) and fixed-line telecommunications (broadband Internet/telephone) business, KDDI, the Tender Offeror aims to realize a new telecommunications environment enabling a seamless connection under the brand of "au". KDDI launched its cable TV business in 1998 when it started providing high-speed Internet services using cable TV via its subsidiary; in 2005, it started providing the "Cable-Plus Phone," which is a fixed-line phone service for cable TVs. At present, as KDDI is tied up with 93 cable TV carriers and 177 stations, it has gained about 2.68 million Cable-Plus Phone service users, and has made efforts to contribute to the business development of the cable TV industry. In 2006, KDDI took a stake in Japan Cablenet Limited ("JCN"), which is the second-ranked MSO in Japan (in 2007, it became KDDI's consolidated subsidiary) resulting in full-scale participation in the management of the cable TV business. In July 2011, KDDI took a stake in Community Network Center Incorporated, which is the third-ranked MSO in the industry carrying out cable TV business in the Chubu area. KDDI invested in the Target Company in February 2010 through negotiated transaction, thereby supporting the operation and expansion of the Target Company's business jointly with Sumitomo.

In June 2010, Sumitomo, KDDI, and the Target Company executed a memorandum of understanding regarding discussing an alliance between them, and Sumitomo and KDDI agreed to cooperate with each other to the maximum extent in order to improve the corporate value of the Target Company. Pursuant to this agreement, Sumitomo further strengthened a tie-up between a wide-ranging business base such as the media retail network-related business and the Target Company, and transferred to the Target Company the shares of Asmik Ace Entertainment, Inc., a subsidiary of which Sumitomo has taken the management initiative for a long time, thereby contributing to the Target Company's strategy of developing unique content.

Pursuant to the agreement on the above-mentioned alliance, KDDI started cross sales (selling the services of the Target Company and KDDI to each other) from August 2010 in the Kansai area, thereby expanding the alliance with the Target Company in terms of sales and marketing. In December 2010, the Target Company started providing a wireless Internet service using the WiMAX infrastructure (MVNO) of UQ Communications Inc., which is an affiliate of KDDI. In April 2011, the Target Company started providing the "J:COM PHONE-Plus"

service utilizing the platform for KDDI's "Cable-Plus Phone", the number of users of which has increased to as many as approximately 780,000 customers of the Target Company. In February 2012, furthermore, it started providing "au Smart Value" as a discount service combining its smartphone, the users of which are rapidly increasing, with the Target Company's fixed-line telecommunications services (the Internet, fixed-line phone), having attracted many customers for the Target Company, thereby promoting various measures to expand its customer base. In terms of infrastructure, in March 2012, KDDI started shifting interexchange channels connecting service areas of the Target Company in five major metropolitan areas in Japan to KDDI's IP core network, thereby addressing the improved reliability of the Target Company's service and cost reduction.

However, The paid multi-channel broadcasting market in Japan comprises cable TV, satellite multi-channel broadcasting, and IP broadcasting. Although the entire market scale is expected to grow slowly in the future, as a mid-term trend the market is likely to shift from a growth stage to a maturing stage. On the other hand, the competition environment will become more severe not only due to competition between cable TV, satellite multi-channel broadcasting, and IP broadcasting, but also due to the change of the environment including prevalence of new devices such as smartphones and tablet terminals, the expansion of various Internet services, the creation of new services resulting from customers' changing lifestyles, and the resultant competition with those service providers. Reflecting such changes in both the business and competition environments, tie-ups between paid multi-channel operators (including cable TV operators), media operators, and Internet service providers will accelerate across their business areas; moreover, a change in industry structure is also anticipated.

Similar to the paid multi-channel broadcasting market, although the fixed-line broadband market in Japan is also expected to grow slowly in the future, the market is likely to shift from a growth stage to a maturing stage as a mid-term trend. Further, in recent years, wireless Internet access has been accelerating, resulting in competition between the fixed-line broadband business and the wireless Internet business, or creation of a new form of service arising from a fusion or supplementation of both businesses; thus, the industry is facing a turning point. In addition, while various kinds of services are developing, customers' needs are changing; thus, the industry is in an era where services tailored to the opportunities and purposes of each user are sought.

As described above, being exposed to the competition with various media services, the business environment surrounding the Target Company has been becoming gradually severer, requiring it to provide a wider range of services. Sumitomo and KDDI have come to share the understanding that based on this business environment outlook, in order to maintain and improve the Target Company's competitive advantage and realize the Target Company's sustainable growth by permanently providing high-quality services satisfactory to customers, it is extremely important to enable proactively investing management resources held by both companies in the Target Company, by deepening the alliance between the three companies and privatizing the Target Company and establishing a joint management system by Sumitomo and KDDI. Specifically, further accelerating various measures including expanding the business scale through the integration of the cable TV business of the Target Company and that of JCN, a member of the KDDI group, is of great importance. Moreover, it is also critical to establish a management policy that enables the Target Company to work on revolutionary new products and new services by devoting management resources including research

and development and equipment investment to such projects from a medium to long term perspective, while avoiding, through privatizing the Target Company, aiming for a short-term improvement in performance with its focus on the capital market, where corporate value might be evaluated by a short-term fluctuation of performance, as a listed company. Sumitomo and KDDI concluded that it would be best for them to conduct the Going Private Transaction, and jointly manage the Target Company equally at an investment ratio of 50:50, and executed the Shareholders Agreement (for the details of the agreement regarding the joint management, please see “(3) Agreement on Joint Management of the Target Company between Sumitomo and KDDI” below).

As announced in the Press Release dated October 24, 2012, in the Shareholders Agreement, it was agreed between Sumitomo and KDDI that KDDI and NJ would jointly conduct the Tender Offer upon certain conditions being met, such as completion of the procedures and responses required under domestic and foreign competition laws. (As stated above, Sumitomo and KDDI resolved, at each board of directors meeting held on February 26, 2013, to change the Tender Offer Price, to 123,000 yen per share.)

Upon the completion of the procedures and responses required under domestic and foreign competition laws, KDDI confirmed that the terms and conditions in which the Tender Offerors would commence the Tender Offer as set forth in the Shareholders Agreement were satisfied, and decided to commence the Tender Offer on February 26, 2013. Also, NJ has, in addition to confirming its major shareholder KDDI’s decision above, confirmed that Sumitomo, the other major shareholder of NJ, confirmed that the conditions to commence the Tender Offer by the Tender Offerors set forth in the Shareholders Agreement were met, and determined to commence the Tender Offer on February 26, 2013. Pursuant to the decisions above, the Tender Offerors determined to jointly commence the Tender Offer.

After the Tender Offer, the Target Company will shift to a joint management scheme by Sumitomo and KDDI; it will be delisted after taking the prescribed procedures. In managing the delisted Target Company, Sumitomo and KDDI will establish and implement various strategies rapidly and flexibly, and invest management resources of both companies in the Target Company based on the idea of joint management by both companies, thereby permanently improving the Target Company’s corporate value.

More specifically, while maintaining the mid-term policy of being a community service partner by enhancing the community-based services that the Target Company is currently promoting, and shifting to a comprehensive media business group by enhancing the media content business, Sumitomo and KDDI will follow a new policy where after the Target Company acquires all its common shares subject to wholly call, it will integrate JCN in the KDDI group with it by share acquisition and merger or other means, thereby promoting business-scale expansion by integrating the cable TV business of both companies and their sustainable growth. In addition, Sumitomo will continue to maintain a good relationship with stakeholders in the Target Company’s business developed since the Target Company was established in 1995, including the competent authorities, the Japan Cable and Telecommunications Association, local governments, and local shareholders, in its business areas, and Sumitomo will continue to provide experienced human resources. Furthermore, Sumitomo will use its media-industry knowledge including that related to broadcasting and movies which it has developed over more than 20 years since its market entry, and deepen tie-ups

within various business areas such as retail, IT, and real estate. In the meantime, KDDI will provide the Target Company with the management resources developed by KDDI so far for the cable TV business. In addition, KDDI will utilize its technological development abilities to realize the new telecommunications environment with seamless connections as a comprehensive telecommunications carrier with both mobile and fixed-line telecommunications to develop the Target Company's services, and to further support the Target Company in providing new video broadcasting service experiences to its customers tied up with a state-of-the-art smartphone. By doing so, Sumitomo and KDDI aim to further develop the Target Company to realize even more growth.

After the Tender Offer expires, the Target Company will be a consolidated subsidiary of KDDI.

On the other hand, according to the Target Company, the decision-making process and reasons for decision to support the Tender Offer is as follows:

(a) Course of events up to October 24, 2012

According to the Target Company, on September 28, 2012, the Target Company received from Sumitomo and KDDI an initial general explanation regarding their intention to conduct the Tender Offer and a series of proposed procedures (collectively, the "Transaction") as described in "(5) Policy on Reorganization, etc. after the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)" below (in which the tender offer price was 110,000 yen per common share of the Target Company (the "Initially Proposed Tender Offer Price")).

The Target Company, upon receiving that initial general explanation, appointed Mori Hamada & Matsumoto as its legal adviser and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities") as its financial adviser.

Sumitomo and KDDI submitted a written proposal (the "Written Proposal dated October 15, 2012") and provided explanation of the Transaction dated October 15, 2012 to the Target Company. Upon receipt of that proposal, during the period from October 17, 2012 up to October 23, 2012, the Target Company requested Sumitomo and KDDI to increase the tender offer price and had discussions and negotiations with them with respect to the tender offer price, with the advice received from Mitsubishi UFJ Morgan Stanley Securities and Mori Hamada & Matsumoto. However, in response, Sumitomo and KDDI consistently rejected the proposal to increase the Initially Proposed Tender Offer Price of 110,000 yen on the basis that it was a good price that took the interest of minority shareholders into account.

As described in "(iii) The Target Company's Acceptance of a Share Price Valuation Report and Fairness Opinion from a Third-Party Calculation Agent Independent of the Target Company, Sumitomo and the Tender Offerors" in "(4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest" below, the Target Company has obtained a share price valuation report (kabushiki-kachi santei-sho) on the Target Company's common stock from Mitsubishi UFJ Morgan Stanley Securities dated October 23, 2012 (the "October Share Price Valuation Report"), and received the explanation thereof. The Target Company has also obtained a

fairness opinion, and received the explanation thereof, from Mitsubishi UFJ Morgan Stanley Securities dated October 23, 2012 (the “October Fairness Opinion”), which states that the Initially Proposed Tender Offer Price to be applied in the Transaction is appropriate for the Target Company’s shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial perspective. The Target Company also received from Mitsubishi UFJ Morgan Stanley Securities advice regarding the purchase price of the Share Options.

According to the Target Company, taking into consideration the content of the October Written Report submitted by the Phase-One Third-Party Committee as described in “(ii) Establishment of Independent Third-Party Committee by the Target Company” in “(4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below, the October Share Price Valuation Report, and the October Fairness Opinion described above as well as the advices received from Mitsubishi UFJ Morgan Stanley Securities and Mori Hamada & Matsumoto, the Target Company’s board of directors, at its meeting held on October 24, 2012, concluded, after careful discussions and examinations, that the Initially Proposed Tender Offer Price is appropriate and that the Tender Offer provides the Target Company’s shareholders with a reasonable opportunity to sell their shares for the following reasons:

- (A) it was considered that the Transaction would contribute to an increase in the corporate value of the Target Company through business expansion as a result of the integration of the cable television business of JCN and the Target Company, the effective utilization of the management resources of Sumitomo and KDDI, and the deepening of relations with Sumitomo and KDDI in various business areas, including the media industry; and
- (B) the Initially Proposed Tender Offer Price fell within the range of calculation results derived from the DCF analysis in the October Share Price Valuation Report, was close to the median value of such range, and exceeded the upper end of the range of calculation results of the historical share exchange ratio and comparable companies analyses; an opinion (the October Fairness Opinion) stating that the Initially Proposed Tender Offer Price was appropriate for the Target Company’s shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial perspective had been obtained; and a premium in line with premium standards in the cases similar to the Transaction had been added to the market value of the Target Company’s shares.

For the Share Options, the Target Company’s board of directors also concluded that the purchase price of the Share Options provides the Share Option holders with a reasonable opportunity to sell their Share Options, because the purchase price of each Share Option was calculated by multiplying the Initially Proposed Tender Offer Price less the exercise price of the Share Options by the number of common stock allotted for each Share Option exercised.

Then, as described in “(v) Approval of All Directors and Consent of All Company Auditors Without Interests” in “(4) Measures to Ensure the

Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below, the Target Company’s board of directors resolved, through a unanimous decision of all directors present (excluding two directors who abstained from voting on the resolution from the viewpoint of maintaining the resolution’s fairness) that the Target Company’s opinion as of October 24, 2012 was to express an opinion in favor of the Tender Offer and recommend that its shareholders and share option holders tender their shares or share options in the Tender Offer if the Tender Offer commenced. (the “October Expression of Endorsement”)

The Tender Offerors would conduct the Tender Offer subject to the completion of procedures and responses required under domestic and foreign competition laws and other certain conditions. However, it was anticipated that it would take a certain period of time to complete the procedures involving domestic and foreign competition authorities, and it was difficult to accurately estimate the amount of time required for those procedures. Given that, the board of directors held on October 24, 2012 also resolved (i) to request the third-party committee of the Target Company when the Tender Offer is about to commence to consider whether or not there had been any change in the opinion expressed by the Phase-One Third-Party Committee in the October Written Report (as defined in “(ii) Establishment of Independent Third-Party Committee by the Target Company” in “(4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below), and, if not, to state as such to the Target Company’s board of directors or, if so, to state to the Target Company’s board of directors the changed opinion, and (ii) to express an opinion of board of directors again on the Tender Offer at the time of the commencement of the Tender Offer.

(b) Course of events after October 24, 2012

After that, on January 9, 2013, Sumitomo and KDDI informed the Target Company that Sumitomo and KDDI desired to commence the Tender Offer as early as the beginning of February, 2013, taking into account the status of preliminary investigations by competition authorities in China.

After being so informed, the Target Company promptly started to discuss and consider how to proceed, requesting Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Mori Hamada & Matsumoto for their advice, and on January 18, 2013, the third-party committee was reconvened to examine, among other things, whether the Target Company should be in favor of the Tender Offer. At the outset of such discussion and consideration, the Target Company confirmed that (i) its performance for the fiscal year ended December 2012 was almost the same as that projected in the Target Company’s business plan that was used as the basis for the October Share Price Valuation Report and the October Fairness Opinion and that (ii) after October 24, 2012, there was no material change to the Target Company’s business plan and other factors that affect the calculation of the Target Company’s corporate value.

On the other hand, based on the fact that the market value of comparable listed companies and general stock market conditions have improved to a certain extent since October 24, 2012, and also taking into account that the Target Company had received from some of its shareholders requests to raise the Initially Proposed Tender Offer Price, the Target Company concluded that

it should renegotiate with Sumitomo and KDDI with respect to the tender offer price and other terms and conditions for the Tender Offer, aiming to raise the Initially Proposed Tender Offer Price.

Thus, on January 22, 2013, the Target Company made a request to Sumitomo and KDDI to recommence discussions and negotiations regarding the tender offer price and other terms and conditions for the Tender Offer, and had discussions and negotiations with Sumitomo and KDDI therefrom aiming to raise the tender offer price.

Meanwhile, on February 8, 2013, Sumitomo and KDDI informed the Target Company that the Tender Offer would not commence by early February 2013 because procedures and steps required under China competition law did not complete in China as of February 8, 2013. Then on February 18, 2013, Sumitomo and KDDI informed the Target Company that those procedures and steps required under China competition law had been completed in China and Sumitomo and KDDI desired to commence the Tender Offer on February 27, 2013.

During the period from January 22, 2013 to February 19, 2013, the Target Company continued sincere discussions and negotiations with Sumitomo and KDDI in order to raise the tender offer price, taking into consideration advice from Mitsubishi UFJ Morgan Stanley Securities and Mori Hamada & Matsumoto and examinations made so far at the third-party committee. As a result, on February 19, 2013, the Target Company received from Sumitomo and KDDI a final proposal that Sumitomo and KDDI intend to conduct the Tender Offer with the increased tender offer price of 123,000 yen.

Because more than four months have passed from the reference date of the October Share Price Valuation Report and the October Fairness Opinion, the Target Company obtained the share price valuation report from Mitsubishi UFJ Morgan Stanley Securities dated February 25, 2013 (the “February Share Price Valuation Report”; together with the October Share Price Valuation Report, the “Share Price Valuation Reports”), and received the explanation thereof. The Target Company has also obtained a fairness opinion from Mitsubishi UFJ Morgan Stanley Securities, dated February 25, 2013 (the “February Fairness Opinion”; together with the October Fairness Opinion, the “Fairness Opinions”), which states that the Tender Offer Price to be applied in the Transaction is appropriate for the Target Company’s shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial perspective, and also received the explanation thereof, as further described in “(iii) The Target Company’s Acceptance of a Share Price Valuation Report and Fairness Opinion from a Third-Party Calculation Agent Independent of the Target Company, Sumitomo and the Tender Offerors” in “(4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below. The Target Company also received advice from Mitsubishi UFJ Morgan Stanley Securities regarding the purchase price of the Share Options.

Thus, the Target Company has conducted careful discussions and examinations, taking into consideration the content of the October Written Report submitted by the Phase-One Third-Party Committee, the February Written Report submitted by the Phase-Two Third-Party Committee as described in “(ii) Establishment of Independent Third-Party Committee by the

Target Company” in “(4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below, the Share Price Valuation Reports, and the Fairness Opinions described above as well as the advice received from Mitsubishi UFJ Morgan Stanley Securities and Mori Hamada & Matsumoto.

Based on such discussions and examinations, the Target Company concluded at the board of directors meeting held on February 26, 2013 as follows in relation to the Transaction. With regards to the appropriateness of the Tender Offer Price, it was concluded that the Tender Offer Price was appropriate, and that the Tender Offer provides the Target Company’s shareholders with a reasonable opportunity to sell their shares, taking into consideration, in addition to the matters already examined at the board of directors meeting held on October 24, 2012, (i) the content and conclusion of the February Written Report (as defined in “(ii) Establishment of Independent Third-Party Committee by the Target Company” in “(4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below), (ii) the fact that from October 24, 2012 (when the proposal of the Tender Offer was publicly announced) and up to February 26, 2013, there was no material change to the Target Company’s business plan and other factors affecting the calculation of the corporate value of the Target Company, (iii) the fact that the Tender Offer Price was raised from 110,000 yen to 123,000 yen as a result of the discussion and negotiation between the Target Company and Sumitomo and KDDI, (iv) the Tender Offer Price is above the price range calculated by DCF analysis and almost equal to the upper end of its price range, and is above the price range calculated by the comparable companies analysis, in each case as described in the February Share Price Valuation Report, and the opinion (the February Fairness Opinion) that the Tender Offer Price was appropriate from a financial perspective for the Target Company’s shareholders (excluding Sumitomo and the Tender Offerors and their related companies) has been received, (v) it is set forth in the February Written Report that while the general stock market conditions improved after October 24, 2012, the premium added in the Tender Offer Price is still considered to be in line with that of recent cases similar to the Transaction, taking into consideration, among other things, the movement of the market value of comparable listed companies and the fact that the Tender Offer Price was increased from the Initially Proposed Tender Offer Price by 13,000 yen (approximately 11.8%), (vi) according to the explanation from Mitsubishi UFJ Morgan Stanley Securities, the Tender Offer Price would not be considered inappropriate due to the fact that the Tender Offer Price is lower than the tender offer price of 139,500 yen (the “2010 Tender Offer Price”) per common share of the Company upon the tender offer conducted by Sumitomo for the Target Company’s share certificates announced in February 2010, because a considerable period of time has passed since February 2010, and the business environment surrounding, and the growth potential of, the domestic cable television industry, including the Target Company, have changed since February 2010, due to continuous decreasing trend of ARPU (Average Revenue per User) owing to factors such as increased competition with fixed carriers, and the growth of alternative media distribution business using tablet PC and other media owing to the rapid expansion of high-speed mobile communication market.

For the Share Options, the Target Company’s board of directors also concluded that the purchase price of the Share Options offered the Share

Option holders with a reasonable opportunity to sell their Share Options, because the purchase price of each Share Option was calculated by multiplying the Tender Offer Price less the exercise price of the Share Options by the number of common stock allotted for each Share Options exercised.

Then, as described in “(v) Approval of All Directors and Consent of All Company Auditors Without Interests” in “(4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below, the Target Company resolved, through a unanimous decision of all directors present (excluding two directors who abstained from voting on the resolution from the viewpoint of maintaining the resolution’s fairness) that the Target Company expresses its opinion in favor of the Tender Offer and recommends that the shareholders and share option holders of the Target Company accept the Tender Offer.

Upon the examination, discussion and negotiation of the Tender Offer, as described in (v) Approval of All Directors and Consent of All Company Auditors Without Interests” in “(4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below, in order to avoid conflicts of interest among the board of directors, the Target Company has taken the following measures. First, out of the 11 directors of the Target Company, four directors, Mr. Yoshio Osawa, Mr. Hirofumi Morozumi, Mr. Makoto Takahashi, and Mr. Daisuke Mikogami, who concurrently serve as officers/employees of Sumitomo and KDDI, and two directors, Mr. Shuichi Mori and Mr. Shunsuke Oyama, who were officers/employees of Sumitomo or KDDI until relatively recently (until March 2011), did not attend any of the board of directors meetings regarding the Transaction, nor did they participate in any examination of the Transaction or any discussion or negotiation with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company. Out of the other five directors, Mr. Ryosuke Yamazoe and Mr. Yoshiki Nakai who were officers/employees of Sumitomo or KDDI until relatively recently (until March or June 2011) participated in the board of directors meetings regarding the Transaction, including the board of directors meeting held on February 26, 2013, in order to ensure that the quorum for the Target Company’s board of directors meeting was met. However, from the viewpoint of maintaining the resolution’s fairness, they made no remarks at the Target Company’s board of directors meeting regarding the Transaction, abstained from voting on resolutions, and did not participate in any examination of the Transaction or any discussion or negotiation with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company, except for their attendance at the board of directors meetings.

The Target Company decided at the board of directors meeting held on February 26, 2013 to comprehensively approve the Share Option holders’ transferring their Share Options to the Tender Offerors by tendering them in the Tender Offer.

Further, the Target Company decided at the board of directors meeting held on February 26, 2013 not to declare interim dividend for the record date of June 30, 2013 in respect of the fiscal year ending December 2013, on the condition that the Tender Offer is completed.

(3) Agreement on Joint Management of the Target Company between Sumitomo and KDDI

Sumitomo and KDDI have executed the Shareholders Agreement regarding the joint operation of the Target Company.

As to the management system of the Target Company after completing the account settlement of the Tender Offer, Sumitomo and KDDI have prescribed in the Shareholders Agreement that Sumitomo and KDDI will have the right to appoint the same number of directors, company auditors, and representative directors of the Target Company. After completing the account settlement for the Tender Offer, Sumitomo and KDDI plan to establish a joint managing system of the Target Company based on an investment ratio of 50:50.

Until the Target Company is delisted, one person satisfying the independent officer requirement stipulated in the rules of the Osaka Securities Exchange will be elected as a company auditor of the Target Company.

After the Target Company acquires all its common shares, all of which may be acquired by the Target Company by a resolution of its shareholders meeting (“common shares subject to wholly call”), Sumitomo and KDDI plan to conduct an absorption-type merger in which the Target Company will be the surviving company and NJ will be the absorbed company (the “Merger”). As stated in “(2) Background to and Purpose of the Tender Offer; Decision-Making Process to Conduct the Tender Offer; and Management Policy, etc. after the Tender Offer” above, Sumitomo and KDDI will follow a policy under which, after the Target Company acquires all its common shares subject to wholly call, the Target Company will integrate JCN, which is a member of the KDDI group, into the Target Company by share acquisition and merger or other means, and they plan to promote the expansion and sustainable growth of the business by integrating the cable TV business of the Target Company and JCN. Regarding the specific terms of the integration of JCN into the Target Company, Sumitomo and KDDI plan to start discussions with the Target Company after the resolution of the shareholders meeting necessary for the Target Company to acquire all its common shares subject to wholly call. However, Sumitomo and KDDI plan to carry out the integration of JCN into the Target Company approximately four months after the Target Company has acquired all its common shares subject to wholly call.

(4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest

NJ’s major shareholders Sumitomo and KDDI hold in the aggregate a majority of the voting rights regarding the common shares of the Target Company as of the filing date of this statement. In addition, some members of the board of directors of the Target Company have certain interests in Sumitomo and KDDI: among the directors of the Target Company, two directors concurrently serve as representative directors of KDDI, one as a representative director of Sumitomo, and one as a Sumitomo employee; and among the company auditors of the Target Company, one company auditor concurrently serves as a KDDI employee, and one as a Sumitomo employee. In light of the foregoing, Sumitomo, the Tender Offerors and the Target Company have taken the following measures in order to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the tender offer price for the Target Company’s common shares and the Share Options and measures to

avoid conflicts of interest. (The following description of the measures taken by the Target Company is based on the explanations provided by the Target Company.)

(i) Measures to Ensure Fairness of the Tender Offer by Sumitomo and the Tender Offerors

As announced in the Press Release dated October 24, 2012, the fundamental policies regarding the implementation of the Tender Offer by the Tender Offerors was decided between Sumitomo and KDDI on October 24, 2012. In addition, Sumitomo and KDDI decided to change the Tender Offer Price to 123,000 yen from 110,000 yen per common share of the Target Company, which had been published in the Press Release dated October 24, 2012, at their respective board of directors meeting held on February 26, 2013. In connection with such series of decisions, Sumitomo retained and requested advice from Goldman Sachs Japan Co., Ltd. ("Goldman Sachs") as its financial advisor, and Nagashima Ohno & Tsunematsu as its legal adviser, and KDDI retained and requested advice from JPMorgan Securities Japan Co., Ltd. ("J.P. Morgan") as its financial advisor and Nishimura & Asahi as its legal adviser. Taking into consideration such advice, each of Sumitomo and KDDI carefully discussed and deliberated in order to avoid arbitrariness in the decision-making process with respect to the Tender Offer.

Upon the consummation of the Tender Offer and the Going Private Transactions by KDDI and NJ, an entity in which Sumitomo and KDDI each owns the same number of voting rights, Sumitomo expects to beneficially own 50% of the voting rights in the Target Company. Therefore, in the process of determining the Tender Offer Price, Sumitomo requested Goldman Sachs, a financial advisor independent from Sumitomo, the Target Company, KDDI and NJ to perform financial analyses regarding the Target Company's common shares, and received from Goldman Sachs the financial analyses report (santei-sho) dated October 24, 2012 (the "Goldman Sachs October Report") prepared by Goldman Sachs. For the avoidance of doubt, the Goldman Sachs October Report does not address the purchase price for the Share Options. The tender offer price, as of October 24, 2012, of 110,000 yen in cash per common share of the Target Company was determined by Sumitomo, using as a reference the results of the financial analyses of the Target Company's common shares conducted by Goldman Sachs set forth in the Goldman Sachs October Report, and taking into consideration, as of October 24, 2012, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company.

Sumitomo first prepared the business plans and financial forecasts for the Target Company and its subsidiaries and affiliated companies from the beginning of October 2012 to late October 2012, based on information presented to Sumitomo by the Target Company's management (the "Forecasts"), while assessing the strategic rationale for the proposed transactions in connection with the Tender Offer, and examining, with the Target Company's management, the past and current business operations, financial condition and future prospects of the Target Company.

Goldman Sachs, in preparing the Goldman Sachs October Report referred to above, conducted its financial analyses of the Target Company's common shares using an

average market share price analysis, a comparable companies analysis, and a discounted cash flow (“DCF”) analysis. With respect to a comparable transactions analysis, although Goldman Sachs researched acquisition transactions involving companies with comparable businesses to the Target Company, Goldman Sachs did not conduct such analysis because it believed that there were no minority float acquisition transactions similar to the Tender Offer involving such comparable companies. The comparable companies analysis and the DCF analysis were based on the Forecasts, approved for Goldman Sachs’ use by Sumitomo, and publicly available information. Goldman Sachs provided the Goldman Sachs October Report solely for the information and assistance of the board of directors of Sumitomo in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer.

Goldman Sachs’ financial analyses, which were presented to Sumitomo’s board of directors on October 24, 2012 and set forth in the Goldman Sachs October Report, resulted in a range of implied values per common share of the Target Company:

(A) Average Market Share Price Analysis: 78,991 yen to 81,054 yen

In performing the average market share price analysis based on publicly available information, Goldman Sachs used October 17, 2012 as the base date, and reviewed the average closing prices of the Target Company common shares on the base date (82,500 yen) and over the one-month (79,495 yen), three-month (78,991 yen), and six-month (81,054 yen) periods ending on the base date.

(B) Comparable Companies Analysis: 82,726 yen to 121,084 yen

In performing the comparable companies analysis, Goldman Sachs used October 17, 2012, as the base date and analyzed the Target Company’s common share value by selecting listed companies that, while not directly comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, and applying the comparable companies’ estimated fiscal year 2012 enterprise value to EBITDA multiples, based on the most recently publicly available information, to the Forecasts, which were approved for Goldman Sachs’ use by Sumitomo.

(C) DCF Analysis: 99,127 yen to 179,962 yen

Goldman Sachs performed the DCF analysis of the Target Company’s common shares based on the Forecasts, which were approved for Goldman Sachs’ use by Sumitomo. In performing the DCF analysis, Goldman Sachs analyzed the Target Company’s common shares by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at an implied range of net present values per share. No significant increase or decrease in profit is expected in the Forecasts, on which the DCF analysis was based.

Based on the foregoing, Sumitomo, using as a reference the results of the financial analyses of the Target Company’s common shares conducted by Goldman Sachs set forth in the Goldman Sachs October Report, and taking into consideration, as of

October 24, 2012, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company, determined the Tender Offer Price for the Tender Offer to be 110,000 yen in cash per common share of the Target Company at Sumitomo's board of directors meeting held on October 24, 2012 and announced such determination in the Press Release dated October 24, 2012.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, Sumitomo, together with KDDI, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February of 2013 at the earliest. However, in late January 2013, Sumitomo and KDDI received a request from the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, considering certain increases in the share prices of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, Sumitomo, together with KDDI, accepted such request and resumed consultations and negotiations with the Target Company. As a result of these consultations and negotiations, taking into consideration the market trend of the share price of the Target Company's common shares, the likelihood of tenders in the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, Sumitomo determined, at Sumitomo's board of directors meeting held on February 26, 2013, to raise the Tender Offer Price from 110,000 yen in cash, as announced in the Press Release dated October 24, 2012, to 123,000 yen in cash per common share of the Target Company, in order to obtain the Target Company's recommendation that its shareholders tender in the Tender Offer. In addition, in the process of re-determining the Tender Offer Price, Sumitomo received from Goldman Sachs and took into consideration, subject to certain conditions, the financial analyses report (santei-sho) dated February 26, 2013 (the "Goldman Sachs February Report", and together with the Goldman Sachs October Report, the "Goldman Sachs Financial Analyses Reports") prepared by Goldman Sachs. For the avoidance of doubt, the Goldman Sachs Financial Analyses Reports do not address the purchase price for the Share Options.

Goldman Sachs, in preparing the Goldman Sachs February Report referred to above, conducted its financial analyses of the Target Company's common shares using an average market share price analysis, a comparable companies analysis, and a DCF analysis. With respect to a comparable transactions analysis, although Goldman Sachs researched acquisition transactions involving companies with comparable businesses to the Target Company, Goldman Sachs did not conduct such analysis because it believed that there were no minority float acquisition transactions similar to the Tender Offer involving such comparable companies. The comparable companies analysis and the DCF analysis were based on the Forecasts, approved for Goldman Sachs' use by Sumitomo, and publicly available information.

Goldman Sachs provided the Goldman Sachs February Report solely for the information and assistance of the board of directors of Sumitomo in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer.

Goldman Sachs' financial analyses, which were presented to Sumitomo's board of directors on February 26, 2013 and set forth in the Goldman Sachs February Report resulted in a range of implied values per common share of the Target Company:

(A) Average Market Share Price Analysis: 78,961 yen to 81,028 yen

In performing the average market share price analysis based on publicly available information, Goldman Sachs used October 19, 2012 as the base date, and reviewed the average closing prices of the Target Company common shares on the base date (82,700 yen) and over the one-month (79,824 yen), three-month (78,961 yen), and six-month (81,028 yen) periods ending on the base date.

(B) Comparable Companies Analysis: 86,898 yen to 123,465 yen

In performing the comparable companies analysis, Goldman Sachs used February 19, 2013, as the base date and analyzed the Target Company's common share value by selecting listed companies that, while not directly comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, and applying the comparable companies' estimated fiscal year 2013 enterprise value to EBITDA multiples, based on the most recently publicly available information, to the Forecasts, which were approved for Goldman Sachs' use by Sumitomo.

(C) DCF Analysis: 101,687 yen to 182,569 yen

Goldman Sachs performed the DCF analysis of the Target Company's common shares based on the Forecasts, which were approved for Goldman Sachs' use by Sumitomo. In performing the DCF analysis, Goldman Sachs analyzed the Target Company's common shares by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at an implied range of net present values per share. No significant increase or decrease in profit is expected in the Forecasts, on which the DCF analysis was based.

Please refer to (Note 1) below, which sets forth in more detail the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by Goldman Sachs.

Goldman Sachs does not constitute a related party of Sumitomo, the Target Company, KDDI or NJ, nor does it have any material interests that should be noted in connection with the Tender Offer. In addition, although NJ is planning to conduct a tender offer for the Share Options pursuant to the Shareholders Agreement, the purchase price for the Share Options is not included within the

scope of Goldman Sachs' financial analyses regarding the Target Company's common shares or the Goldman Sachs Financial Analyses Reports.

(Note) The following is a supplemental explanation of the assumptions made, matters considered, and limitations on the review undertaken in connection with performing Goldman Sachs' financial analyses of the Target Company's equity with October 17, 2012 as the base date for the Goldman Sachs October Report and related financial analyses, and February 19, 2013 as the base date for the Goldman Sachs February Report and related financial analyses:

Goldman Sachs did not attribute any particular weight to any factor or analysis. Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports were necessarily based on economic, monetary, market, and other conditions as in effect on, and the information made available to, Goldman Sachs as of October 17, 2012 for the Goldman Sachs October Report and related financial analyses, and as of February 19, 2013 for the Goldman Sachs February Report and related financial analyses, and Goldman Sachs assumes no responsibility for updating, revising, or reaffirming its financial analyses or the Goldman Sachs Financial Analyses Reports based on circumstances, developments, or events occurring after the respective dates thereof. Goldman Sachs assumed with Sumitomo's consent that the Forecasts have been reasonably prepared on a basis reflecting the best estimates and judgments of the management of Sumitomo available as of October 17, 2012 and Sumitomo has confirmed that the Forecasts continue to represent the best estimates and judgments of the management of Sumitomo as of February 19, 2013. In addition, in preparing the Goldman Sachs February Report and in performing its financial analyses, Goldman Sachs assumed with Sumitomo's consent that no changes have been made to the Forecasts. Except as otherwise noted, the quantitative information used in Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports, to the extent it is based on market data, is based on market data as it existed on or before October 17, 2012 for the Goldman Sachs October Report and related financial analyses and on or before February 19, 2013 for the Goldman Sachs February Report and related financial analyses, and is not necessarily indicative of current market conditions.

Goldman Sachs and its affiliates (collectively, the "Goldman Sachs Group") are engaged in commercial and investment banking and financial advisory services, market making and trading, research and investment management (both public and private investing), principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities, and other financial and non-financial activities and services for various persons and entities. The Goldman Sachs Group, and funds or other entities in which they invest or with which they co-invest, may at any time purchase, sell, hold, or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments of Sumitomo, KDDI, NJ, the Target Company, and any of their respective affiliates, and third parties, or any currency or commodity that may be involved in the transactions contemplated by the Shareholders Agreement (including the Tender Offer and the Going Private Transaction) (the "Agreement Transactions") for the accounts of the Goldman Sachs Group and its customers. Goldman Sachs

has acted as financial advisor to Sumitomo in connection with, and has participated in certain of the negotiations leading to, the Agreement Transactions. Goldman Sachs expects to receive fees for its services in connection with the Agreement Transactions, a principal portion of which is contingent upon consummation of the Tender Offer, and Sumitomo and its affiliates have agreed to reimburse Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. The Goldman Sachs Group has provided from time to time and are currently providing certain investment banking services to Sumitomo and its affiliates for which the Investment Banking Division of the Goldman Sachs Group has received, and may receive, compensation, including having acted as joint bookrunner with respect to a public offering in January 2012 of Sumitomo's 44th domestic unsecured senior bond due January 2022 (aggregate principal amount 15 billion yen). The Goldman Sachs Group may also in the future provide investment banking services to Sumitomo, KDDI, NJ, the Target Company, and their respective affiliates, for which the Investment Banking Division of the Goldman Sachs Group may receive compensation.

In connection with performing its financial analyses and preparing the Goldman Sachs Financial Analyses Reports, Goldman Sachs has reviewed, among other things, the Shareholders Agreement; the Annual Securities Reports (Yuka Shoken Houkoku-Sho) of the Target Company for the five fiscal years ended December 31, 2011; the First Quarter Securities Reports (Dai-ichi Shihanki Houkoku-Sho) of the Target Company for the first fiscal quarter ended March 31, 2012; the Second Quarter Securities Reports (Dai-ni Shihanki Houkoku-Sho) of the Target Company for the second fiscal quarter ended June 30, 2012; the Third Quarter Securities Reports (Dai-san Shihanki Houkoku-Sho) of the Target Company for the third fiscal quarter ended September 30, 2012; Earnings Releases (Kessan Tanshin) of the Target Company for the fiscal year ended December 31, 2012; certain other communications from the Target Company to its shareholders; certain publicly available research analyst reports for the Target Company; and the Forecasts as approved for Goldman Sachs' use by Sumitomo. Goldman Sachs has also held discussions with members of the senior managements of Sumitomo and the Target Company regarding their assessment of the past and current business operations, financial condition, and future prospects of the Target Company and its subsidiaries, and with members of the senior management of Sumitomo regarding their assessment of the strategic rationale for the Agreement Transactions. In addition, Goldman Sachs has reviewed the reported price and trading for the common shares of the Target Company; compared certain financial and stock market information for the Target Company with similar information for certain other companies the securities of which are publicly traded; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of performing its financial analyses and preparing the Goldman Sachs Financial Analyses Reports, Goldman Sachs has, with Sumitomo's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting, and other information provided to, discussed with or reviewed by Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs has assumed with Sumitomo's consent that the

Forecasts have been reasonably prepared on a basis reflecting the best estimates and judgments of the management of Sumitomo available as of the applicable date. In addition, Goldman Sachs has not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative, or off-balance-sheet assets and liabilities) of Sumitomo, KDDI, NJ, the Target Company, or any of their respective subsidiaries, and Goldman Sachs has not been furnished with any such evaluation or appraisal. Goldman Sachs has assumed that all governmental, regulatory, or other consents and approvals necessary for the consummation of the Agreement Transactions will be obtained without any adverse effect on Sumitomo, KDDI, NJ, or the Target Company, or on the expected benefits of the Agreement Transactions in any way meaningful to Goldman Sachs' analysis. Goldman Sachs has also assumed that the Agreement Transactions will be consummated on the terms set forth in the Shareholders Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs' analysis.

Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports do not address the underlying business decision of Sumitomo to engage in the Agreement Transactions, or the relative merits of the Agreement Transactions as compared to any strategic alternatives that may be available to Sumitomo; nor do they address any legal, regulatory, tax, or accounting matters. Goldman Sachs does not express any view on, and Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports do not address, any other term or aspect of the Shareholders Agreement or the Agreement Transactions or any term or aspect of any other agreement or instrument contemplated by the Shareholders Agreement or entered into or amended in connection with the Agreement Transactions, including, without limitation, any post-closing obligations of Sumitomo; the fairness of the Agreement Transactions to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of Sumitomo; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors, or employees of Sumitomo, KDDI, or the Target Company, or any class of such persons in connection with the Agreement Transactions, whether relative to the Tender Offer Price pursuant to the Shareholders Agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices that the common shares of Sumitomo or the common shares of the Target Company will trade at any time or as to the impact of the Agreement Transactions on the solvency or viability of Sumitomo, KDDI, NJ, or the Target Company or the ability of Sumitomo, KDDI, NJ, or the Target Company to pay their respective obligations when they come due. Goldman Sachs' advisory services and analyses in relation to the Tender Offer are provided solely for the information and assistance of Sumitomo's board of directors in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors, or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer. Goldman Sachs' analysis does not constitute a recommendation as to whether or not Sumitomo should cause NJ to make the Tender Offer.

Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports are not necessarily susceptible to partial analysis or

summary description. Selecting portions of the analyses or the Goldman Sachs Financial Analyses Reports or any summary set forth herein, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' financial analyses or the Goldman Sachs Financial Analyses Reports. Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed.

On the other hand, for the purpose of ensuring the fairness of the Tender Offer Price, in the process of determining the Tender Offer Price, KDDI requested J.P. Morgan as its financial advisor independent from KDDI, the Target Company, Sumitomo, and NJ to perform financial analyses of the Target Company's common shares, and received a share price valuation report from J.P. Morgan dated October 23, 2012 (the "J.P. Morgan Report"). For the avoidance of doubt, the purchase price for the Share Options is not included in the scope of the J.P. Morgan Report. The Tender Offer Price as of October 24, 2012 of 110,000 yen in cash per common share of the Target Company was determined by KDDI, using as a reference the results of J.P. Morgan's financial analyses as of October 23, 2012, while also comprehensively taking into consideration the results of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers by entities other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company.

KDDI first prepared the business plans and financial forecasts for the Target Company and its subsidiaries and affiliated companies from the beginning of October 2012 to late October 2012, based on information presented to KDDI by the Target Company's management, while assessing the strategic rationale and potential gains for the proposed transactions in connection with the Tender Offer, and examining, with the Target Company's management, the past and current business operations, financial condition and future prospects of the Target Company.

In preparing the J.P. Morgan Report, J.P. Morgan conducted various financial analyses of the Target Company's common shares including an average market share price analysis, a comparable companies analysis, and a DCF analysis. The J.P. Morgan Report has been provided solely for the information and assistance of the board of directors of KDDI in connection with its consideration of the Tender Offer Price. J.P. Morgan has not recommended any specific purchase price to KDDI or its board of directors, nor has J.P. Morgan recommended that any specific purchase price constituted the only appropriate purchase price.

J.P. Morgan's financial analyses and the J.P. Morgan Report, which were presented to KDDI's board of directors on October 23, 2012, present the following financial analysis ranges of the value per common share of Target Company:

(A) Average Market Share Price Analysis: 78,961 yen to 82,700 yen

In performing the average market share price analysis based on publicly available information, J.P. Morgan used October 19, 2012 as the base date, and reviewed the closing price of Target Company common shares on the base date (82,700 yen) and average prices over the one-month (79,824 yen),

three-month (78,961 yen), and six-month (81,028 yen) periods ending on the base date.

(B) Comparable Companies Analysis: 70,381 yen to 107,282 yen

In performing the comparable companies analysis, J.P. Morgan used October 19, 2012, as the base date and evaluated the share value by selecting listed companies that, while not totally comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, based on the comparison of financial indicators such as market share price, growth rate, and profitability.

(C) DCF Analysis: 95,724 yen to 129,305 yen

J.P. Morgan performed the DCF analysis based on relevant factors such as the business plans and financial forecasts, approved for J.P. Morgan' use by KDDI, the profit and capital expenditure forecast in the Target Company's business plan, the results of the interview with the Target Company's management and due diligence, and other publicly available information. In performing the DCF analysis, J.P. Morgan evaluated the share value by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at a range of present values. No significant increase or decrease in profit is expected in the business plans and financial forecasts, on which the DCF analysis was based.

Based on the foregoing, KDDI, using as a reference the results of the financial analyses of the Target Company's common shares conducted by J.P. Morgan as of October 23, 2012, while also comprehensively taking into consideration the results of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers by entities other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company, determined the purchase price for the Tender Offer to be 110,000 yen in cash per common share at KDDI's board of directors meeting held on October 24, 2012, and announced that decision in the Press Release dated October 24, 2012.

On this occasion, KDDI had been provided with a fairness opinion dated October 23, 2012 by J.P. Morgan (the "October JPM Fairness Opinion"), which, on the basis of and subject to certain assumptions, stated that the Tender Offer Price of 110,000 yen per common share of the Target Company was fair to KDDI from a financial point of view.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, KDDI, together with Sumitomo, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February, 2013 at the earliest. However, in late January 2013, KDDI and Sumitomo received a request by the Target Company

to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, based on certain increases in the share price of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, KDDI, together with Sumitomo, accepted the Target Company's request and resumed consultations and negotiations. As a result of these consultations and negotiations, KDDI, taking into consideration the market trend of the transactions of the Target Company's common shares after October 24, 2012, the prospect of a well-subscribed tender offer, and examples of premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, taken together, decided to raise the purchase price for the Tender Offer to 123,000 yen at KDDI's board of directors meeting held on February 26, 2013, from 110,000 yen per common share, which had been published in the Press Release dated October 24, 2012, in order to obtain the Target Company's recommendation that its shareholders tender their shares in the Tender Offer. Furthermore, in re-determining the Tender Offer Price, KDDI has re-obtained a fairness opinion dated February 25, 2013 by J.P. Morgan (the "February JPM Fairness Opinion", and together with the October JPM Fairness Opinion, "JPM Fairness Opinions"), which, on the basis of and subject to certain assumptions, states that the Tender Offer Price is fair to KDDI from a financial point of view.

For the avoidance of doubt, J.P. Morgan does not constitute a related party of KDDI, the Target Company, Sumitomo, or NJ, nor does it have any interests that should be disclosed in connection with the Tender Offer. Moreover, while NJ is planning to conduct a tender offer for the Share Options pursuant to the Shareholder Agreement, the fairness of the purchase price for the Share Options is not included in the scope of the JPM Fairness Opinions.

For supplemental explanation of the assumptions made, matters considered and limitations on the review undertaken in connection with the JPM Fairness Opinions and evaluation of the Target Company's share value underlying the opinion, please refer to the following (Note).

(Note) In stating the opinion contained in the fairness opinion and conducting the financial analyses underlying the opinion, J.P. Morgan has relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to, or discussed with, J.P. Morgan by KDDI and the Target Company or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan has not independently verified (nor has J.P. Morgan assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. J.P. Morgan has not conducted or been provided with any valuation or appraisal of any assets or liabilities of KDDI or the Target Company, nor has J.P. Morgan evaluated the solvency of KDDI or the Target Company under any laws relating to bankruptcy, insolvency, or similar matters. In relying on financial analyses and forecasts (including the synergies) provided to J.P. Morgan, J.P. Morgan has assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of KDDI and the Target Company to which such analyses or forecasts relate. J.P. Morgan expresses no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based. J.P. Morgan has also assumed that the Tender Offer and the other transactions contemplated by the

Shareholders Agreement will have the tax consequences described in materials furnished to J.P. Morgan by KDDI, and will be consummated as described in the Shareholders Agreement, and that the definitive version of any document related to the Shareholders Agreement will not differ in any material respects from the draft thereof furnished to J.P. Morgan. J.P. Morgan has also assumed that the representations and warranties made by KDDI and Sumitomo in the Shareholders Agreement and the related agreements are and will be true and accurate in all respects material to J.P. Morgan's analysis. J.P. Morgan has further assumed that there is no possibility that KDDI is subject to indemnity liability as provided in the Shareholders Agreement and the related agreements that is material for J.P. Morgan's analysis.

J.P. Morgan is not a legal, regulatory, or tax expert and has relied on the assessments made by advisors to KDDI with respect to such issues. J.P. Morgan has further assumed that all material governmental, regulatory, or other consents and approvals necessary for the consummation of the Tender Offer will be obtained without any adverse effect on the KDDI or the Target Company or on the contemplated benefits of the Tender Offer.

J.P. Morgan's opinion is necessarily based on economic, market, and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date hereof. It should be understood that subsequent developments may affect the content of this opinion and that J.P. Morgan does not have any obligation to update, revise, or reaffirm its opinion. J.P. Morgan's opinion is limited to the fairness, from a financial point of view, of the Tender Offer Price to KDDI and NJ, and J.P. Morgan expresses no opinion as to the underlying decision by KDDI to engage in the Tender Offer. Furthermore, J.P. Morgan expresses no opinion with respect to the amount or nature of any compensation paid by KDDI to any officers, directors, or employees of any party to the Tender Offer, or with respect to the fairness of any such compensation.

J.P. Morgan has acted as financial advisor to KDDI with respect to the Tender Offer and will receive a fee from KDDI for J.P. Morgan's services, a substantial portion of which will become payable only if the Tender Offer is consummated. In addition, KDDI has agreed to indemnify J.P. Morgan for certain liabilities arising out of J.P. Morgan's engagement. Please be advised that during the two years preceding the submission date of the fairness opinion, neither J.P. Morgan nor its affiliates have had any other material financial advisory or other material commercial or investment banking relationships with KDDI or the Target Company other than the financial advisory services with respect to the Tender Offer. During the two years preceding the submission date of the fairness opinion, J.P. Morgan and its affiliates have had commercial or investment banking relationships with Sumitomo, for which J.P. Morgan and its affiliates have received customary compensation. In the ordinary course of J.P. Morgan's businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of KDDI, the Target Company, or Sumitomo for J.P. Morgan's own account or for the accounts of customers and, accordingly, J.P. Morgan may at any time hold long or short positions in such securities

Due to the news report on October 20, 2012, about the Tender Offer, the share price of the Target Company is considered to have appreciated in a manner that substantially incorporates the occurrence of the Tender Offer. The Tender Offer

Price of 123,000 yen in cash per common share represents a premium of approximately 48.7% (rounded off to one decimal place; hereinafter the same) on 82,700 yen, the closing price of the regular trading of the Target Company's common shares on the JASDAQ Market on October 19, 2012 (the business day immediately prior to the business day which was affected by the news report); a premium of approximately 54.1% on 79,824 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last one (1) month ending October 19, 2012 (from September 20, 2012, to October 19, 2012); a premium of approximately 55.8% on 78,961 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last three (3) months ending October 19, 2012 (from July 20, 2012, to October 19, 2012); and a premium of approximately 51.8% on 81,028 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last six (6) months ending October 19, 2012 (from April 20, 2012, to October 19, 2012). Moreover, the Tender Offer Price represents an addition of premium of approximately 10.8% on 111,000 yen, the closing price on February 26, 2013, the business day immediately prior to the filing date of this statement.

(ii) Establishment of Independent Third-Party Committee by the Target Company

According to the Target Company, in order to avoid arbitrariness and conflicts of interest and to ensure fairness, transparency and objectivity in the Target Company's decision-making process regarding the Transaction including the Tender Offer, the Target Company held a board of directors meeting on October 9, 2012 and the board of directors resolved the following matters:

- (A) to establish a third-party committee consisting of attorneys, certified public accountants, and other members with expertise who are highly independent of the Target Company, Sumitomo, and KDDI;
- (B) to request to the third-party committee the following matters (the "Delegated Matters"): (a) to consider, and make a recommendation to the Target Company's board of directors on, whether or not the Target Company's board of directors should express an opinion in favor of the Tender Offer and, if it should, whether or not the Target Company should express an opinion to recommend the acceptance of the Tender Offer and (b) to consider, and give its opinion to the Target Company's board of directors on, whether it would not be disadvantageous for the Target Company's minority shareholders if the Target Company's board of directors decided to express its opinion in favor of the Tender Offer and recommend the acceptance of the Tender Offer and decided to implement the procedures for the acquisition by the Tender Offerors of all of the issued shares of the Target Company after the Tender Offer; and
- (C) on condition that the number of members of the third-party committee should be three and the members are to be appointed from among attorneys, certified public accountants, and other persons with expertise who are also highly independent from the Target Company, Sumitomo, and KDDI, to entrust the appointment of the members of the third-party committee to Mr. Tomoya Aoki, Mr. Mineo Fukuda, and Mr. Toru Kato, three of the five present directors of the Company (the remaining two present directors being Mr. Ryosuke Yamazoe and Mr. Yoshiki Nakai, who had been officers/employees of Sumitomo or KDDI until relatively recently (until March or June 2011), and the absent directors being Mr. Yoshio Osawa,

Mr. Hirofumi Morozumi, Mr. Makoto Takahashi, Mr. Daisuke Mikogami, Mr. Shuichi Mori, and Mr. Shunsuke Oyama).

Pursuant to those resolutions, Mr. Aoki, Mr. Fukuda, and Mr. Kato established the third-party committee by unanimously appointing, as the members thereof, Mr. Shiro Kuniya, an attorney at Oh-Ebashi LPC & Partners, Mr. Nobumichi Hattori, a visiting professor of Graduate School of Finance, Accounting and Law of Waseda University, and Mr. Toru Mio, a representative director of Mio & Company Inc. and Oct Advisors Inc., concurrently, from among attorneys, certified public accountants, and several other candidates for the committee members with expertise who were highly independent from the Target Company, Sumitomo, and KDDI.

After the Target Company received the proposal dated October 15, 2012 as described above, five meetings of a third-party committee (the “Phase-One Third-Party Committee”) were held in total between October 15, 2012 and October 23, 2012 in which the Delegated Matters were discussed and examined. For the discussion and examination by the Phase-One Third-Party Committee, information regarding the Transaction was collected through the following ways: (A) the Target Company was asked to explain its business plan and the impact of the Transaction on the corporate value of the Target Company along with other subjects, and question-and-answer sessions about these matters were conducted; (B) Mitsubishi UFJ Morgan Stanley Securities was asked to explain the result of the share price valuation, and question-and-answer sessions about it were conducted; (C) questionnaires were sent to Sumitomo and KDDI on three occasions, and Sumitomo and KDDI answered them; (D) the Target Company and Mitsubishi UFJ Morgan Stanley Securities reported the status of the negotiation regarding the tender offer price with Sumitomo and KDDI, and question-and-answer sessions about it were conducted; (E) the decision-making process of the Target Company and certain other matters regarding the Transactions were explained by Mori Hamada & Matsumoto, and question-and-answer sessions about these matters were conducted; and (F) in addition to the foregoing, relevant materials regarding the Transaction were submitted. At the meeting of the Phase-One Third-Party Committee, it was also explained by Mitsubishi UFJ Morgan Stanley Securities that, with respect to 2010 Tender Offer Price, the Initially Proposed Tender Offer Price would not be considered inappropriate due to the fact that the Initially Proposed Tender Offer Price was lower than the 2010 Tender Offer Price, because, (i) a considerable period of time has passed since February 2010, and (ii) the business environment surrounding, and the growth potential of, the domestic cable television industry, where the Target Company belongs, have changed since February 2010, due to continuous decreasing trend of ARPU (Average Revenue per User) owing to factors such as increased competition with fixed carriers, and the growth of alternative media distribution business using tablet PC and other media owing to the rapid expansion of high-speed mobile communication market.

In consideration of the above factors, the Phase-One Third-Party Committee discussed and examined the Delegated Matters, and as a result, at the meeting held on October 23, 2012, by unanimous resolution of all the members, the Phase-One Third-Party Committee reported to the Target Company’s board of directors that (a) it is appropriate for the Target Company’s board of directors to express an opinion in favor of the Tender Offer and to express an opinion to recommend that its shareholders and share option holders tender their shares or share options in the Tender Offer, and (b) that the Target Company’s minority shareholders would not be disadvantaged if the Target Company’s board of directors decides to express an

opinion in favor of the Tender Offer and recommend the acceptance of the Tender Offer and decides to implement the procedures for the acquisition directly or indirectly by Sumitomo and KDDI of all of the issued shares of the Target Company after the Tender Offer. The Phase-One Third-Party Committee also submitted its written report (the “October Written Report”) to the Target Company’s board of directors on the same day.

According to the October Written Report received from the Phase-One Third-Party Committee, the main factors that the Phase-One Third-Party Committee took into account in making its report as described above were as follows:

- (A) the Initially Proposed Tender Offer Price is considered to be appropriate in light of the calculation results in the October Share Price Valuation Report ; the Tender Offer Price was also considered to be appropriate in the October Fairness Opinion from a financial perspective for the Target Company’s shareholders (excluding Sumitomo and the Tender Offerors, and their related companies); the premium added to the market value of the Target Company’s shares is in line with that added in the cases similar to the Transaction; there were several negotiations to increase the tender offer price between the Target Company and Sumitomo and KDDI; the purchase price for the Share Options calculated by deducting their exercise price from the Initially Proposed Tender Offer Price of the Target Company’s common stock was found to be appropriate in light of the advices given by Mitsubishi UFJ Morgan Stanley Securities to the Target Company;
- (B) no particular problems are found with the Transaction or the Initially Proposed Tender Offer Price from the viewpoint of the impact of the Transaction on the corporate value of the Target Company such as synergies; and
- (C) the interests of the Target Company’s minority shareholders have been taken into account through appropriate and fair procedures by taking the measures described in “3.(3) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest” (note) in the “Target Company’s Press Release dated February 26, 2013.

In addition, the third-party committee held its sixth meeting on January 18, 2013, and after that, nine meetings of a third party committee (the “Phase-Two Third-Party Committee”) were held in total between then and February 25, 2013 in which the members mainly discussed and examined, among other things, whether the Target Company should be in favor of the Tender Offer and recommend the acceptance of the Tender Offer. For the discussion and examination by the Phase-Two Third-Party Committee, the Target Company, Mitsubishi UFJ Morgan Stanley Securities, and Mori Hamada & Matsumoto respectively gave explanations, and question-and-answer sessions were conducted, with respect to the following: (i) after October 24, 2012, whether there was any material change in the Target Company’s business plan and other factors affecting the calculation of the Target Company’s corporate value, (ii) the movement of the market value of comparable listed companies and movements in general stock market conditions after October 24, 2012, (iii) opinions of the Target Company’s minority shareholders received after October 24, 2012 requesting that the Initially Proposed Tender Offer Price be raised for the Tender Offer, (iv) the content of the Share Price Valuation Reports and the Fairness Opinions, and (v) the status of price negotiations with Sumitomo and

KDDI. The third-party committee also gathered information regarding the Transaction from the relevant materials submitted to the committee.

In consideration of the above factors, the Phase-Two Third-Party Committee discussed and examined whether the Target Company should be in favor of the Tender Offer and recommend the acceptance of the Tender Offer, and as a result, at its meeting held on February 25, 2013, by an unanimous resolution of all the members, the Phase-Two Third-Party Committee reported to the Target Company's board of directors that (a) it is appropriate for the Target Company's board of directors to express an opinion in favor of the Tender Offer and to express an opinion to recommend that its shareholders and share option holders tender their shares or share options in the Tender Offer, and (b) the Target Company's minority shareholders would not be disadvantaged if the Target Company's board of directors decided to express an opinion in favor of the Tender Offer and recommend the acceptance of the Tender Offer and decided to implement the procedures for the direct or indirect acquisition by Sumitomo and KDDI of all of the issued shares of the Target Company after the Tender Offer. The Phase-Two Third-Party Committee also submitted its written report (the "February Written Report") to the Target Company's board of directors on the same day.

According to the February Written Report received from the Phase-Two Third-Party Committee, in addition to the analyses made in the October Written Report, the main factors that the Phase-Two Third-Party Committee took into account in making its report as described above were as follows:

- (A) according to the financial results of the fiscal year ended in December 2012 and other reports, no material change was found in the Target Company's business conditions after the October Written Report was submitted;
- (B) the Tender Offer Price is considered to be appropriate in light of the calculation results in the February Share Price Valuation Report; the Tender Offer Price was also considered to be appropriate in the February Fairness Opinion from a financial perspective for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors and their related companies); the valuation method adopted in the February Share Price Valuation Report has not changed from that of October Share Price Valuation Report in any substantial aspects and is considered to be consistent;
- (C) there were sincere negotiations to increase the Tender Offer Price between the Target Company and Sumitomo and KDDI, through which the Tender Offer Price was ultimately increased from the Initially Proposed Tender Offer Price by 13,000 yen (approximately 11.8% (rounded off to one decimal place; hereinafter the same));
- (D) while the general stock market conditions improved after October 24, 2012, the premium added in the Tender Offer Price is still considered to be in line with that of recent cases similar to the Transaction, taking into consideration, among other things, the movement of the market value of comparable listed companies and the fact that the Tender Offer Price was increased from the Initially Proposed Tender Offer Price by 13,000 yen (approximately 11.8%);
- (E) the Tender Offer Price would not be considered inappropriate due to the fact that the Tender Offer Price is lower than the 2010 Tender Offer Price,

because (i) a considerable period of time has passed since February 2010, and (ii) the business environment surrounding, and the growth potential of, the domestic cable television industry, including the Target Company, have changed since February 2010, due to continuous decreasing trend of ARPU (Average Revenue per User) owing to factors such as increased competition with fixed carriers, and the growth of alternative media distribution business using tablet PC and other media owing to the rapid expansion of high-speed mobile communication market;

- (F) the purchase price for the Share Options, which was calculated by deducting their exercise price from the Tender Offer Price, was found to be appropriate in light of the advices given by Mitsubishi UFJ Morgan Stanley Securities to the Target Company; and
- (G) the interests of the Target Company's minority shareholders are considered to have been taken into account through appropriate and fair procedures after announcement of the Target Company's Press Release "NOTICE OF COMPANY'S OPINION ON TENDER OFFER FOR SHARE CERTIFICATES ETC. OF THE COMPANY BY SUMITOMO CORPORATION AND KDDI CORPORATION" dated October 24, 2012 (the "Target Company's Press Release as of October"), by taking the measures such as those described in "3. (3) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest" (note) in the Target Company's Press Release dated February 26, 2013.

Each member of the Target Company's third-party committee has expertise and is highly independent of the Target Company, Sumitomo and KDDI, and the Target Company has considered that each member of the third-party committee does not have any conflicts of interest with the Target Company's general shareholders in connection with the Transaction.

(Note) Almost the same effect is provided in "3. (3) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest" in the Target Company's Press Release dated February 26, 2013 as provided in this section ("4) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest").

- (iii) The Target Company's Acceptance of a Share Price Valuation Report and Fairness Opinion from a Third-Party Calculation Agent Independent of the Target Company, Sumitomo and the Tender Offerors

According to the Target Company, in assessing the price in the Tender Offer, the Target Company received the following documents from Mitsubishi UFJ Morgan Stanley Securities, a third-party calculation agent independent of the Target Company, Sumitomo and the Tender Offerors, in order to ensure the fairness of the assessment of the price.

For the avoidance of doubt, Mitsubishi UFJ Morgan Stanley Securities does not constitute a related party of the Target Company, nor does it have any material interests in the Tender Offer.

- (A) October Share Price Valuation Report

The Target Company requested Mitsubishi UFJ Morgan Stanley Securities to evaluate the share value of the Target Company's common shares, and received the October Share Price Valuation Report on October 23, 2012. The results of the valuation of the Target Company's shares by Mitsubishi UFJ Morgan Stanley Securities are as follows:

Market Share Price Analysis:	78,961 yen to 82,700 yen per share
Comparable Companies Analysis:	61,125 yen to 89,420 yen per share
DCF Analysis:	97,473 yen to 123,014 yen per share

In the market share price analysis, Mitsubishi UFJ Morgan Stanley Securities used October 19, 2012 (the business day immediately before October 20, 2012, which was the day on which news reports were released speculating on the purchase of the Target Company's shares) as the base date and evaluated the value per common share of the Target Company with a range from 78,961 yen to 82,700 yen, based on the closing price on the base date (82,700 yen), the average closing prices for the last one month (79,824 yen), the average closing prices for the last three months (78,961 yen), and the average closing prices for the last six months (81,028 yen), of the common shares on the JASDAQ Market.

In the comparable companies analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 61,125 yen to 89,420 yen, through a comparison of the market share prices and the financial indicators representing profitability and the like of the Target Company and listed companies engaging in businesses that were relatively similar to the Target Company's businesses.

In the DCF analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 97,473 yen to 123,014 yen, by discounting the cash flow that the Target Company is expected to generate in the future by certain discount rates, based on the Target Company's business plan, interviews with the Target Company's management, trends in the Target Company's operating results to date, and future profit forecasts of the Target Company. In addition, no significant increase or decrease in profit is expected in the business plan and the financial forecasts on which the DCF analysis was based.

(B) October Fairness Opinion

The Target Company received a written opinion from Mitsubishi UFJ Morgan Stanley Securities (the "October Fairness Opinion") on October 23, 2012 that states that the Initially Proposed Tender Offer Price is fair for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial point of view. Moreover, as for the Share Options, although the Target Company has received no valuation report or fairness opinion from a third-party calculation agent, the Target Company has been advised on the purchase price of the Share Options by Mitsubishi UFJ Morgan Stanley Securities.

(C) February Share Price Valuation Report

Because four months or more have passed from the base date of the October Share Price Valuation Report, the Target Company again requested Mitsubishi UFJ Morgan Stanley Securities to evaluate the share value of the Target Company's common shares, and received the February Share Price Valuation Report on February 25, 2013. The results of the valuation of the Target Company's shares by Mitsubishi UFJ Morgan Stanley Securities are as follows:

Market Share Price Analysis:	78,961 yen to 82,700 yen per share
Comparable Companies Analysis:	64,322 yen to 96,185 yen per share
DCF Analysis:	97,281 yen to 122,711 yen per share

In the market share price analysis, Mitsubishi UFJ Morgan Stanley Securities used October 19, 2012 (the business day immediately before October 20, 2012, which was the day on which news reports were released speculating on the purchase of the Target Company's shares) as the base date and evaluated the value per common share of the Target Company with a range from 78,961 yen to 82,700 yen, based on the closing price on the base date (82,700 yen), the average closing prices for the last one month (79,824 yen), the average closing prices for the last three months (78,961 yen), and the average closing prices for the last six months (81,028 Yen), of the common shares on the JASDAQ Market.

In the comparable companies analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 64,322 yen to 96,185 yen, through a comparison of the market share prices and the financial indicators representing profitability and the like of the Target Company and listed companies engaging in businesses that were relatively similar to the Target Company's businesses.

In the DCF analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 97,281 yen to 122,711 yen, by discounting the cash flow that the Target Company is expected to generate in the future by certain discount rates, based on the Target Company's business plan, interviews with the Target Company's management, trends in the Target Company's operating results to date, and future profit forecasts of the Target Company. In addition, no significant increase or decrease in profit is expected in the business plan and the financial forecasts on which the DCF analysis was based.

The methods of valuation adopted in the February Share Price Valuation Report were the same valuation methods as adopted in October Share Price Valuation Report. However, on account of the difference in the reference dates, there are slight differences in the results of the comparable companies analysis in the two reports.

Also, with regards to the DCF analysis, there are slight differences in the results of the two reports, since the February Share Price Valuation Report took in to account the announcement of the Target Company's actual financial results for the fiscal year ended December 2012 and the new budget for the fiscal year ending December 2013 (however, there is no substantial change in the figures from those of the Target Company's business plan which was used as the basis for the DCF analysis in the October Share Price Valuation Report).

(D) February Fairness Opinion

Because four months or more have passed from the base date of the October Fairness Opinion, the Target Company has again received a written opinion from Mitsubishi UFJ Morgan Stanley Securities (the “February Fairness Opinion”) on February 25, 2013 that states that the Tender Offer Price is fair for the Target Company’s shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial point of view. Moreover, as for the Share Options, although the Target Company has received no valuation report or fairness opinion from a third-party calculation agent, the Target Company has been advised on the purchase price of the Share Options by Mitsubishi UFJ Morgan Stanley Securities.

(Note)

According to the Target Company, in relation to the Share Price Valuation Report and the Fairness Opinion (collectively, the “Valuation Report, Etc.”) described in (A) through (D) above, the Target Company has received, from Mitsubishi UFJ Morgan Stanley Securities, a supplemental explanation regarding the disclosure and disclaimers of Valuation Report, Etc. that were prepared and submitted by Mitsubishi UFJ Morgan Stanley Securities at the Target Company’s request. For the details, please refer to the following:

In submitting the Valuation Report, Etc. and stating the opinion contained in the Fairness Opinion and conducting the analyses and calculation of the share value of the Target Company’s common shares underlying the opinion, Mitsubishi UFJ Morgan Stanley Securities has relied upon the assumptions that all information that was furnished by, or discussed with, the Target Company, all other information that was reviewed by or on behalf of Mitsubishi UFJ Morgan Stanley Securities, and all publicly available information was accurate and complete and that there is no fact that could materially affect the analyses and calculation of the share value of the Target Company’s common shares, and Mitsubishi UFJ Morgan Stanley Securities has not independently verified (nor has Mitsubishi UFJ Morgan Stanley Securities assumed responsibility or liability for independently verifying) any such information.

Moreover, Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed, nor has it been provided with any valuation or appraisal of, the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Company and its related companies. In addition, Mitsubishi UFJ Morgan Stanley Securities assumes that the information regarding the Target Company’s businesses, operation, financial conditions, prospects, and synergies was reasonably prepared by the Target Company’s management based on their best estimate and judgment available at the time. Furthermore, Mitsubishi UFJ Morgan Stanley Securities expresses no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based.

The Valuation Report, Etc. and analyses by Mitsubishi UFJ Morgan Stanley Securities have been provided solely for the information of the Target Company’s board of directors and they are prepared solely for the use by the Target Company’s board of directors in connection with its examination of the Transaction. They therefore must not be relied upon or used by any

other person for any other purpose. Mitsubishi UFJ Morgan Stanley Securities expresses no opinion or recommendation to the Target Company's shareholders regarding whether or not to accept the Tender Offer.

The Valuation Report, Etc. and analyses by Mitsubishi UFJ Morgan Stanley Securities are based on financial, economic, currency exchange, market, and other conditions and trends as of the date of the Valuation Report, Etc., and on the information available to Mitsubishi UFJ Morgan Stanley Securities as of that date. It should be understood that developments after the base date may affect the content of the analyses, that there are factors the impact of which cannot be measured as of that date, and that Mitsubishi UFJ Morgan Stanley Securities does not have any obligation to update, revise, or reaffirm its opinion.

Mitsubishi UFJ Morgan Stanley Securities will receive a fee from the Target Company for Mitsubishi UFJ Morgan Stanley Securities' services, a substantial portion of which will become payable only if the Tender Offer is consummated.

Mitsubishi UFJ Morgan Stanley Securities or its related companies have provided services as financial advisors or financial services to the Target Company, Sumitomo and KDDI, and their related companies for a period of two years prior to February 25, 2013. Mitsubishi UFJ Morgan Stanley Securities or its related companies received a fee in exchange for those services. In addition, Mitsubishi UFJ Morgan Stanley Securities or its related companies may provide those services to the Target Company, Sumitomo and KDDI, and their related companies in the future and may receive a fee in exchange for those services in the future.

(iv) Advice from Law Firm Independent of Sumitomo and the Tender Offerors

According to the Target Company, the Target Company has received advice on the legality of procedures regarding the Tender Offer and the method and fairness of the decision-making process of the Target Company's board of directors meeting from Mori Hamada & Matsumoto, the Target Company's legal advisor independent of Sumitomo and the Tender Offerors, and the Target Company has carefully examined the terms on which the Target Company accepts the Transaction proposed by Sumitomo and KDDI, the specific terms and procedures for the Tender Offer, various other terms such as the time of the Tender Offer's implementation, and matters concerning further negotiation of the price in the Tender Offer with Sumitomo and KDDI such as the necessity and methods thereof.

(v) Approval of All Directors and Consent of All Company Auditors Without Interests

According to the Target Company, based on, among other things, the explanation of the Transaction from Sumitomo and KDDI, advice received from Mitsubishi UFJ Morgan Stanley Securities including the Share Price Valuation Reports and the Fairness Opinions, legal advice from Mori Hamada & Matsumoto, and the content of the reports of the third-party committee, the Target Company has carefully discussed and deliberated the various terms regarding the Transaction including the Tender Offer. As a result of such discussion and deliberation, the Target Company resolved to conduct the Expression of Endorsement at the board of directors meeting held on February 26, 2013.

In addition, the Target Company resolved the October Expression of Endorsement at the board of directors meeting held on October 24, 2012 as described above in “(a) Course of events up to October 24, 2012” in “(2) Background to, and Purpose of, the Tender Offer; Decision-Making Process to Conduct the Tender Offer; and Management Policy, etc. after the Tender Offer”.

The Target Company has taken the following measures to avoid conflicts of interest between the directors and shareholders at the meetings of the board of directors regarding the Transaction including the above board of directors meetings to ensure that the resolutions have been appropriate and fair.

Out of eleven directors of the Target Company, three (Mr. Yoshio Osawa, Mr. Hirofumi Morozumi, and Mr. Makoto Takahashi, who concurrently serve as representative directors of Sumitomo or KDDI) did not attend, nor were counted in the quorum of, any board of directors meeting regarding the Transaction as they are considered persons with special interests in the resolution of the board of directors meeting regarding the Transaction. None of the three directors above participated in the examination of the Transaction or the discussions or negotiations with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company. Also, Mr. Daisuke Mikogami, a director who concurrently serves as an officer/employee of Sumitomo, and Mr. Shuichi Mori and Mr. Shunsuke Oyama, both representative directors who were officers/employees of Sumitomo or KDDI until relatively recently (until March 2011), did not attend any board of directors meeting regarding the Transaction, nor did they participate in the examination of the Transaction or the discussions or negotiations with Sumitomo and KDDI regarding the Transactions on behalf of the Target Company, given the possibility of a conflict of interest.

Out of the five other directors, Mr. Ryosuke Yamazoe and Mr. Yoshiki Nakai, both directors who were officers/employees of Sumitomo or KDDI until relatively recently (until March or June 2011), attended board of directors meetings relating to the Transaction from the viewpoint of ensuring that the quorum for the board of directors meetings were met. However, from the viewpoint of maintaining the fairness of the resolutions, they did not speak at board of directors meetings regarding the Transaction, nor did they participate in any examination of the Transaction or the discussions or negotiations with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company, except for their attendance at board of directors meetings in which they abstained from voting on the resolutions. Both of the above resolutions have been adopted by the unanimous vote of all directors present except for the above directors.

Two company auditors—namely, Mr. Kunio Fujimoto, a full-time company auditor, and Mr. Katsuyuki Yamaguchi, a company auditor—who were present at the relevant board of directors meetings have stated opinions to the effect that they do not object to the above resolutions.

Out of four company auditors of the Target Company, Mr. Toshifumi Shibuya and Mr. Kenichiro Takagi, who both concurrently serve as officers/employees of Sumitomo or KDDI, have not attended any board of directors meeting regarding the Transaction from the viewpoint of maintaining the fairness and neutrality of the resolutions. Mr. Katsuyuki Yamaguchi, a company auditor, is an attorney who belongs to Nishimura & Asahi, a legal advisor of KDDI for the Transaction. However, according to Mr. Yamaguchi, fire wall measures to block any flow of

information between himself and the attorneys who are engaged in this matter at Nishimura & Asahi have been implemented.

The Target Company decided at the board of directors meeting held on February 26, 2013 to comprehensively approve the Share Option holders' transferring their Share Options to the Tender Offerors by tendering them in the Tender Offer.

Further, the Target Company decided at the board of directors meeting held on February 26, 2013 not to declare interim dividend for the record date of June 30, 2013 in respect of the fiscal year ending December 2013, on the condition that the Tender Offer is completed.

(vi) Securing Objective Circumstances that Ensure Appropriateness of Price and Fairness of the Tender Offer

While the shortest Tender Offer Period permitted under the laws and regulations is twenty (20) business days, the Tender Offer Period in the Tender Offer is thirty (30) business days.

By having a comparatively long-term Tender Offer Period, it is intended that while ensuring the opportunity for an appropriate decision to be made on the tender to the Tender Offer by the shareholders, opportunities for persons other than the Tender Offerors to purchase, etc. are ensured, and appropriateness of the purchase price is thereby ensured.

In addition, the Tender Offerors, Sumitomo and the Target Company do not have any agreement which may restrict communications, etc. between the persons proposing the competing purchase and the Target Company such as an agreement including the provisions for the protection of the transactions which may prohibit communications between the Target Company and persons proposing the competing purchase. In addition to the establishment of the Tender Offer Period above, ensuring opportunities for competing purchase is intended to ensure the fairness of the Tender Offer.

As described in "(1) Outline of the Tender Offer", as of the filing date of this statement KDDI already owns 30.71% (2,133,797 shares) of the total issued common shares of the Target Company and Sumitomo already owns 39.98% (2,777,912 shares) of the total issued common shares of the Target Company. Due to these shareholdings, the Tender Offerors have not set a minimum number of shares to be purchased, the so-called "Majority of Minority," because the Tender Offerors believe that ensuring an opportunity for all shareholders to sell their shares without setting such a minimum number would be appropriate, given that there may be investors who would not tender at the stage of the Tender Offer regardless of the Tender Offer Price, and thus, should such a minimum number be set, there is a possibility that the Tender Offer could be unsuccessful due to the behavior of a few investors, making the transaction uncertain, and restricting investors' options rather than widening them. Even without setting such a minimum number, the Tender Offerors believe that they have given sufficient consideration to the interests of minority shareholders through the measures set forth in items (i) through (vi) above, which are meant to secure the fairness of the Tender Offer.

(5) Policy on Reorganization, etc. after the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)

As stated in "(1) Outline of the Tender Offer" above, the Tender Offer will be

conducted as part of the Going Private Transaction. If all of the issued common shares of the Target Company (including common shares of the Target Company to be delivered by the exercise of the Share Options; however, excluding the treasury shares held by the Target Company) cannot be acquired in the Tender Offer, notwithstanding the number of Share Certificates, etc. tendered in the Tender Offer, it is contemplated that Sumitomo, KDDI and NJ, or Sumitomo and KDDI will acquire all of the issued shares of the Target Company (excluding, however, the treasury shares held by the Target Company) in the manner described below. Specifically, after the completion of the account settlement of the Tender Offer, in order to make only Sumitomo, KDDI, and NJ, or Sumitomo and KDDI, the Target Company's only shareholders, the following is planned to be requested of the Target Company, which is a company with class shares as provided for in the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act"):

- (i) to partially amend the articles of incorporation such as subjecting all the common shares issued by the Target Company to wholly call (meaning the provision on the matters provided in Article 108, paragraph 1, item (vii) of the Companies Act; hereinafter the same);
- (ii) to acquire all common shares of the Target Company subject to wholly call (excluding, however, the treasury shares held by the Target Company), and deliver shares of a separate class from the common shares of the Target Company in exchange for this acquisition;
- (iii) to hold an extraordinary meeting of shareholders, which includes items (i) and (ii) above as proposals submitted for deliberation, and to put items (i) and (ii) above on the agenda;
- (iv) to hold a class shareholders' meeting for shareholders of the Target Company's common shares, which includes the partial amendment of the articles of incorporation in item (i) above as a proposal submitted for deliberation, and to put item (i) above on the agenda.

Sumitomo and the Tender Offerors plan to vote for each of the proposals above at the extraordinary shareholders' meeting and class shareholders' meeting above.

If each of the above procedures is implemented, all common shares issued by the Target Company will be subject to wholly call and all of these shares (excluding, however, the treasury shares held by the Target Company) will be acquired by the Target Company, and the Target Company's shareholders (excluding, however, the Target Company) will receive the separate class shares of the Target Company as consideration for the acquisition. However, to those of the Target Company's shareholders who will receive fractions of shares of less than one (1) share of the separate class shares, the amount of money obtained through the sale to KDDI or NJ, etc. of the separate class shares equivalent to the total of such fractions (any fractions in the said total will be rounded off) will be paid, pursuant to the procedures provided in Article 234 of the Companies Act and other relevant laws and regulations. However, the sale price of the separate class shares equivalent to the total of the said fractions of shares will be calculated so that the amount of cash to be delivered to each shareholder as a result of the sale will be equal to the price obtained by multiplying the price for the purchase, etc. (as such term is defined in the Act, including purchase and other types of acceptance of transfer for value of share certificates, etc.; hereinafter the same) for common shares of the Target Company in the Tender Offer by the number of common shares of the Target

Company held by each of the shareholders. Furthermore, although the class and the number of shares of the Target Company to be delivered as consideration for the acquisition of common shares of the Target Company subject to wholly call is not determined as of filing date of this statement, the class and the number of shares of the Target Company are planned to be determined so that the number of shares of the Target Company that must be delivered to the Target Company's shareholders who did not accept the Tender Offer (excluding Sumitomo, KDDI, and NJ, or Sumitomo and KDDI, but including the Target Company common shares which KDDI has entrusted to Mizuho Trust & Banking Co., Ltd. for the securities custodial trust), will be a fraction of less than one (1) share, in order for Sumitomo, KDDI, and NJ, or Sumitomo and KDDI, to hold all of the Target Company's issued shares (excluding, however, the treasury shares held by the Target Company).

As the provisions under the Companies Act purport to protect the rights of minority shareholders related to the procedures above, if the shareholders' meeting resolves to acquire all of the shares subject to wholly call in item (ii) above, it is provided that the shareholders may petition for a determination of the price for the acquisition of the relevant shares pursuant to the provisions of Article 172 of the Companies Act and other relevant laws and regulations. If this method above is used, the acquisition price per share will ultimately be determined by the court. In addition to the foregoing, upon the change in the articles of incorporation to subject the common shares to a wholly call in (i) above, it is provided that the shareholders may demand the purchase of the shares they own, pursuant to the provisions of Articles 116 and 117 of the Companies Act and other relevant laws and regulations. However, as for this method, if the wholly call of the common shares comes into effect based on the resolution of the shareholders' meeting in item (ii) above and the shareholders lose the relevant common shares, the shareholders may be determined to forfeit their standing for the petition for the determination of the purchase price as provided in Article 117, paragraph 2 of the Companies Act.

Moreover, the method above, where all the common shares issued by the Target Company are subjected to wholly call and the Target Company's separate class of shares will be delivered in exchange for the acquisition of all of the relevant common shares, may require time for the implementation or the method of the implementation may be changed, depending on the circumstances of the relevant authorities' interpretation, etc. of the relevant laws and regulations, the status of the shareholding of Sumitomo and the Tender Offerors in the Target Company after the Tender Offer, and the status of the shareholding of the Target Company's shareholders other than Sumitomo and the Tender Offerors in the Target Company. However, in case of a change in the methods above, the amount of money, etc. to be ultimately paid to each shareholder of the Target Company is planned to be calculated to be the same price of the purchase, etc. for the common shares of the Target Company in the Tender Offer.

The specific procedures and the schedule of implementation thereof in the foregoing circumstances (currently scheduled to be implemented within four (4) months from the completion of the account settlement of the Tender Offer) and the like will be announced promptly by the Target Company upon determination after consultation with the Target Company.

Sumitomo and the Tender Offerors plan to conduct the Merger, where the Target Company will be the surviving company and NJ will be the absorbed company, after the implementation of each procedure above. Even if NJ remains a shareholder of the Target Company after the implementation of each procedure above, the ratio of

voting rights directly held by each of Sumitomo and KDDI in the Target Company is planned to be 50% as a result of the Merger.

For the avoidance of doubt, the Tender Offer is not intended to solicit approval of the shareholders of the Target Company in the extraordinary shareholders' meeting or class shareholders' meeting above. Please consult your own tax advisors regarding the tax treatment regarding the acceptance of the Tender Offer, the receipt of money, etc. as consideration for the implementation of the procedures above, or the sale of shares pursuant to the demand for share purchase in connection with the implementation of the procedures above.

(6) Prospect of Being Delisted and the Grounds Therefor

The Target Company's common shares are listed on the JASDAQ Market as of the filing date of this statement. However, because the Tender Offerors do not set the maximum number of shares to be purchased in the Tender Offer, the common shares of the Target Company may be delisted depending on the result of the Tender Offer, pursuant to the delisting standards of the JASDAQ Market after the prescribed procedures. Also, even if the relevant standards do not apply at the time of completion of the Tender Offer, if the Tender Offer takes effect, as set forth in "(5) Policy on Reorganization, etc. after the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)" above, Sumitomo and the Tender Offerors plan to implement the procedures for the purpose of acquiring all the issued shares of the Target Company (excluding, however, the treasury shares held by the Target Company) pursuant to the applicable laws and regulations. In this case, the Target Company's common shares will be delisted after the prescribed procedures pursuant to the delisting standards of the JASDAQ Market. After the delisting, the Target Company's common shares may not be traded on the JASDAQ Market.

When the procedures set forth in "(5) Policy on Reorganization after the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)" above are implemented, an application for listing is not contemplated for the separate class of the Target Company's shares to be delivered as consideration for the Target Company's common shares subject to wholly call.

(7) Matters on Material Agreement(s) regarding the Acceptance of the Tender Offer between the Tender Offerors and the Target Company's Shareholders

There is no material agreement regarding the acceptance of the Tender Offer between the Tender Offerors and the Target Company's shareholders. Sumitomo does not plan to accept the Tender Offer regarding the common shares of the Target Company held by it. In addition, Target Company common shares which KDDI has entrusted to Mizuho Trust & Banking Co., Ltd. for the securities custodial trust will not be tendered in the Tender Offer. On the other hand, the Target Company common shares which KDDI has entrusted to Mizuho Trust & Banking Co., Ltd. for the securities disposition trust will be tendered in the Tender Offer.

4. Period of the Purchase, etc., Price of the Purchase, etc., and Number of Share Certificates, etc. to be Purchased

(1) Period of the Purchase, etc.

(i) Period of the Purchase, etc. as of the Filing Date of this Statement

Period of the purchase, etc.	From Wednesday, February 27, 2013 to Wednesday, April 10, 2013 (30 business days)
Date of public notice	Wednesday, February 27, 2013
Name of newspaper carrying public notice	The Tender Offerors will issue an electronic public notice and publish a statement to that effect in the Nikkei (<i>Nihon Keizai Shimbun</i>). (URL of the electronic public notice: http://info.edinet-fsa.go.jp/)

(ii) Possibility of Extension upon Request of the Target Company

Not applicable.

(iii) Contact to Confirm Period Extension

Not applicable.

(2) Price of the Purchase, etc.

Share Certificates	Common shares	123,000 yen per share
Share Option Certificates	Stock compensation type share options 2006	122,999 yen per share option
	Stock compensation type share options 2007	122,999 yen per share option
	Stock compensation type share options 2008 (mid-term incentive)	122,999 yen per share option
	Stock compensation type share options 2009 (mid-term incentive)	122,999 yen per share option
	Stock compensation type share options 2009 (long-term incentive)	122,999 yen per share option
	Stock compensation type share options 2010 (mid-term incentive)	122,999 yen per share option
	Stock compensation type share options 2010 (long-term incentive)	122,999 yen per share option
	Stock compensation type share options 2011 (mid-term incentive)	122,999 yen per share option
	Stock compensation type share options 2011 (long-term incentive)	122,999 yen per share option
	Stock compensation type share options 2012 (mid-term incentive)	122,999 yen per share option
	Stock compensation type share options 2012 (long-term incentive)	122,999 yen per share option
	Certificates of Bonds with Share Options	-

<p>Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()</p>	<p>-</p>
<p>Depository Receipts of Share Certificates, etc. ()</p>	<p>-</p>
<p>Basis of the Financial Analyses</p>	<p>(a) Common Shares</p> <p>(I) Basis of the Determination of the Tender Offer Price by KDDI</p> <p>KDDI determined the Tender Offer Price as of October 24, 2012 of 110,000 yen per common share of the Target Company, using as a reference the results of J.P. Morgan's financial analyses of the Target Company's common shares conducted by J.P. Morgan, a financial advisor independent from KDDI, the Target Company, Sumitomo, and NJ, while also comprehensively taking into consideration the results of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers by entities other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company. KDDI had also been provided with the October JPM Fairness Opinion, which, on the basis of and subject to certain assumptions, stated that the Tender Offer Price of 110,000 yen per common share of the Target Company, which was determined at the board of directors' meeting held on October 24, 2012, was fair to KDDI from a financial point of view.</p> <p>KDDI first prepared the business plans and financial forecasts for the Target Company and its subsidiaries and affiliated companies from the beginning of October 2012 to late October 2012, based on information presented to KDDI by the Target Company's management, while assessing the strategic rationale and potential gains for the proposed transactions in connection with the Tender Offer, and examining, with the Target Company's management, the past and current business operations, financial condition and future prospects of the Target Company.</p> <p>In preparing the J.P. Morgan Report, J.P. Morgan conducted various financial analyses of the Target Company's common shares including an average market share price analysis, a comparable companies analysis,</p>

and a DCF analysis. The J.P. Morgan Report has been provided solely for the information and assistance of the board of directors of KDDI in connection with its consideration of the Tender Offer Price. J.P. Morgan has not recommended any specific purchase price to KDDI or its board of directors, nor has J.P. Morgan recommended that any specific purchase price constituted the only appropriate purchase price.

J.P. Morgan's financial analyses and the J.P. Morgan Report, which were presented to KDDI's board of directors on October 23, 2012, presented the following financial analysis ranges of the value per common share of Target Company:

(A) Average Market Share Price Analysis: 78,961 yen to 82,700 yen

In performing the average market share price analysis based on publicly available information, J.P. Morgan used October 19, 2012 as the base date, and reviewed the closing price of Target Company common shares on the base date (82,700 yen) and average prices over the one-month (79,824 yen), three-month (78,961 yen), and six-month (81,028 yen) periods ending on the base date.

(B) Comparable Companies Analysis: 70,381 yen to 107,282 yen

In performing the comparable companies analysis, J.P. Morgan used October 19, 2012 as the base date and evaluated the share value by selecting listed companies that, while not totally comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, based on the comparison of financial indicators such as market share price, growth rate, and profitability.

(C) DCF Analysis: 95,724 yen to 129,305 yen

J.P. Morgan performed the DCF analysis based on relevant factors such as the business plans and financial forecasts, approved for J.P. Morgan's use by KDDI, the profit and capital expenditure forecast in the Target Company's business plan, the results of the interview with the Target Company's management and due diligence, and other publicly available information. In performing the DCF analysis, J.P. Morgan evaluated the share value by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at a range of present values. No significant increase or decrease in profit is expected in the business plans and financial forecasts, on which the DCF analysis was based.

Based on the foregoing, KDDI, using as a reference the results of the financial analyses of the Target Company's common shares conducted by J.P. Morgan, while also comprehensively taking into consideration the results of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers by entities other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company, determined the purchase price for the Tender Offer to be 110,000 yen in cash per common share at KDDI's board of directors meeting held on October 24, 2012, and announced that decision in the Press Release dated October 24, 2012.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, KDDI, together with Sumitomo, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February, 2013 at the earliest. However, in late January 2013, KDDI and Sumitomo received a request by the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, based on certain increases in the share price of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, KDDI, together with Sumitomo, accepted the Target Company's request and resumed consultations and negotiations. As a result of these consultations and negotiations, KDDI, taking into consideration the market trend of the transactions of the Target Company's common shares after October 24, 2012, the prospect of a well-subscribed tender offer, and examples of premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, taken together, decided to raise the purchase price for the Tender Offer to 123,000 yen at KDDI's board of directors meeting held on February 26, 2013, from 110,000 yen per common share, which had been published in the Press Release dated October 24, 2012, in order to obtain the Target Company's recommendation

that its shareholders tender their shares in the Tender Offer. Furthermore, in re-determining the Tender Offer Price, KDDI has re-obtained the February JPM Fairness Opinion which, on the basis of and subject to certain assumptions, states that the Tender Offer Price is fair to KDDI from a financial point of view.

For the avoidance of doubt, J.P. Morgan does not constitute a related party of KDDI, the Target Company, Sumitomo, or NJ, nor does it have any interests that should be disclosed in connection with the Tender Offer. Moreover, while NJ is planning to conduct a tender offer for the Share Options pursuant to the Shareholder Agreement, the fairness of the purchase price for the Share Options is not included in the scope of the JPM Fairness Opinion.

(II) Basis of the Determination of the Tender Offer Price by NJ

NJ is the company to which Sumitomo and KDDI made a 50% contribution and was incorporated as of January 7, 2013 for the purpose of acquiring the common shares and the share options of the Target Company pursuant to the Shareholders Agreement. Therefore, NJ determined the Tender Offer Price to be 123,000 yen in cash per common share based on the opinion from Sumitomo and KDDI.

Of these opinions, the opinion of KDDI is set forth in above (I). The opinion of Sumitomo is as follows;

(Basis of the Determination of the Tender Offer Price by Sumitomo)

Upon the consummation of the Tender Offer and the Going Private Transaction by KDDI and NJ, an entity in which Sumitomo and KDDI each owns the same number of voting rights, Sumitomo expects to beneficially own 50% of the voting rights in the Target Company. Therefore, Sumitomo determined the tender offer price, as of October 24, 2012, of 110,000 yen in cash per common share of the Target Company, using as a reference the results of the financial analyses of the Target Company's common shares, set forth in the Goldman Sachs October Report, conducted by Goldman Sachs, a financial advisor independent from Sumitomo, the Target Company, KDDI and NJ, and taking into consideration, as of October 24, 2012, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the

announcement of their tender offer prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company.

Specifically, Sumitomo first prepared the Forecasts for the Target Company and its subsidiaries and affiliated companies from the beginning of October 2012 to late October 2012, based on information presented to Sumitomo by the Target Company's management, while assessing the strategic rationale for the proposed transactions in connection with the Tender Offer, and examining, with the Target Company's management, the past and current business operations, financial condition and future prospects of the Target Company.

Goldman Sachs, in preparing the Goldman Sachs October Report referred to above, conducted its financial analyses of the Target Company's common shares using an average market share price analysis, a comparable companies analysis, and a DCF analysis. With respect to a comparable transactions analysis, although Goldman Sachs researched acquisition transactions involving companies with comparable businesses to the Target Company, Goldman Sachs did not conduct such analysis because it believed that there were no minority float acquisition transactions similar to the Tender Offer involving such comparable companies. The comparable companies analysis and the DCF analysis were based on the Forecasts, approved for Goldman Sachs' use by Sumitomo, and publicly available information. Goldman Sachs provided the Goldman Sachs October Report solely for the information and assistance of the board of directors of Sumitomo in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer.

Goldman Sachs' financial analyses, which were presented to Sumitomo's board of directors on October 24, 2012 and set forth in the Goldman Sachs October Report, resulted in a range of implied values per common share of the Target Company:

(A) Average Market Share Price Analysis: 78,991 yen to 81,054 yen

In performing the average market share price analysis based on publicly available information, Goldman Sachs used October 17, 2012 as the base date, and reviewed the average closing prices of the Target Company common shares on the base date (82,500 yen) and over the one-

month (79,495 yen), three-month (78,991 yen), and six-month (81,054 yen) periods ending on the base date.

(B) Comparable Companies Analysis: 82,726 yen to 121,084 yen

In performing the comparable companies analysis, Goldman Sachs used October 17, 2012, as the base date and analyzed the Target Company's common share value by selecting listed companies that, while not directly comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, and applying the comparable companies' estimated fiscal year 2012 enterprise value to EBITDA multiples, based on the most recently publicly available information, to the Forecasts, which were approved for Goldman Sachs' use by Sumitomo.

(C) DCF Analysis: 99,127 yen to 179,962 yen

Goldman Sachs performed the DCF analysis of the Target Company's common shares based on the Forecasts, which were approved for Goldman Sachs' use by Sumitomo. In performing the DCF analysis, Goldman Sachs analyzed the Target Company's common shares by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at an implied range of net present values per share. No significant increase or decrease in profit is expected in the Forecasts, on which the DCF analysis was based.

Based on the foregoing, Sumitomo, using as a reference the results of the financial analyses of the Target Company's common shares conducted by Goldman Sachs set forth in the Goldman Sachs October Report, and taking into consideration, as of October 24, 2012, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company, determined the Tender Offer Price for the Tender Offer to be 110,000 yen in cash per common share of the Target Company at Sumitomo's board of directors meeting held on October 24, 2012 and announced such determination in the Press Release dated October 24, 2012.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, Sumitomo, together with KDDI, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February of 2013 at the earliest. However, in late January 2013, Sumitomo and KDDI received a request from the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, considering certain increases in the share prices of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, Sumitomo, together with KDDI, accepted such request and resumed consultations and negotiations with the Target Company. As a result of these consultations and negotiations, taking into consideration the market trend of the share price of the Target Company's common shares, the likelihood of tenders in the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, Sumitomo determined, at Sumitomo's board of directors meeting held on February 26, 2013, to raise the Tender Offer Price for the Tender Offer from 110,000 yen in cash, as announced in the Press Release dated October 24, 2012, to 123,000 yen in cash per common share of the Target Company, in order to obtain the Target Company's recommendation that its shareholders tender in the Tender Offer. In addition, in the process of re-determining the Tender Offer Price, Sumitomo received from Goldman Sachs and took into consideration, subject to certain conditions, the Goldman Sachs February Report. For the avoidance of doubt, the Goldman Sachs Financial Analyses Reports do not address the purchase price for the Share Options.

Goldman Sachs, in preparing the Goldman Sachs February Report referred to above, conducted its financial analyses of the Target Company's common shares using an average market share price analysis, a comparable companies analysis, and a DCF analysis. With respect to a comparable transactions analysis, although Goldman Sachs researched acquisition transactions involving companies with comparable businesses to the Target Company, Goldman Sachs did not conduct such analysis

because it believed that there were no minority float acquisition transactions similar to the Tender Offer involving such comparable companies. The comparable companies analysis and the DCF analysis were based on the Forecasts, approved for Goldman Sachs' use by Sumitomo, and publicly available information. Goldman Sachs provided the Goldman Sachs February Report solely for the information and assistance of the board of directors of Sumitomo in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer.

Goldman Sachs' financial analyses, which were presented to Sumitomo's board of directors on February 26, 2013 and set forth in the Goldman Sachs February Report resulted in a range of implied values per common share of the Target Company:

(A) Average Market Share Price Analysis: 78,961 yen to 81,028 yen

In performing the average market share price analysis based on publicly available information, Goldman Sachs used October 19, 2012 as the base date, and reviewed the average closing prices of the Target Company common shares on the base date (82,700 yen) and over the one-month (79,824 yen), three-month (78,961 yen), and six-month (81,028 yen) periods ending on the base date.

(B) Comparable Companies Analysis: 86,898 yen to 123,465 yen

In performing the comparable companies analysis, Goldman Sachs used February 19, 2013, as the base date and analyzed the Target Company's common share value by selecting listed companies that, while not directly comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, and applying the comparable companies' estimated fiscal year 2013 enterprise value to EBITDA multiples, based on the most recently publicly available information, to the Forecasts, which were approved for Goldman Sachs' use by Sumitomo.

(C) DCF Analysis: 101,687 yen to 182,569 yen

Goldman Sachs performed the DCF analysis of the Target Company's common shares based on the Forecasts, which were approved for Goldman Sachs' use by Sumitomo. In performing the DCF analysis, Goldman

Sachs analyzed the Target Company's common shares by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at an implied range of net present values per share. No significant increase or decrease in profit is expected in the Forecasts, on which the DCF analysis was based.

Please refer to (Note 1) below, which sets forth in more detail the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by Goldman Sachs.

Goldman Sachs does not constitute a related party of Sumitomo, the Target Company, KDDI or NJ, nor does it have any material interests that should be noted in connection with the Tender Offer. In addition, although NJ is planning to conduct a tender offer for the Share Options pursuant to the Shareholders Agreement, the purchase price for the Share Options is not included within the scope of Goldman Sachs' financial analyses regarding the Target Company's common shares or the Goldman Sachs Financial Analyses Reports.

(III) Premium

Due to the news report on October 20, 2012, about the Tender Offer, the share price of the Target Company is considered to have appreciated in a manner that substantially incorporates the occurrence of the Tender Offer. The Tender Offer Price of 123,000 yen in cash per common share represents a premium of approximately 48.7% (rounded off to one decimal place; hereinafter the same) on 82,700 yen, the closing price of the regular trading of the Target Company's common shares on the JASDAQ Market on October 19, 2012 (the business day immediately prior to the business day which was affected by the news report); a premium of approximately 54.1% on 79,824 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last one (1) month ending October 19, 2012 (from September 20, 2012, to October 19, 2012); a premium of approximately 55.8% on 78,961 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last three (3) months ending October 19, 2012 (from July 20, 2012, to October 19, 2012); and a premium of approximately 51.8% on 81,028 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last six (6) months ending October 19, 2012 (from April 20, 2012, to October 19, 2012). Moreover, the Tender Offer Price represents an addition of premium of approximately 10.8% on 111,000 yen, the closing price on February 26, 2013, the business day immediately prior to

the filing date of this statement.

For your information, at the time of KDDI's investment through a negotiated transaction in February 2010 and Sumitomo's tender offer in April 2010, Sumitomo and KDDI had been substantially in a competitive relationship concerning the acquisition of the Target Company's shares, and as a result, the acquisition prices of both companies had been raised to 139,500 yen per common share of the Target Company by one another. On the other hands, in the Tender Offer, as stated above, in late January 2013, Sumitomo and KDDI received a request by the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, and Sumitomo and KDDI had to accept and resume consultations and negotiations in order to obtain the Target Company's recommendation that its shareholders tender in the Tender Offer. As a result of these consultations and negotiations, Sumitomo and KDDI taking into consideration the market trend of the share price of the Target Company's common shares, and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, decided to raise the Tender Offer Price to 123,000 yen from 110,000 yen per common share, in order to obtain the Target Company's recommendation that its shareholders tender in the Tender Offer. A considerable period of time has passed since the transactions in 2010, and the Target Company is operating in an increasingly competitive business environment compared to that of 2010, due to, among other things, severer competition including price reduction pressure by competitors, a rise in optical communications, diversification of viewers' needs caused by the proliferation of smart phones and tablets, etc. and thus there are certain adverse effects on the Target Company's future earnings forecast. In the Tender Offer, Sumitomo and KDDI calculated the Target Company's share value and decided on the Tender Offer Price in light of the aforementioned facts. Therefore, the Tender Offer Price, is different from the acquisition price per common share of the Target Company at the time of KDDI's investment through a negotiated transaction in February 2010 and Sumitomo's tender offer in April 2010.

(b) The Share Options

The Share Options which are the subject of the Tender Offer are those issued to the directors, company auditors, or executive officers ("Officers") of the Target Company as their stock options. The exercise periods have started for all the Share Options as of the filing date of this

	<p>statement, they are exercisable after the relevant Officers' retirement or after a certain period prescribed in the terms and conditions of each issuance has elapsed before the relevant Officers' retirement. Thus, KDDI and NJ determined the purchase price for the Share Options to be 122,999yen in cash per Share Option, the difference between the Tender Offer Price of 123,000 yen and the Share Option's exercise price of one yen per share of the Target Company underlying the Share Option, considering the fact that the Share Option's exercise price (1 yen) per share of the Target Company is lower than the Tender Offer Price of 123,000 yen.</p>
<p>Process of Financial Analyses</p>	<p>(Process Resulting in the Determination of the Tender Offer Price)</p> <p>In June 2010, Sumitomo, KDDI, and the Target Company executed a memorandum of understanding regarding discussing an alliance between them, and Sumitomo and KDDI agreed to cooperate with each other to the maximum extent in order to improve the corporate value of the Target Company. Pursuant to this agreement, Sumitomo further strengthened a tie-up between a wide-ranging business base such as the media retail network-related business and the Target Company, and transferred to the Target Company the shares of Asmik Ace Entertainment, Inc., a subsidiary of which Sumitomo has taken the management initiative for a long time, thereby contributing to the Company's strategy of developing unique content.</p> <p>Pursuant to the agreement on the above-mentioned alliance, KDDI started cross sales (selling the services of the Target Company and KDDI to each other) from August 2010 in the Kansai area, thereby expanding the alliance with the Target Company in terms of sales and marketing. In December 2010, the Target Company started providing a wireless Internet service using the WiMAX infrastructure (MVNO) of UQ Communications Inc., which is an affiliate of KDDI. In April 2011, the Target Company started providing the "J:COM PHONE-Plus" service utilizing the platform for KDDI's "Cable-Plus Phone", the number of users of which has increased to as many as approximately 780,000 customers of the Target Company. In February 2012, furthermore, it started providing "au Smart Value" as a discount service combining its smartphone, the users of which are rapidly increasing, with the Target Company's fixed-line telecommunications services (the Internet, fixed-line phone), having attracted many customers for the Target Company, thereby promoting various measures to expand its customer base. In terms of infrastructure, in March 2012, KDDI started shifting interexchange channels connecting service areas of the Target Company in five major metropolitan areas in Japan to KDDI's IP core network, thereby addressing the improved reliability of</p>

the Target Company's service and cost reduction.

However, The paid multi-channel broadcasting market in Japan comprises cable TV, satellite multi-channel broadcasting, and IP broadcasting. Although the entire market scale is expected to grow slowly in the future, as a mid-term trend the market is likely to shift from a growth stage to a maturing stage. On the other hand, the competition environment will become more severe not only due to competition between cable TV, satellite multi-channel broadcasting, and IP broadcasting, but also due to the change of the environment including prevalence of new devices such as smartphones and tablet terminals, the expansion of various Internet services, the creation of new services resulting from customers' changing lifestyles, and the resultant competition with those service providers. Reflecting such changes in both the business and competition environments, tie-ups between paid multi-channel operators (including cable TV operators), media operators, and Internet service providers will accelerate across their business areas; moreover, a change in industry structure is also anticipated.

Similar to the paid multi-channel broadcasting market, although the fixed-line broadband market in Japan is also expected to grow slowly in the future, the market is likely to shift from a growth stage to a maturing stage as a mid-term trend. Further, in recent years, wireless Internet access has been accelerating, resulting in competition between the fixed-line broadband business and the wireless Internet business, or creation of a new form of service arising from a fusion or supplementation of both businesses; thus, the industry is facing a turning point. In addition, while various kinds of services are developing, customers' needs are changing; thus, the industry is in an era where services tailored to the opportunities and purposes of each user are sought.

As described above, being exposed to the competition with various media services, the business environment surrounding the Target Company has been becoming gradually severer, requiring it to provide a wider range of services. Sumitomo and KDDI have come to share the understanding that based on this business environment outlook, in order to maintain and improve the Target Company's competitive advantage and realize the Target Company's sustainable growth by permanently providing high-quality services satisfactory to customers, it is extremely important to enable proactively investing management resources held by both companies in the Target Company, by deepening the alliance between the three companies and privatizing the Target Company and establishing a joint management system by Sumitomo

and KDDI. Specifically, further accelerating various measures including expanding the business scale through the integration of the cable TV business of the Target Company and that of JCN, a member of the KDDI group, is of great importance. Moreover, it is also critical to establish a management policy that enables the Target Company to work on revolutionary new products and new services by devoting management resources including research and development and equipment investment to such projects from a medium to long term perspective, while avoiding, through privatizing the Target Company, aiming for a short-term improvement in performance with its focus on the capital market, where corporate value might be evaluated by a short-term fluctuation of performance, as a listed company. Sumitomo and KDDI concluded that it would be best for them to conduct the Going Private Transaction, and jointly manage the Target Company equally at an investment ratio of 50:50, and executed the Shareholders Agreement (for the details of the agreement regarding the joint management, please see “(3) Agreement on Joint Management of the Target Company between Sumitomo and KDDI” below).

As announced in the Press Release dated October 24, 2012, in the Shareholders Agreement, it was agreed between Sumitomo and KDDI that KDDI and NJ would jointly conduct the Tender Offer upon certain conditions being met, such as completion of the procedures and responses required under domestic and foreign competition laws.

Upon the completion of the procedures and responses required under domestic and foreign competition laws, KDDI confirmed that the terms and conditions in which the Tender Offerors would commence the Tender Offer as set forth in the Shareholders Agreement were satisfied, and decided to commence the Tender Offer on February 26, 2013. Also, NJ has, in addition to confirming its major shareholder KDDI’s decision above, confirmed that Sumitomo, the other major shareholder of NJ, confirmed that the conditions to commence the Tender Offer by the Tender Offerors set forth in the Shareholders Agreement were met, and determined to commence the Tender Offer on February 26, 2013. Pursuant to the decisions above, the Tender Offerors determined to jointly commence the Tender Offer.

In addition, the Tender Offerors determined the Tender Offer Price in the following process.

(a) Common Shares

(I) Process Resulting in the Determination of the Tender Offer Price by KDDI

Using as a reference the results of J.P. Morgan's financial analyses of the Target Company's common shares (for more details, please refer to above "Basis of the Financial Analyses") through the aforementioned methods conducted by J.P. Morgan, KDDI's financial advisor, while also comprehensively taking into consideration the results of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers by entities other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company, KDDI determined the Tender Offer Price to be 110,000 yen in cash per common share at KDDI's board of directors meeting held on October 24, 2012, and announced that effect in the Press Released dated October 24, 2012.

On this occasion, as mentioned above, KDDI had been provided with the October JPM Fairness Opinion by J.P. Morgan, which, on the basis of and subject to certain assumptions, stated that the Tender Offer Price of 110,000 yen per common share of the Target Company was fair to KDDI from a financial point of view as of October 23, 2012.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, KDDI, together with Sumitomo, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February, 2013 at the earliest. However, in late January 2013, KDDI and Sumitomo received a request by the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, based on certain increases in the share price of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, KDDI, together with Sumitomo, accepted the Target Company's request and resumed consultations and negotiations. As a result of these consultations and negotiations, KDDI, taking into consideration the market trend of the transactions of the Target Company's common shares after October 24, 2012, the prospect of a well-subscribed tender offer, and

examples of premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, taken together, decided to raise the purchase price for the Tender Offer to 123,000 yen at KDDI's board of directors meeting held on February 26, 2013, from 110,000 yen per common share which had been published in the Press Release dated October 24, 2012, in order to obtain the Target Company's recommendation that its shareholders tender their shares in the Tender Offer. Furthermore, in re-determining the Tender Offer Price, KDDI has re-obtained February JPM Fairness Opinion which, on the basis of and subject to certain assumptions, states that the Tender Offer Price is fair to KDDI from a financial point of view.

For the avoidance of doubt, J.P. Morgan does not constitute a related party of KDDI, the Target Company, Sumitomo or NJ, nor does it have any interests that should be disclosed in connection with the Tender Offer. Moreover, while NJ is planning to conduct a tender offer for the Share Options pursuant to the Shareholder Agreement, the fairness of the purchase price for the Share Options is not included in the scope of JPM Fairness Opinion. For supplemental explanation of the assumptions made, matters considered and limitations on the review undertaken in connection with performing JPM Fairness Opinion and evaluating the Target Company's share value underlying the opinion, please refer to the following (Note 2).

(II) Process Resulting in the Determination of the Tender Offer Price by NJ

NJ is the company to which Sumitomo and KDDI made a 50% contribution and was incorporated as of January 7, 2013 for the purpose of acquiring the common shares and the share options of the Target Company pursuant to the Shareholders Agreement. Therefore, based on the determination of the Tender Offer Price by Sumitomo and KDDI, NJ has confirmed that Sumitomo and KDDI determined that the conditions to commence the Tender Offer by the Tender Offerors set forth in the Shareholders Agreement were met, and determined the Tender Offer Price to be 123,000 yen in cash per common share, as provided in the Shareholders Agreement on February 26, 2013.

Of these determinations, the determination by KDDI is set forth in above (I). The determination by Sumitomo is as follows;

(Process Resulting in the Determination of the Tender Offer Price by Sumitomo)

Using as a reference the results of the financial analyses of the Target Company's common shares conducted by Goldman Sachs set forth in the Goldman Sachs October Report (for more details, please refer to above "Basis of the Financial Analyses"), and taking into consideration, as of October 24, 2012, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company, determined the Tender Offer Price for the Tender Offer to be 110,000 yen in cash per common share of the Target Company at Sumitomo's board of directors meeting held on October 24, 2012 and announced such determination in the Press Release dated October 24, 2012.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, Sumitomo, together with KDDI, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February of 2013 at the earliest. However, in late January 2013, Sumitomo and KDDI received a request from the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, considering certain increases in the share prices of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, Sumitomo, together with KDDI, accepted such request and resumed consultations and negotiations with the Target Company. As a result of these consultations and negotiations, taking into consideration the market trend of the share price of the Target Company's common shares, the likelihood of tenders in the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, Sumitomo determined, at Sumitomo's board of directors meeting held on February 26, 2013, to raise the Tender Offer Price for the Tender Offer from 110,000 yen in cash, as

announced in the Press Release dated October 24, 2012, to 123,000 yen in cash per common share of the Target Company, in order to obtain the Target Company's recommendation that its shareholders tender in the Tender Offer. In addition, in the process of re-determining the Tender Offer Price, Sumitomo received from Goldman Sachs and took into consideration, subject to certain conditions, the Goldman Sachs February Report prepared by Goldman Sachs. For the avoidance of doubt, the Goldman Sachs Financial Analyses Reports do not address the purchase price for the Share Options. Please refer to (Note 1) below, which sets forth in more detail the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by Goldman Sachs. Please refer to (Note 1) below, which sets forth in more detail the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by Goldman Sachs.

(b) The Share Options

The Share Options which are the subject of the Tender Offer are those issued to the Officers of the Target Company as their stock options. The exercise periods have started for all the Share Options, they are exercisable after the relevant Officers' retirement or after a certain period prescribed in the terms and conditions of each issuance has elapsed before the relevant Officers' retirement. Thus, KDDI and NJ determined the purchase price for the Share Options to be 122,999 yen in cash per Share Option, the difference between the Tender Offer Price of 123,000 yen and the Share Option's exercise price of one yen per share of the Target Company underlying the Share Option, considering the fact that the Share Option's exercise price (1 yen) per share of the Target Company is lower than the Tender Offer Price of 123,000 yen.

(Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest)

NJ's major shareholder Sumitomo and KDDI hold in the aggregate a majority of the voting rights regarding the common shares of the Target Company as of the filing date of this statement. In addition, some members of the board of directors of the Target Company have certain interests in Sumitomo and KDDI, as described above. In light of the foregoing, Sumitomo, the Tender Offerors and the Target Company have taken the following measures in order to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the tender offer price for the Target Company's common shares and the Share Options and measures to avoid conflicts of interest. (The following description of the measures taken by the Target

Company is based on the explanations provided by the Target Company.)

(i) Measures to Ensure Fairness of the Tender Offer by Sumitomo and the Tender Offerors

As announced in the Press Release dated October 24, 2012, the fundamental policies regarding the implementation of the Tender Offer by the Tender Offerors was decided between Sumitomo and KDDI on October 24, 2012. In addition, Sumitomo and KDDI decided to change the Tender Offer Price to 123,000yen from 110,000 yen per common share of the Target Company, which had been published in the Press Release dated October 24, 2012, at their respective board of directors meeting held on February 26, 2013. In connection with such series of decisions, Sumitomo retained and requested advice from Goldman Sachs as its financial advisor, and Nagashima Ohno & Tsunematsu as its legal adviser, and KDDI retained and requested advice from J.P. Morgan as its financial advisor and Nishimura & Asahi as its legal adviser. Taking into consideration such advice, each of Sumitomo and KDDI carefully discussed and deliberated in order to avoid arbitrariness in the decision-making process with respect to the Tender Offer.

Upon the consummation of the Tender Offer and the Going Private Transactions by KDDI and NJ, an entity in which Sumitomo and KDDI each owns the same number of voting rights, Sumitomo expects to beneficially own 50% of the voting rights in the Target Company. Therefore, in the process of determining the Tender Offer Price, Sumitomo requested Goldman Sachs, a financial advisor independent from Sumitomo, the Target Company, KDDI and NJ to perform financial analyses regarding the Target Company's common shares, and received from Goldman Sachs Goldman Sachs October Report prepared by Goldman Sachs. For the avoidance of doubt, the Goldman Sachs October Report does not address the purchase price for the Share Options. The tender offer price, as of October 24, 2012, of 110,000 yen in cash per common share of the Target Company was determined by Sumitomo, using as a reference the results of the financial analyses of the Target Company's common shares conducted by Goldman Sachs set forth in the Goldman Sachs October Report, and taking into consideration, as of October 24, 2012, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other

than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company.

Sumitomo first prepared the Forecasts for the Target Company and its subsidiaries and affiliated companies from the beginning of October 2012 to late October 2012, based on information presented to Sumitomo by the Target Company's management, while assessing the strategic rationale for the proposed transactions in connection with the Tender Offer, and examining, with the Target Company's management, the past and current business operations, financial condition and future prospects of the Target Company.

Goldman Sachs, in preparing the Goldman Sachs October Report referred to above, conducted its financial analyses of the Target Company's common shares using an average market share price analysis, a comparable companies analysis, and a DCF analysis. With respect to a comparable transactions analysis, although Goldman Sachs researched acquisition transactions involving companies with comparable businesses to the Target Company, Goldman Sachs did not conduct such analysis because it believed that there were no minority float acquisition transactions similar to the Tender Offer involving such comparable companies. The comparable companies analysis and the DCF analysis were based on the Forecasts, approved for Goldman Sachs' use by Sumitomo, and publicly available information. Goldman Sachs provided the Goldman Sachs October Report solely for the information and assistance of the board of directors of Sumitomo in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer.

Goldman Sachs' financial analyses, which were presented to Sumitomo's board of directors on October 24, 2012 and set forth in the Goldman Sachs October Report, resulted in a range of implied values per common share of the Target Company:

- (A) Average Market Share Price Analysis: 78,991 yen to 81,054 yen

In performing the average market share price analysis based on publicly available information, Goldman Sachs used October 17, 2012 as the base date, and reviewed the average closing prices of the Target Company common shares on the base date

	<p>(82,500 yen) and over the one-month (79,495 yen), three-month (78,991 yen), and six-month (81,054 yen) periods ending on the base date.</p> <p>(B) Comparable Companies Analysis: 82,726 yen to 121,084 yen</p> <p>In performing the comparable companies analysis, Goldman Sachs used October 17, 2012, as the base date and analyzed the Target Company's common share value by selecting listed companies that, while not directly comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, and applying the comparable companies' estimated fiscal year 2012 enterprise value to EBITDA multiples, based on the most recently publicly available information, to the Forecasts, which were approved for Goldman Sachs' use by Sumitomo.</p> <p>(C) DCF Analysis: 99,127 yen to 179,962 yen</p> <p>Goldman Sachs performed the DCF analysis of the Target Company's common shares based on the Forecasts, which were approved for Goldman Sachs' use by Sumitomo. In performing the DCF analysis, Goldman Sachs analyzed the Target Company's common shares by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at an implied range of net present values per share. No significant increase or decrease in profit is expected in the Forecasts, on which the DCF analysis was based.</p> <p>Based on the foregoing, Sumitomo, using as a reference the results of the financial analyses of the Target Company's common shares conducted by Goldman Sachs set forth in the Goldman Sachs October Report, and taking into consideration, as of October 24, 2012, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company, determined the Tender Offer Price for the Tender Offer to be 110,000 yen in cash per common share of the Target Company at Sumitomo's board of</p>
--	---

directors meeting held on October 24, 2012 and announced such determination in the Press Release dated October 24, 2012.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, Sumitomo, together with KDDI, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February of 2013 at the earliest. However, in late January 2013, Sumitomo and KDDI received a request from the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, considering certain increases in the share prices of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, Sumitomo, together with KDDI, accepted such request and resumed consultations and negotiations with the Target Company. As a result of these consultations and negotiations, taking into consideration the market trend of the share price of the Target Company's common shares, the likelihood of tenders in the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, Sumitomo determined, at Sumitomo's board of directors meeting held on February 26, 2013, to raise the Tender Offer Price from 110,000 yen in cash, as announced in the Press Release dated October 24, 2012, to 123,000 yen in cash per common share of the Target Company, in order to obtain the Target Company's recommendation that its shareholders tender in the Tender Offer. In addition, in the process of re-determining the Tender Offer Price, Sumitomo received from Goldman Sachs and took into consideration, subject to certain conditions, the Goldman Sachs February Report prepared by Goldman Sachs. For the avoidance of doubt, the Goldman Sachs Financial Analyses Reports do not address the purchase price for the Share Options.

Goldman Sachs, in preparing the Goldman Sachs February Report referred to above, conducted its financial analyses of the Target Company's common shares using an average market share price analysis, a comparable companies analysis, and a DCF analysis. With respect to a comparable transactions analysis, although Goldman

	<p>Sachs researched acquisition transactions involving companies with comparable businesses to the Target Company, Goldman Sachs did not conduct such analysis because it believed that there were no minority float acquisition transactions similar to the Tender Offer involving such comparable companies. The comparable companies analysis and the DCF analysis were based on the Forecasts, approved for Goldman Sachs' use by Sumitomo, and publicly available information. Goldman Sachs provided the Goldman Sachs February Report solely for the information and assistance of the board of directors of Sumitomo in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer.</p> <p>Goldman Sachs' financial analyses, which were presented to Sumitomo's board of directors on February 26, 2013 and set forth in the Goldman Sachs February Report resulted in a range of implied values per common share of the Target Company:</p> <p>(A) Average Market Share Price Analysis: 78,961 yen to 81,028 yen</p> <p>In performing the average market share price analysis based on publicly available information, Goldman Sachs used October 19, 2012 as the base date, and reviewed the average closing prices of the Target Company common shares on the base date (82,700 yen) and over the one-month (79,824 yen), three-month (78,961 yen), and six-month (81,028 yen) periods ending on the base date.</p> <p>(B) Comparable Companies Analysis: 86,898 yen to 123,465 yen</p> <p>In performing the comparable companies analysis, Goldman Sachs used February 19, 2013, as the base date and analyzed the Target Company's common share value by selecting listed companies that, while not directly comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, and applying the comparable companies' estimated fiscal year 2013 enterprise value to EBITDA multiples, based on the most recently publicly available information, to the Forecasts, which were approved for Goldman Sachs' use by Sumitomo.</p> <p>(C) DCF Analysis: 101,687 yen to 182,569 yen</p>
--	---

Goldman Sachs performed the DCF analysis of the Target Company's common shares based on the Forecasts, which were approved for Goldman Sachs' use by Sumitomo. In performing the DCF analysis, Goldman Sachs analyzed the Target Company's common shares by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at an implied range of net present values per share. No significant increase or decrease in profit is expected in the Forecasts, on which the DCF analysis was based.

Goldman Sachs does not constitute a related party of Sumitomo, the Target Company, KDDI or NJ, nor does it have any material interests that should be noted in connection with the Tender Offer. In addition, although NJ is planning to conduct a tender offer for the Share Options pursuant to the Shareholders Agreement, the purchase price for the Share Options is not included within the scope of Goldman Sachs' financial analyses regarding the Target Company's common shares or the Goldman Sachs Financial Analyses Reports.

Please refer to (Note 1) below, which sets forth in more detail the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by Goldman Sachs.

On the other hand, for the purpose of ensuring the fairness of the Tender Offer Price, in the process of determining the Tender Offer Price, KDDI requested J.P. Morgan as its financial advisor independent from KDDI, the Target Company, Sumitomo, and NJ to perform financial analyses of the Target Company's common shares, and received a share price valuation report from J.P. Morgan dated October 23, 2012 (the "J.P. Morgan Report"). For the avoidance of doubt, the purchase price for the Share Options is not included in the scope of the J.P. Morgan Report. The Tender Offer Price as of October 24, 2012 of 110,000 yen in cash per common share of the Target Company was determined by KDDI, using as a reference the results of J.P. Morgan's financial analyses as of October 23, 2012, while also comprehensively taking into consideration the results of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers by entities other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and

negotiation with Sumitomo and the Target Company.

KDDI first prepared the business plans and financial forecasts for the Target Company and its subsidiaries and affiliated companies from the beginning of October 2012 to late October 2012, based on information presented to KDDI by the Target Company's management, while assessing the strategic rationale and potential gains for the proposed transactions in connection with the Tender Offer, and examining, with the Target Company's management, the past and current business operations, financial condition and future prospects of the Target Company.

In preparing the J.P. Morgan Report, J.P. Morgan conducted various financial analyses of the Target Company's common shares including an average market share price analysis, a comparable companies analysis, and a DCF analysis. The J.P. Morgan Report has been provided solely for the information and assistance of the board of directors of KDDI in connection with its consideration of the Tender Offer Price. J.P. Morgan has not recommended any specific purchase price to KDDI or its board of directors, nor has J.P. Morgan recommended that any specific purchase price constituted the only appropriate purchase price.

J.P. Morgan's financial analyses and the J.P. Morgan Report, which were presented to KDDI's board of directors on October 23, 2012, present the following financial analysis ranges of the value per common share of Target Company:

(A) Average Market Share Price Analysis: 78,961 yen to 82,700 yen

In performing the average market share price analysis based on publicly available information, J.P. Morgan used October 19, 2012 as the base date, and reviewed the closing price of Target Company common shares on the base date (82,700 yen) and average prices over the one-month (79,824 yen), three-month (78,961 yen), and six-month (81,028 yen) periods ending on the base date.

(B) Comparable Companies Analysis: 70,381 yen to 107,282 yen

In performing the comparable companies analysis, J.P. Morgan used October 19, 2012, as the base date and evaluated the share value by selecting listed companies that, while not totally comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, based on the comparison of financial indicators such as market

share price, growth rate, and profitability.

(C) DCF Analysis: 95,724 yen to 129,305 yen

J.P. Morgan performed the DCF analysis based on relevant factors such as the business plans and financial forecasts, approved for J.P. Morgan' use by KDDI, the profit and capital expenditure forecast in the Target Company's business plan, the results of the interview with the Target Company's management and due diligence, and other publicly available information. In performing the DCF analysis, J.P. Morgan evaluated the share value by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at a range of present values. No significant increase or decrease in profit is expected in the business plans and financial forecasts, on which the DCF analysis was based.

Based on the foregoing, using as a reference the results of J.P. Morgan's financial analyses of the Target Company's common shares conducted by J.P. Morgan as of October 23, 2012, KDDI's financial advisor, through the aforementioned methods, on October 23, 2012, while also comprehensively taking into consideration the result of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers by persons other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company, KDDI determined the purchase price for the Tender Offer to be 110,000 yen in cash per common share at KDDI's board of directors meeting held on October 24, 2012, and announced that effect in the Press Release dated October 24, 2012.

On this occasion, KDDI had been provided with the October JPM Fairness Opinion, which, on the basis of and subject to certain assumptions, stated that the Tender Offer Price of 110,000 yen per common share of the Target Company was fair to KDDI from a financial point of view.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, KDDI, together with Sumitomo, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and

responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February, 2013 at the earliest. However, in late January 2013, KDDI and Sumitomo received a request by the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, based on certain increases in the share price of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, KDDI, together with Sumitomo, accepted the Target Company's request and resumed consultations and negotiations. As a result of these consultations and negotiations, KDDI, taking into consideration the market trend of the transactions of the Target Company's common shares after October 24, 2012, the prospect of a well-subscribed tender offer, and examples of premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, taken together, decided to raise the purchase price for the Tender Offer to 123,000 yen at KDDI's board of directors meeting held on February 26, 2013, from 110,000 yen per common share, which had been published in the Press Release dated October 24, 2012, in order to obtain the Target Company's recommendation that its shareholders tender their shares in the Tender Offer. Furthermore, in re-determining the Tender Offer Price, KDDI has re-obtained the February JPM Fairness Opinion, which, on the basis of and subject to certain assumptions, states that the Tender Offer Price is fair to KDDI from a financial point of view.

For the avoidance of doubt, J.P. Morgan does not constitute a related party of KDDI, the Target Company, Sumitomo, or NJ, nor does it have any interests that should be disclosed in connection with the Tender Offer. Moreover, while NJ is planning to conduct a tender offer for the Share Options pursuant to the Shareholder Agreement, the fairness of the purchase price for the Share Options is not included in the scope of the JPM Fairness Opinions. For supplemental explanation of the assumptions made, matters considered and limitations on the review undertaken in connection with the JPM Fairness Opinions and evaluation of the Target Company's share value underlying the opinion, please refer to (Note 2) below.

Due to the news report on October 20, 2012, about the Tender Offer, the share price of the Target Company is considered to have appreciated in a manner that substantially incorporates the occurrence of the Tender Offer. The Tender Offer Price of 123,000 yen in cash per

common share represents a premium of approximately 48.7% (rounded off to one decimal place; hereinafter the same) on 82,700 yen, the closing price of the regular trading of the Target Company's common shares on the JASDAQ Market on October 19, 2012 (the business day immediately prior to the business day which was affected by the news report); a premium of approximately 54.1% on 79,824 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last one (1) month ending October 19, 2012 (from September 20, 2012, to October 19, 2012); a premium of approximately 55.8% on 78,961 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last three (3) months ending October 19, 2012 (from July 20, 2012, to October 19, 2012); and a premium of approximately 51.8% on 81,028 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last six (6) months ending October 19, 2012 (from April 20, 2012, to October 19, 2012). Moreover, the Tender Offer Price represents an addition of premium of approximately 10.8% on 111,000 yen, the closing price on February 26, 2013, the business day immediately prior to the filing date of this statement.

(ii) Establishment of Independent Third-Party Committee by the Target Company

According to the Target Company, in order to avoid arbitrariness and conflicts of interest and to ensure fairness, transparency and objectivity in the Target Company's decision-making process regarding the Transaction including the Tender Offer, the Target Company held a board of directors meeting on October 9, 2012 and the board of directors resolved the following matters:

- (A) to establish a third-party committee consisting of attorneys, certified public accountants, and other members with expertise who are highly independent of the Target Company, Sumitomo, and KDDI;
- (B) to request to the third-party committee the Delegated Matters; and
- (C) on condition that the number of members of the third-party committee should be three and the members are to be appointed from among attorneys, certified public accountants, and other persons with expertise who are also highly independent from the Target Company, Sumitomo, and KDDI, to entrust the appointment of the members of the third-party committee to

Mr. Tomoya Aoki, Mr. Mineo Fukuda, and Mr. Toru Kato, three of the five present directors of the Company (the remaining two present directors being Mr. Ryosuke Yamazoe and Mr. Yoshiki Nakai, who had been officers/employees of Sumitomo or KDDI until relatively recently (until March or June 2011), and the absent directors being Mr. Yoshio Osawa, Mr. Hirofumi Morozumi, Mr. Makoto Takahashi, Mr. Daisuke Mikogami, Mr. Shuichi Mori, and Mr. Shunsuke Oyama).

Pursuant to those resolutions, Mr. Aoki, Mr. Fukuda, and Mr. Kato established the third-party committee by unanimously appointing, as the members thereof, Mr. Shiro Kuniya, an attorney at Oh-Ebashi LPC & Partners, Mr. Nobumichi Hattori, a visiting professor of Graduate School of Finance, Accounting and Law of Waseda University, and Mr. Toru Mio, a representative director of Mio & Company Inc. and Oct Advisors Inc., concurrently, from among attorneys, certified public accountants, and several other candidates for the committee members with expertise who were highly independent from the target Company, Sumitomo, and KDDI.

After the Target Company received the proposal dated October 15, 2012 as described above, five meetings of the Phase-One Third-Party Committee were held in total between October 15, 2012 and October 23, 2012 in which the Delegated Matters were discussed and examined. For the discussion and examination by the Phase-One Third-Party Committee, information regarding the Transaction was collected through the following ways: (A) the Target Company was asked to explain its business plan and the impact of the Transaction on the corporate value of the Target Company along with other subjects, and question-and-answer sessions about these matters were conducted; (B) Mitsubishi UFJ Morgan Stanley Securities was asked to explain the result of the share price valuation, and question-and-answer sessions about it were conducted; (C) questionnaires were sent to Sumitomo and KDDI on three occasions, and Sumitomo and KDDI answered them; (D) the Target Company and Mitsubishi UFJ Morgan Stanley Securities reported the status of the negotiation regarding the tender offer price with Sumitomo and KDDI, and question-and-answer sessions about it were conducted; (E) the decision-making process of the Target Company and certain other matters regarding the Transactions were explained by Mori Hamada & Matsumoto, and question-and-answer sessions about these matters were conducted; and (F) in addition to the foregoing, relevant materials regarding the Transaction were submitted. At the meeting of the Phase-One Third-Party Committee, it was also explained

by Mitsubishi UFJ Morgan Stanley Securities that, with respect to 2010 Tender Offer Price, the Initially Proposed Tender Offer Price would not be considered inappropriate due to the fact that the Initially Proposed Tender Offer Price was lower than the 2010 Tender Offer Price, because, (i) a considerable period of time has passed since February 2010, and (ii) the business environment surrounding, and the growth potential of, the domestic cable television industry, where the Target Company belongs, have changed since February 2010, due to continuous decreasing trend of ARPU (Average Revenue per User) owing to factors such as increased competition with fixed carriers, and the growth of alternative media distribution business using tablet PC and other media owing to the rapid expansion of high-speed mobile communication market.

In consideration of the above factors, the Phase-One Third-Party Committee discussed and examined the Delegated Matters, and as a result, at the meeting held on October 23, 2012, by unanimous resolution of all the members, the Phase-One Third-Party Committee reported to the Target Company's board of directors that (a) it is appropriate for the Target Company's board of directors to express an opinion in favor of the Tender Offer and to express an opinion to recommend that its shareholders and share option holders tender their shares or share options in the Tender Offer, and (b) that the Target Company's minority shareholders would not be disadvantaged if the Target Company's board of directors decides to express an opinion in favor of the Tender Offer and recommend the acceptance of the Tender Offer and decides to implement the procedures for the acquisition directly or indirectly by Sumitomo and KDDI of all of the issued shares of the Target Company after the Tender Offer. The Phase-One Third-Party Committee also submitted the "October Written Report to the Target Company's board of directors on the same day.

According to the October Written Report received from the Phase-One Third-Party Committee, the main factors that the Phase-One Third-Party Committee took into account in making its report as described above were as follows:

- (A) the Initially Proposed Tender Offer Price is considered to be appropriate in light of the calculation results in the October Share Price Valuation Report; the Tender Offer Price was also considered to be appropriate in the October Fairness Opinion from a financial perspective for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors, and their related companies); the premium added to the market value of the Target Company's shares is in

	<p>line with that added in the cases similar to the Transaction; there were several negotiations to increase the tender offer price between the Target Company and Sumitomo and KDDI; the purchase price for the Share Options calculated by deducting their exercise price from the Initially Proposed Tender Offer Price of the Target Company's common stock was found to be appropriate in light of the advices given by Mitsubishi UFJ Morgan Stanley Securities to the Target Company;</p> <p>(B) no particular problems are found with the Transaction or the Initially Proposed Tender Offer Price from the viewpoint of the impact of the Transaction on the corporate value of the Target Company such as synergies; and</p> <p>(C) the interests of the Target Company's minority shareholders have been taken into account through appropriate and fair procedures by taking the measures described in "3. (3) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest" (note) in the "Target Company's Press Release dated February 26, 2013.</p> <p>In addition, the third-party committee held its sixth meeting on January 18, 2013, and after that, nine meetings of the Phase-Two Third-Party Committee were held in total between then and February 25, 2013 in which the members mainly discussed and examined, among other things, whether the Target Company should be in favor of the Tender Offer and recommend the acceptance of the Tender Offer. For the discussion and examination by the Phase-Two Third-Party Committee, the Target Company, Mitsubishi UFJ Morgan Stanley Securities, and Mori Hamada & Matsumoto respectively gave explanations, and question-and-answer sessions were conducted, with respect to the following: (i) after October 24, 2012, whether there was any material change in the Target Company's business plan and other factors affecting the calculation of the Target Company's corporate value, (ii) the movement of the market value of comparable listed companies and movements in general stock market conditions after October 24, 2012, (iii) opinions of the Target Company's minority shareholders received after October 24, 2012 requesting that the Initially Proposed Tender Offer Price be raised for the Tender Offer, (iv) the content of the Share Price Valuation Reports and the Fairness Opinions, and (v) the status of price negotiations with Sumitomo and KDDI. The third-party committee also gathered information regarding the Transaction from the relevant materials submitted to the</p>
--	--

committee.

In consideration of the above factors, the Phase-Two Third-Party Committee discussed and examined whether the Target Company should be in favor of the Tender Offer and recommend the acceptance of the Tender Offer, and as a result, at its meeting held on February 25, 2013, by an unanimous resolution of all the members, the Phase-Two Third-Party Committee reported to the Target Company's board of directors that (a) it is appropriate for the Target Company's board of directors to express an opinion in favor of the Tender Offer and to express an opinion to recommend that its shareholders and share option holders tender their shares or share options in the Tender Offer, and (b) the Target Company's minority shareholders would not be disadvantaged if the Target Company's board of directors decided to express an opinion in favor of the Tender Offer and recommend the acceptance of the Tender Offer and decided to implement the procedures for the direct or indirect acquisition by Sumitomo and KDDI of all of the issued shares of the Target Company after the Tender Offer. The Phase-Two Third-Party Committee also submitted the February Written Report to the Target Company's board of directors on the same day.

According to the February Written Report received from the Phase-Two Third-Party Committee, in addition to the analyses made in the October Written Report, the main factors that the Phase-Two Third-Party Committee took into account in making its report as described above were as follows:

- (A) according to the financial results of the fiscal year ended in December 2012 and other reports, no material change was found in the Target Company's business conditions after the October Written Report was submitted;
- (B) the Tender Offer Price is considered to be appropriate in light of the calculation results in the February Share Price Valuation Report; the Tender Offer Price was also considered to be appropriate in the February Fairness Opinion from a financial perspective for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors and their related companies); the valuation method adopted in the February Share Price Valuation Report has not changed from that of October Share Price Valuation Report in any substantial aspects and is considered to be consistent;
- (C) there were sincere negotiations to increase the Tender Offer Price between the Target Company

	<p>and Sumitomo and KDDI, through which the Tender Offer Price was ultimately increased from the Initially Proposed Tender Offer Price by 13,000 yen (approximately 11.8% (rounded off to one decimal place; hereinafter the same));</p> <p>(D) while the general stock market conditions improved after October 24, 2012, the premium added in the Tender Offer Price is still considered to be in line with that of recent cases similar to the Transaction, taking into consideration, among other things, the movement of the market value of comparable listed companies and the fact that the Tender Offer Price was increased from the Initially Proposed Tender Offer Price by 13,000 yen (approximately 11.8%) ;</p> <p>(E) the Tender Offer Price would not be considered inappropriate due to the fact that the Tender Offer Price is lower than the 2010 Tender Offer Price, because (i) a considerable period of time has passed since February 2010, and (ii) the business environment surrounding, and the growth potential of, the domestic cable television industry, including the Target Company, have changed since February 2010, due to continuous decreasing trend of ARPU (Average Revenue per User) owing to factors such as increased competition with fixed carriers, and the growth of alternative media distribution business using tablet PC and other media owing to the rapid expansion of high-speed mobile communication market;</p> <p>(F) the purchase price for the Share Options, which was calculated by deducting their exercise price from the Tender Offer Price, was found to be appropriate in light of the advices given by Mitsubishi UFJ Morgan Stanley Securities to the Target Company; and</p> <p>(G) the interests of the Target Company's minority shareholders are considered to have been taken into account through appropriate and fair procedures after announcement of the "Target Company's Press Release as of October, by taking the measures such as those described in "(3) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest" (note) in the Target Company's Press Release dated February 26, 2013.</p> <p>Each member of the Target Company's third-party committee has expertise and is highly independent of the</p>
--	--

Target Company, Sumitomo and KDDI, and the Target Company has considered that each member of the third-party committee does not have any conflicts of interest with the Target Company's general shareholders in connection with the Transaction.

(Note) Almost the same effect is provided in "3. (3) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest" in the Target Company's Press Release dated February 26, 2013.

(iii) The Target Company's Acceptance of a Share Price Valuation Report and Fairness Opinion from a Third-Party Calculation Agent Independent of the Target Company, Sumitomo and the Tender Offerors

According to the Target Company, in assessing the price in the Tender Offer, the Target Company received the following documents from Mitsubishi UFJ Morgan Stanley Securities, a third-party calculation agent independent of the Target Company, Sumitomo and the Tender Offerors, in order to ensure the fairness of the assessment of the price.

For the avoidance of doubt, Mitsubishi UFJ Morgan Stanley Securities does not constitute a related party of the Target Company, nor does it have any material interests in the Tender Offer.

(A) October Share Price Valuation Report

The Target Company requested Mitsubishi UFJ Morgan Stanley Securities to evaluate the share value of the Target Company's common shares, and received the October Share Price Valuation Report on October 23, 2012. The results of the valuation of the Target Company's shares by Mitsubishi UFJ Morgan Stanley Securities are as follows:

Market Share Price Analysis: 78,961 yen to 82,700 yen per share

Comparable Companies Analysis: 61,125 yen to 89,420 yen per share

DCF Analysis: 97,473 yen to 123,014 yen per share

In the market share price analysis, Mitsubishi UFJ Morgan Stanley Securities used October 19, 2012 (the business day immediately before October 20, 2012, which was the day on which news reports were released speculating on the purchase of the Target Company's shares) as the base date and evaluated the value per

common share of the Target Company with a range from 78,961 yen to 82,700 yen, based on the closing price on the base date (82,700 yen), the average closing prices for the last one month (79,824 yen), the average closing prices for the last three months (78,961 yen), and the average closing prices for the last six months (81,028 Yen), of the common shares on the JASDAQ Market.

In the comparable companies analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 61,125 yen to 89,420 yen, through a comparison of the market share prices and the financial indicators representing profitability and the like of the Target Company and listed companies engaging in businesses that were relatively similar to the Target Company's businesses.

In the DCF analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 97,473 yen to 123,014 yen, by discounting the cash flow that the Target Company is expected to generate in the future by certain discount rates, based on the Target Company's business plan, interviews with the Target Company's management, trends in the Target Company's operating results to date, and future profit forecasts of the Target Company. In addition, no significant increase or decrease in profit is expected in the business plan and the financial forecasts on which the DCF analysis was based.

(B) October Fairness Opinion

The Target Company received October Fairness Opinion on October 23, 2012 that states that the Initially Proposed Tender Offer Price is fair for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial point of view. Moreover, as for the Share Options, although the Target Company has received no valuation report or fairness opinion from a third-party calculation agent, the Target Company has been advised on the purchase price of the Share Options by Mitsubishi UFJ Morgan Stanley Securities.

(C) February Share Price Valuation Report

Because four months or more have passed from the base date of the October Share Price Valuation Report, the Target Company again requested Mitsubishi UFJ Morgan Stanley Securities to evaluate the share value of the Target Company's common shares, and received the February Share Price Valuation Report on February 25, 2013. The results of the valuation of the Target

Company's shares by Mitsubishi UFJ Morgan Stanley Securities are as follows:

Market Share Price Analysis: 78,961 yen to 82,700 yen per share

Comparable Companies Analysis: 64,322 yen to 96,185 yen per share

DCF Analysis: 97,281 yen to 122,711 yen per share

In the market share price analysis, Mitsubishi UFJ Morgan Stanley Securities used October 19, 2012 (the business day immediately before October 20, 2012, which was the day on which news reports were released speculating on the purchase of the Target Company's shares) as the base date and evaluated the value per common share of the Target Company with a range from 78,961 yen to 82,700 yen, based on the closing price on the base date (82,700 yen), the average closing prices for the last one month (79,824 yen), the average closing prices for the last three months (78,961 yen), and the average closing prices for the last six months (81,028 Yen), of the common shares on the JASDAQ Market.

In the comparable companies analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 64,322 yen to 96,185 yen, through a comparison of the market share prices and the financial indicators representing profitability and the like of the Target Company and listed companies engaging in businesses that were relatively similar to the Target Company's businesses.

In the DCF analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 97,281 yen to 122,711 yen, by discounting the cash flow that the Target Company is expected to generate in the future by certain discount rates, based on the Target Company's business plan, interviews with the Target Company's management, trends in the Target Company's operating results to date, and future profit forecasts of the Target Company. In addition, no significant increase or decrease in profit is expected in the business plan and the financial forecasts on which the DCF analysis was based.

The methods of valuation adopted in the February Share Price Valuation Report were the same valuation methods as adopted in October Share Price Valuation Report. However, on account of the difference in the reference dates, there are slight differences in the results of the comparable companies analysis in the two reports.

Also, with regards to the DCF analysis, there are slight

differences in the results of the two reports, since the February Share Price Valuation Report took in to account the announcement of the Target Company's actual financial results for the fiscal year ended December 2012 and the new budget for the fiscal year ending December 2013 (however, there is no substantial change in the figures from those of the Target Company's business plan which was used as the basis for the DCF analysis in the October Share Price Valuation Report).

(D) February Fairness Opinion

Because four months or more have passed from the base date of the October Fairness Opinion, the Target Company has again received a written opinion from Mitsubishi UFJ Morgan Stanley Securities (the February Fairness Opinion) on February 25, 2013 that states that the Tender Offer Price is fair for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial point of view. Moreover, as for the Share Options, although the Target Company has received no valuation report or fairness opinion from a third-party calculation agent, the Target Company has been advised on the purchase price of the Share Options by Mitsubishi UFJ Morgan Stanley Securities.

According to the Target Company, in relation to the Valuation Report, Etc. described in (A) through (D) above, the Target Company has received, from Mitsubishi UFJ Morgan Stanley Securities, a supplemental explanation regarding the disclosure and disclaimers of Valuation Report, Etc. that were prepared and submitted by Mitsubishi UFJ Morgan Stanley Securities at the Target Company's request. For the details, please refer to (Note 3) below.

(iv) Advice from Law Firm Independent of Sumitomo and the Tender Offerors

According to the Target Company, the Target Company has received advice on the legality of procedures regarding the Tender Offer and the method and fairness of the decision-making process of the Target Company's board of directors meeting from Mori Hamada & Matsumoto, the Target Company's legal advisor independent of Sumitomo and the Tender Offerors, and the Target Company has carefully examined the terms on which the Target Company accepts the Transaction proposed by Sumitomo and KDDI, the specific terms and procedures for the Tender Offer, various other terms such as the time of the Tender Offer's implementation, and matters concerning further negotiation of the price in the Tender Offer with Sumitomo and KDDI such as the

necessity and methods thereof.

(v) Approval of All Directors and Consent of All Company Auditors Without Interests

According to the Target Company, based on, among other things, the explanation of the Transaction from Sumitomo and KDDI, advice received from Mitsubishi UFJ Morgan Stanley Securities including the Share Price Valuation Reports and the Fairness Opinions, legal advice from Mori Hamada & Matsumoto, and the content of the reports of the third-party committee, the Target Company has carefully discussed and deliberated the various terms regarding the Transaction including the Tender Offer. As a result of such discussion and deliberation, the Target Company resolved to conduct the Expression of Endorsement at the board of directors meeting held on February 26, 2013.

In addition, the Target Company resolved the October Expression of Endorsement at the board of directors meeting held on October 24, 2012 as described above in “(a) Course of events up to October 24, 2012” in “(2) Background to, and Purpose of, the Tender Offer; Decision-Making Process to Conduct the Tender Offer; and Management Policy, etc. after the Tender Offer” in “3. Purpose of the Purchase, etc.

The Target Company has taken the following measures to avoid conflicts of interest between the directors and shareholders at the meetings of the board of directors regarding the Transaction including the above board of directors meetings to ensure that the resolutions have been appropriate and fair.

Out of eleven directors of the Target Company, three (Mr. Yoshio Osawa, Mr. Hirofumi Morozumi, and Mr. Makoto Takahashi, who concurrently serve as representative directors of Sumitomo or KDDI) did not attend, nor were counted in the quorum of, any board of directors meeting regarding the Transaction as they are considered persons with special interests in the resolution of the board of directors meeting regarding the Transaction. None of the three directors above participated in the examination of the Transaction or the discussions or negotiations with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company. Also, Mr. Daisuke Mikogami, a director who concurrently serves as an officer/employee of Sumitomo, and Mr. Shuichi Mori and Mr. Shunsuke Oyama, both representative directors who were officers/employees of Sumitomo or KDDI until relatively recently (until March 2011), did not attend any board of directors meeting regarding the Transaction, nor did they participate in the

	<p>examination of the Transaction or the discussions or negotiations with Sumitomo and KDDI regarding the Transactions on behalf of the Target Company, given the possibility of a conflict of interest.</p> <p>Out of the five other directors, Mr. Ryosuke Yamazoe and Mr. Yoshiki Nakai, both directors who were officers/employees of Sumitomo or KDDI until relatively recently (until March or June 2011), attended board of directors meetings relating to the Transaction from the viewpoint of ensuring that the quorum for the board of directors meetings were met. However, from the viewpoint of maintaining the fairness of the resolutions, they did not speak at board of directors meetings regarding the Transaction, nor did they participate in any examination of the Transaction or the discussions or negotiations with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company, except for their attendance at board of directors meetings in which they abstained from voting on the resolutions. Both of the above resolutions have been adopted by the unanimous vote of all directors present except for the above directors.</p> <p>Two company auditors—namely, Mr. Kunio Fujimoto, a full-time company auditor, and Mr. Katsuyuki Yamaguchi, a company auditor—who were present at the relevant board of directors meetings have stated opinions to the effect that they do not object to the above resolutions.</p> <p>Out of four company auditors of the Target Company, Mr. Toshifumi Shibuya and Mr. Kenichiro Takagi, who both concurrently serve as officers/employees of Sumitomo or KDDI, have not attended any board of directors meeting regarding the Transaction from the viewpoint of maintaining the fairness and neutrality of the resolutions. Mr. Katsuyuki Yamaguchi, a company auditor, is an attorney who belongs to Nishimura & Asahi, a legal advisor of KDDI for the Transaction. However, according to Mr. Yamaguchi, fire wall measures to block any flow of information between himself and the attorneys who are engaged in this matter at Nishimura & Asahi have been implemented.</p> <p>The Target Company decided at the board of directors meeting held on February 26, 2013 to comprehensively approve the Share Option holders' transferring their Share Options to the Tender Offerors by tendering them in the Tender Offer.</p> <p>Further, the Target Company decided at the board of directors meeting held on February 26, 2013 not to declare interim dividend for the record date of June 30,</p>
--	---

2013 in respect of the fiscal year ending December 2013, on the condition that the Tender Offer is completed.

(vi) Securing Objective Circumstances that Ensure Appropriateness of Price and Fairness of the Tender Offer

While the shortest Tender Offer Period permitted under the laws and regulations is twenty (20) business days, the Tender Offeror Period in the Tender Offer is thirty (30) business days.

By having a comparatively long-term Tender Offer Period, it is intended that while ensuring the opportunity for an appropriate decision to be made on the tender to the Tender Offer by the shareholders, opportunities for persons other than the Tender Offerors to purchase, etc. are ensured, and appropriateness of the purchase price is thereby ensured.

In addition, the Tender Offerors, Sumitomo and the Target Company do not have any agreement which may restrict communications, etc. between the persons proposing the competing purchase and the Target Company such as an agreement including the provisions for the protection of the transactions which may prohibit communications between the Target Company and persons proposing the competing purchase. In addition to the establishment of the Tender Offer Period above, ensuring opportunities for competing purchase is intended to ensure the fairness of the Tender Offer.

As described in “(1) Outline of the Tender Offer” of “3. Purpose of the Purchase, etc.”, as of the filing date of this statement KDDI already owns 30.71% (2,133,797 shares) of the total issued common shares of the Target Company and Sumitomo already owns 39.98% (2,777,912 shares) of the total issued common shares of the Target Company. Due to these shareholdings, the Tender Offerors have not set a minimum number of shares to be purchased, the so-called “Majority of Minority,” because the Tender Offerors believe that ensuring an opportunity for all shareholders to sell their shares without setting such a minimum number would be appropriate, given that there may be investors who would not tender at the stage of the Tender Offer regardless of the Tender Offer Price, and thus, should such a minimum number be set, there is a possibility that the Tender Offer could be unsuccessful due to the behavior of a few investors, making the transaction uncertain, and restricting investors’ options rather than widening them. Even without setting such a minimum number, the Tender Offerors believe that they have given sufficient consideration to the interests of minority shareholders through the measures set forth in items (i) through (vi) above, which are meant to secure the fairness of the

(Note 1) The following is a supplemental explanation of the assumptions made, matters considered, and limitations on the review undertaken in connection with performing Goldman Sachs' financial analyses of the Target Company's equity with October 17, 2012 as the base date for the Goldman Sachs October Report and related financial analyses, and February 19, 2013 as the base date for the Goldman Sachs February Report and related financial analyses:

Goldman Sachs did not attribute any particular weight to any factor or analysis. Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports were necessarily based on economic, monetary, market, and other conditions as in effect on, and the information made available to, Goldman Sachs as of October 17, 2012 for the Goldman Sachs October Report and related financial analyses, and as of February 19, 2013 for the Goldman Sachs February Report and related financial analyses, and Goldman Sachs assumes no responsibility for updating, revising, or reaffirming its financial analyses or the Goldman Sachs Financial Analyses Reports based on circumstances, developments, or events occurring after the respective dates thereof. Goldman Sachs assumed with Sumitomo's consent that the Forecasts have been reasonably prepared on a basis reflecting the best estimates and judgments of the management of Sumitomo available as of October 17, 2012 and Sumitomo has confirmed that the Forecasts continue to represent the best estimates and judgments of the management of Sumitomo as of February 19, 2013. In addition, in preparing the Goldman Sachs February Report and in performing its financial analyses, Goldman Sachs assumed with Sumitomo's consent that no changes have been made to the Forecasts. Except as otherwise noted, the quantitative information used in Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports, to the extent it is based on market data, is based on market data as it existed on or before October 17, 2012 for the Goldman Sachs October Report and related financial analyses and on or before February 19, 2013 for the Goldman Sachs February Report and related financial analyses, and is not necessarily indicative of current market conditions.

The Goldman Sachs Group is engaged in commercial and investment banking and financial advisory services, market making and trading, research and investment management (both public and private investing), principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities, and other financial and non-financial activities and services for various persons and entities. The Goldman Sachs Group, and funds or other entities in which they invest or with which they co-invest, may at any time purchase, sell, hold, or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments of Sumitomo, KDDI, NJ, the Target Company, and any of their respective affiliates, and third parties, or any currency or commodity that may be involved in the Agreement Transactions for the accounts of the Goldman Sachs Group and its customers. Goldman Sachs has acted as financial advisor to Sumitomo in connection with, and has participated in

certain of the negotiations leading to, the Agreement Transactions. Goldman Sachs expects to receive fees for its services in connection with the Agreement Transactions, a principal portion of which is contingent upon consummation of the Tender Offer, and Sumitomo and its affiliates have agreed to reimburse Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. The Goldman Sachs Group has provided from time to time and are currently providing certain investment banking services to Sumitomo and its affiliates for which the Investment Banking Division of the Goldman Sachs Group has received, and may receive, compensation, including having acted as joint bookrunner with respect to a public offering in January 2012 of Sumitomo's 44th domestic unsecured senior bond due January 2022 (aggregate principal amount 15 billion yen). The Goldman Sachs Group may also in the future provide investment banking services to Sumitomo, KDDI, NJ, the Target Company, and their respective affiliates, for which the Investment Banking Division of the Goldman Sachs Group may receive compensation.

In connection with performing its financial analyses and preparing the Goldman Sachs Financial Analyses Reports, Goldman Sachs has reviewed, among other things, the Shareholders Agreement; the Annual Securities Reports (Yuka Shoken Houkoku-Sho) of the Target Company for the five fiscal years ended December 31, 2011; the First Quarter Securities Reports (Dai-ichi Shihanki Houkoku-Sho) of the Target Company for the first fiscal quarter ended March 31, 2012; the Second Quarter Securities Reports (Dai-ni Shihanki Houkoku-Sho) of the Target Company for the second fiscal quarter ended June 30, 2012; the Third Quarter Securities Reports (Dai-san Shihanki Houkoku-Sho) of the Target Company for the third fiscal quarter ended September 30, 2012; Earnings Releases (Kessan Tanshin) of the Target Company for the fiscal year ended December 31, 2012; certain other communications from the Target Company to its shareholders; certain publicly available research analyst reports for the Target Company; and the Forecasts as approved for Goldman Sachs' use by Sumitomo. Goldman Sachs has also held discussions with members of the senior managements of Sumitomo and the Target Company regarding their assessment of the past and current business operations, financial condition, and future prospects of the Target Company and its subsidiaries, and with members of the senior management of Sumitomo regarding their assessment of the strategic rationale for the Agreement Transactions. In addition, Goldman Sachs has reviewed the reported price and trading for the common shares of the Target Company; compared certain financial and stock market information for the Target Company with similar information for certain other companies the securities of which are publicly traded; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of performing its financial analyses and preparing the Goldman Sachs Financial Analyses Reports, Goldman Sachs has, with Sumitomo's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting, and other information provided to, discussed with or reviewed by

Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs has assumed with Sumitomo's consent that the Forecasts have been reasonably prepared on a basis reflecting the best estimates and judgments of the management of Sumitomo available as of the applicable date. In addition, Goldman Sachs has not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative, or off-balance-sheet assets and liabilities) of Sumitomo, KDDI, NJ, the Target Company, or any of their respective subsidiaries, and Goldman Sachs has not been furnished with any such evaluation or appraisal. Goldman Sachs has assumed that all governmental, regulatory, or other consents and approvals necessary for the consummation of the Agreement Transactions will be obtained without any adverse effect on Sumitomo, KDDI, NJ, or the Target Company, or on the expected benefits of the Agreement Transactions in any way meaningful to Goldman Sachs' analysis. Goldman Sachs has also assumed that the Agreement Transactions will be consummated on the terms set forth in the Shareholders Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs' analysis.

Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports do not address the underlying business decision of Sumitomo to engage in the Agreement Transactions, or the relative merits of the Agreement Transactions as compared to any strategic alternatives that may be available to Sumitomo; nor do they address any legal, regulatory, tax, or accounting matters. Goldman Sachs does not express any view on, and Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports do not address, any other term or aspect of the Shareholders Agreement or the Agreement Transactions or any term or aspect of any other agreement or instrument contemplated by the Shareholders Agreement or entered into or amended in connection with the Agreement Transactions, including, without limitation, any post-closing obligations of Sumitomo; the fairness of the Agreement Transactions to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of Sumitomo; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors, or employees of Sumitomo, KDDI, or the Target Company, or any class of such persons in connection with the Agreement Transactions, whether relative to the Tender Offer Price pursuant to the Shareholders Agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices that the common shares of Sumitomo or the common shares of the Target Company will trade at any time or as to the impact of the Agreement Transactions on the solvency or viability of Sumitomo, KDDI, NJ, or the Target Company or the ability of Sumitomo, KDDI, NJ, or the Target Company to pay their respective obligations when they come due. Goldman Sachs' advisory services and analyses in relation to the Tender Offer are provided solely for the information and assistance of Sumitomo's board of directors in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors, or that any specific purchase price constituted the only

appropriate purchase price for the Tender Offer. Goldman Sachs' analysis does not constitute a recommendation as to whether or not Sumitomo should cause NJ to make the Tender Offer.

Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports are not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or the Goldman Sachs Financial Analyses Reports or any summary set forth herein, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' financial analyses or the Goldman Sachs Financial Analyses Reports. Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed.

(Note 2) In stating the opinion contained in the fairness opinion and conducting the financial analyses underlying the opinion, J.P. Morgan has relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to, or discussed with, J.P. Morgan by KDDI and the Target Company or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan has not independently verified (nor has J.P. Morgan assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. J.P. Morgan has not conducted or been provided with any valuation or appraisal of any assets or liabilities of KDDI or the Target Company, nor has J.P. Morgan evaluated the solvency of KDDI or the Target Company under any laws relating to bankruptcy, insolvency, or similar matters. In relying on financial analyses and forecasts (including the synergies) provided to J.P. Morgan, J.P. Morgan has assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of KDDI and the Target Company to which such analyses or forecasts relate. J.P. Morgan expresses no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based. J.P. Morgan has also assumed that the Tender Offer and the other transactions contemplated by the Shareholders Agreement will have the tax consequences described in materials furnished to J.P. Morgan by KDDI, and will be consummated as described in the Shareholders Agreement, and that the definitive version of any document related to the Shareholders Agreement will not differ in any material respects from the draft thereof furnished to J.P. Morgan. J.P. Morgan has also assumed that the representations and warranties made by KDDI and Sumitomo in the Shareholders Agreement and the related agreements are and will be true and accurate in all respects material to J.P. Morgan's analysis. J.P. Morgan has further assumed that there is no possibility that KDDI is subject to indemnity liability as provided in the Shareholders Agreement and the related agreements that is material for J.P. Morgan's analysis.

J.P. Morgan is not a legal, regulatory, or tax expert and has relied on the assessments made by advisors to KDDI with respect to such issues. J.P. Morgan has further assumed that all material governmental, regulatory, or other consents and approvals necessary for the consummation of the Tender Offer will be obtained without any adverse effect on the KDDI or the Target Company or on the contemplated benefits of the Tender Offer.

J.P. Morgan's opinion is necessarily based on economic, market, and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date hereof. It should be understood that subsequent developments may affect the content of this opinion and that J.P. Morgan does not have any obligation to update, revise, or reaffirm its opinion. J.P. Morgan's opinion is limited to the fairness, from a financial point of view, of the Tender Offer Price to KDDI and NJ, and J.P. Morgan expresses no opinion as to the underlying decision by KDDI to engage in the Tender Offer. Furthermore, J.P. Morgan expresses no opinion with respect to the amount or nature of any compensation paid by KDDI to any officers, directors, or employees of any party to the Tender Offer, or with respect to the fairness of any such compensation.

J.P. Morgan has acted as financial advisor to KDDI with respect to the Tender Offer and will receive a fee from KDDI for J.P. Morgan's services, a substantial portion of which will become payable only if the Tender Offer is consummated. In addition, KDDI has agreed to indemnify J.P. Morgan for certain liabilities arising out of J.P. Morgan's engagement. Please be advised that during the two years preceding the submission date of the fairness opinion, neither J.P. Morgan nor its affiliates have had any other material financial advisory or other material commercial or investment banking relationships with KDDI or the Target Company other than the financial advisory services with respect to the Tender Offer. During the two years preceding the submission date of the fairness opinion, J.P. Morgan and its affiliates have had commercial or investment banking relationships with Sumitomo, for which J.P. Morgan and its affiliates have received customary compensation. In the ordinary course of J.P. Morgan's businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of KDDI, the Target Company, or Sumitomo for J.P. Morgan's own account or for the accounts of customers and, accordingly, J.P. Morgan may at any time hold long or short positions in such securities.

(Note 3) In submitting the Valuation Report, Etc. and stating the opinion contained in the Fairness Opinion and conducting the analyses and calculation of the share value of the Target Company's common shares underlying the opinion, Mitsubishi UFJ Morgan Stanley Securities has relied upon the assumptions that all information that was furnished by, or discussed with, the Target Company, all other information that was reviewed by or on behalf of Mitsubishi UFJ Morgan Stanley Securities, and all publicly available information was accurate and complete and that there is no fact that could materially affect the analyses and calculation of the share value of the Target Company's common shares, and Mitsubishi UFJ Morgan Stanley Securities has

not independently verified (nor has Mitsubishi UFJ Morgan Stanley Securities assumed responsibility or liability for independently verifying) any such information.

Moreover, Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed, nor has it been provided with any valuation or appraisal of, the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Company and its related companies. In addition, Mitsubishi UFJ Morgan Stanley Securities assumes that the information regarding the Target Company's businesses, operation, financial conditions, prospects, and synergies was reasonably prepared by the Target Company's management based on their best estimate and judgment available at the time. Furthermore, Mitsubishi UFJ Morgan Stanley Securities expresses no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based.

The Valuation Report, Etc. and analyses by Mitsubishi UFJ Morgan Stanley Securities have been provided solely for the information of the Target Company's board of directors and they are prepared solely for the use by the Target Company's board of directors in connection with its examination of the Transaction. They therefore must not be relied upon or used by any other person for any other purpose. Mitsubishi UFJ Morgan Stanley Securities expresses no opinion or recommendation to the Target Company's shareholders regarding whether or not to accept the Tender Offer.

The Valuation Report, Etc. and analyses by Mitsubishi UFJ Morgan Stanley Securities are based on financial, economic, currency exchange, market, and other conditions and trends as of the date of the Valuation Report, Etc., and on the information available to Mitsubishi UFJ Morgan Stanley Securities as of that date. It should be understood that developments after the base date may affect the content of the analyses, that there are factors the impact of which cannot be measured as of that date, and that Mitsubishi UFJ Morgan Stanley Securities does not have any obligation to update, revise, or reaffirm its opinion.

Mitsubishi UFJ Morgan Stanley Securities will receive a fee from the Target Company for Mitsubishi UFJ Morgan Stanley Securities' services, a substantial portion of which will become payable only if the Tender Offer is consummated.

Mitsubishi UFJ Morgan Stanley Securities or its related companies have provided services as financial advisors or financial services to the Target Company, Sumitomo and KDDI, and their related companies for a period of two years prior to February 25, 2013. Mitsubishi UFJ Morgan Stanley Securities or its related companies received a fee in exchange for those services. In addition, Mitsubishi UFJ Morgan Stanley Securities or its related companies may provide those services to the Target Company, Sumitomo and KDDI, and their related companies in the future and may receive a fee in exchange for those services in the future.

(3) Number of Share Certificates, etc. to be Purchased

Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
1,801,954 (shares)	- (shares)	- (shares)

(Note 1) In the Tender Offer, none of the conditions set forth in each Item of Article 27-13, Paragraph 4 of the Act are imposed and all the tendered Share Certificates, etc. will be purchased.

(Note 2) In the column “Number of Shares to be Purchased,” 1,801,954 shares, the maximum number of the Target Company’s Share Certificates, etc. to be acquired by the Tender Offerors in the Tender Offer is entered. This maximum number (1,801,954 shares) was calculated as follows: the sum of (i) the total number of the issued shares as of December 31, 2012 (6,947,813 shares) stated in the Target Company’s Annual Financial Results, and (ii) the number of Target Company common shares underlying the Share Options of December 31, 2012 (1,922 shares), which reflects the changes from December 31, 2011 through December 31, 2012 (according to the Target Company, the number of Share Options has decreased by 304 (equivalent to 304 common shares) from December 31, 2011 through December 31, 2012) in the number of Target Company common shares underlying the Share Options (2,226 shares) as of December 31, 2011 stated in the Target Company’s 18th FY Annual Securities Report submitted March 28, 2012; then deducting from the sum of (i) and (ii) (6,949,735 shares), (iii) the number of treasury shares (83,168 shares) held by the Target Company as of December 31, 2012 stated in the Target Company’s Annual Financial Results, (iv) the number of the Target Company’s common shares (2,133,797 shares) held by KDDI, the Tender Offeror, as of the date of submission of this document, (v) Target Company’s common shares (152,904 shares) entrusted for a securities custodial trust by KDDI to Mizuho Trust & Banking Co., Ltd. as of the date of submission of this document, which are not planned to be tendered in the Tender Offer, and (vi) the number of the Target Company’s common shares (2,777,912 shares) held by Sumitomo as of the date of submission of this document, which are not planned to be tendered in the Tender Offer.

(Note 3) The treasury shares of the Target Company are not planned to be acquired through the Tender Offer.

(Note 4) The Share Options could be exercised by the last day of the Tender Offer Period. The Target Company’s common shares to be delivered upon the exercise of the Share Options are also subject to the Tender Offer.

(Note 5) Out of the tendered Share Certificates, etc. to be purchased in the Tender Offer, (1) (i) KDDI will purchase all common shares up to 644,115 shares; (ii) NJ will purchase all common shares exceeding 644,115 shares, and (2) NJ will purchase all the Share Options.

5. Holding Ratio of Share Certificates, etc. after the Purchase, etc.

Classification	Number of Voting Rights
Number of voting rights under Share Certificates, etc. to be purchased (a)	1,801,954
Of the number in (a) above, the number of voting rights under dilutive Share Certificates, etc. (b)	1,922
Of the number in (b) above, the number of voting rights under certificates of beneficiary interests in trust for Share Certificates, etc. and depositary receipts of Share Certificates, etc. representing the rights in share certificates (c)	-
Number of voting rights under Share Certificates, etc. held by the Tender Offeror (as of February 27, 2013) (d)	2,286,701
Of the number in (d) above, the number of voting rights under dilutive Share Certificates, etc. (e)	-
Of the number in (e) above, the number of voting rights under certificates of beneficiary interests in trust for Share Certificates, etc. and depositary receipts of Share Certificates, etc. representing the rights in share certificates (f)	-
Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)	2,777,912
Of the number in (g) above, the number of voting rights under dilutive Share Certificates, etc. (h)	0
Of the number in (h) above, the number of voting rights under certificates of beneficiary interests in trust for Share Certificates, etc. and depositary receipts of Share Certificates, etc. representing the rights in share certificates (i)	-
Number of voting rights held by all shareholders, etc. of the Target Company (as of June 30, 2012) (j)	6,864,437
Ratio of the number of voting rights under Share Certificates, etc. to be purchased to the number of voting rights held by all shareholders, etc. ((a) / (j)) (%)	26.24
Holding ratio of the share certificates, etc. after the purchase, etc. ((a + d + g) / (j + (b - c) + (e - f) + (h - i)) × 100) (%)	100.00

(Note 1) “Number of voting rights under Share Certificates, etc. to be purchased (a)” shows the number of voting rights under Share Certificates, etc. to be purchased in the Tender Offer (1,801,954 shares).

(Note 2) “Of the number in (a) above, the number of voting rights under dilutive Share Certificates, etc. (b)” shows the number of Target Company common shares underlying the Share Options of December 31, 2012 (1,922 shares), which reflects the changes from December 31, 2011 through December 31, 2012 (according to the Target Company, the

number of Share Options has decreased by 304 (equivalent to 304 common shares) from December 31, 2011 through December 31, 2012) in the number of Target Company common shares underlying the Share Options (2,226 shares) as of December 31, 2011 stated in the Target Company's 18th FY Annual Securities Report submitted March 28, 2012 out of the voting rights under Share Certificates, etc. to be purchased.

(Note 3) "Number of voting rights under Share Certificates, etc. held by the Tender Offeror (as of February 27, 2013) (d)" shows the sum of (i) the number of voting rights under Share Certificates, etc. (2,133,797 units) held by KDDI as of the date of submission of this document and (ii) the number of voting rights (152,904 units) under Share Certificates, etc. entrusted for a securities custodial trust by KDDI to Mizuho Trust & Banking Co., Ltd. which fall under Share Certificates, etc. equivalent to those held by KDDI, based on Article 7, Paragraph 1, Item 1 of the Enforcement Order.

(Note 4) "Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)" shows the sum of Share Certificates, etc. held by each person in a special relationship (excluding Share Certificates, etc. held by those excluded as persons in a special relationship based on Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance ("Small-Scale Holders") under the calculation of the holding ratio of Share Certificates, etc. set forth in each Item of Article 27-2, Paragraph 1 of the Act, Share Certificates, etc. held by KDDI, the Tender Offeror, voting rights under Share Certificates, etc. entrusted for a securities custodial trust by KDDI to Mizuho Trust & Banking Co., Ltd. which fall under Share Certificates, etc. equivalent to those held by KDDI, based on Article 7, Paragraph 1, Item 1 of the Enforcement Order, and the treasury shares held by the Target Company).

(Note 5) In the column "Number of voting rights held by all shareholders, etc. of the Target Company (as of June 30, 2012) (j)", the number of voting rights of all shareholders as of June 30, 2012 stated in the Target Company's 19th FY 3rd Quarterly Securities Report submitted November 7, 2012 is entered. However, the Target Company's common shares to be delivered upon the exercise of the Share Options are also subject to the Tender Offer. Therefore, in calculating the "Ratio of the number of voting rights under Share Certificates, etc. to be purchased to the number of voting rights held by all shareholders, etc." and the "Holding ratio of the Share Certificates, etc. after the purchase, etc.", the number of voting rights (6,866,567 units) was used as the denominator. This was calculated by using the sum of the following: (i) the number of voting rights (6,864,645 units) under Share Certificates, etc. (6,864,645 shares) (the number of total issued common shares as of December 31, 2012 (6,947,813 shares) stated in the Target Company's Annual Financial Results, minus the number of the treasury shares held by the Target Company as of December 31, 2012 (83,168 shares) stated in the Target Company's Annual Financial Results), and (ii) the number of Target Company common shares underlying the Share Options of December 31, 2012 (1,922 shares), which reflects the changes from December 31, 2011 through

December 31, 2012 (according to the Target Company, the number of Share Options has decreased by 304 (equivalent to 304 common shares) from December 31, 2011 through December 31, 2012) in the number of Target Company common shares underlying the Share Options (2,226 shares) as of December 31, 2011 stated in the Target Company's 18th FY Annual Securities Report submitted March 28, 2012.

(Note 6) In the columns "Ratio of the number of voting rights under Share Certificates, etc. to be purchased to the number of voting rights held by all shareholders, etc." and the "Holding ratio of the Share Certificates, etc. after the purchase, etc.", figures were rounded off to two decimal places.

6. Permission, etc. for Acquisition of Share Certificates, etc.

(1) Type of Share Certificates, etc.

Common shares

(2) Governing Laws and Regulations

KDDI must, before the share acquisition by the Tender Offer (the "Share Acquisition"), give prior notification regarding the Share Acquisition to the Ministry of Commerce of the People's Republic of China (the "Chinese Ministry of Commerce") with Sumitomo, based on the Chinese Antimonopoly Act. The Chinese Ministry of Commerce determines whether to give approval to the Share Acquisition or conduct a further detailed examination (the "Detailed Examination") within the 30 days examination period from the date of receipt of the notification. If the Chinese Ministry of Commerce decides to conduct the Detailed Examination, the Tender Offerors may conduct the Share Acquisition when the Chinese Ministry of Commerce gives approval to the Share Acquisition within an examination period not exceeding 90 days from that day (however, this examination period may be extended for a maximum of 60 days).

Prior notification regarding the Share Acquisition was submitted to the Chinese Ministry of Commerce as of November 2, 2012 (local time), and received as of January 4, 2013 (local time). Thereafter, the Chinese Ministry of Commerce decided to conduct the Detailed Examination as of February 1, 2013 (local time), and as a result of the Detailed Examination, the Chinese Ministry of Commerce dispatched a document giving approval to the Share Acquisition as of February 8, 2013 (local time). KDDI and Sumitomo received the document on February 17, 2013 and confirmed that the Share Acquisition was approved on the same day.

(3) Date and File Number of Permission, etc.

Name of country or region	Name of institution giving approval	Date of permission, etc. (local time)	File number of permission, etc.
China	Ministry of Commerce of the People's Republic of China	February 8, 2013	File number 2013 No. 21

7. Method of Tendering and Cancelling Agreement

(1) Method of Tendering

(i) Tender Offer Agent

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(ii) Any person who accepts the purchase, etc. of or offers to sell, etc. the Share Certificates, etc. with respect to the Tender Offer (“Tendering Shareholder(s), etc.”) must fill out the required items in the designated “tender offer application form” and tender his/her shares, etc. together with this form at the head office or domestic branch offices of the tender offer agent (for the Tendering Shareholder, etc. who already has an account at a branch office of the tender offer agent, at that branch office; hereinafter the same) by 16:00 of the last day of the Tender Offer Period.

(iii) When tendering common shares with respect to the Tender Offer, the Share Certificates, etc. to be tendered must be stated or registered in an account under the name of the Tendering Shareholder, etc., that the Tendering Shareholder, etc. opened with the tender offer agent (“Tendering Shareholders’ Account”). Therefore, if the Share Certificates, etc. to be tendered are stated or registered in an account opened with a financial instruments business operators other than the tender offer agent (including where the Share Certificates, etc. to be tendered are stated or registered in a special account opened with Sumitomo Mitsui Trust Bank, Limited, the account management institution of the Target Company’s special account), procedures for transfer to a Tendering Shareholders’ Account opened with the tender offer agent must have been completed prior to the tender. In the Tender Offer, no tenders through financial instruments business operators other than the tender offer agent will be accepted.

(iv) In receiving a tender of Share Options in the Tender Offer, (i) a “share option certificate” for stock compensation type share options 2006 or (ii) a “document stating the matters to be stated in the share options registry” issued by the Target Company upon a request from share option holders and documents necessary to request for entry of a name change in the share options registry for Share Options other than (i) above must be submitted. Furthermore, a restriction requiring approval of the Target Company’s board of directors is imposed on the Share Options with respect to acquisition by assignment. Therefore, a “written notice of approval of transfer” issued by the Target Company upon request from share option holders must also be submitted. Inquiries regarding the specific procedures relating to the issuance of a “share option certificate,” a “document stating the matters to be stated in the share options registry,” a “written notice of approval of transfer,” and documents necessary for the request of entry of a name change in the share options registry should be made early with the Target Company.

(v) In tendering, the Tendering Shareholders, etc. must prepare the seal used to open the Tendering Shareholders’ Account, in addition to the above “tender

offer application form”. Furthermore, identification confirmation documents may be required upon the tender. (Note 1) (Note 2)

- (vi) Shareholders, etc. residing outside of Japan (including corporate shareholders, etc.; “Non-Japanese Shareholders, etc.”) must tender through their standing proxies residing in Japan (the standing proxies will be required to submit their power of attorney from the Non-Japanese Shareholders, etc. or a “certified copy” of the original document of their agreements).
- (vii) For individual shareholders, etc., the difference between the price of the Share Certificates, etc. purchased and the acquisition cost thereof will be subject to separate self-assessment taxation regarding capital gains, etc. on shares, etc. (Note 3)
- (viii) Upon receiving the tenders, a “receipt of tender in the tender offer” will be delivered to the Tendering Shareholders, etc.
- (ix) Please consult with the tender offer agent or please direct inquiries to Sumitomo Mitsui Trust Bank, Limited regarding the specific transfer procedures (procedures for the transfer to a Tendering Shareholders’ Account) when tendering Share Certificates, etc. stated or registered in the special accounts opened with Sumitomo Mitsui Trust Bank, Limited, the account management institution of the Target Company’s special account. (Note 4)

(Note 1) Identification confirmation documents

If tendering is conducted by opening a new account with the tender offer agent or the Non-Japanese Shareholders, etc. tender through their standing proxies residing in Japan, the following identification confirmation documents will be required (in the case of corporations, identification confirmation documents regarding the “person actually in charge of the transactions” will also be required in addition to identification confirmation documents for the corporations themselves). Please direct inquiries regarding the details of the identification confirmation documents, etc. to the tender offer agent.

Individual...	Certificate of seal registration, health insurance card, driver’s license, passport, etc. Matters required for Identification: (1) Name, (2) Address, (3) Date of birth
Corporation...	Certified copy of the registry, documents issued by public offices, etc. Matters required for Identification: (1) Name, (2) Location of head office or principal office
Non-Japanese Shareholders, etc...	In the case of non-Japanese persons (excluding residents) and corporations having their head offices or principal offices outside Japan, documents similar to those required for residents, issued by foreign governments or international organizations with authority that the Japanese government approves or other documents equivalent there (in the case of natural persons, limited to documents stating the

name, address, and date of birth, and in the case of corporations, limited to documents stating the name and location of head office or principal office).

(Note 2) Mailing of transaction-related documents

In order to give notice that identification was confirmed, transaction-related documents will be mailed to the address stated in the identification confirmation documents.

(Note 3) Separate self-assessment taxation regarding capital gains, etc. on shares, etc. (in the case of individual shareholders, etc.)

Separate self-assessment taxation will be applied to individual shareholders, etc. for the transfer of shares, etc. Individual shareholders, etc. should make relevant decisions by consultation with experts such as licensed tax accountants for specific tax-related questions.

(Note 4) Procedures for the transfer from special accounts

As stated in (iii) above, procedures for transfer to a Tendering Shareholders' Account opened with the tender offer agent must be made for the Share Certificates, etc. stated or recorded in special accounts in the tendering.

(2) Method of Cancelling the Agreement

Tendering Shareholders, etc. may cancel any agreement relating to the Tender Offer at any time during the Tender Offer Period. In order to cancel any such agreement, cancellation documents (a receipt of tender in the tender offer and a document stating the cancellation of the agreement relating to the tender offer) must be delivered or sent by mail to the head office or domestic branch offices of the tender offer agent accepting the tender by 16:00 of the last day of the Tender Offer Period; however, if the cancellation documents are sent by mail, they must reach the destination by 16:00 of the last day of the Tender Offer Period.

Person authorized to receive the cancellation documents:

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(Other domestic branch offices of Daiwa Securities
Co. Ltd.)

(3) Method of Returning Share Certificates, etc.

If a Tendering Shareholder, etc., requests a cancellation of an agreement relating to the Tender Offer in accordance with “(2) Method of Cancelling the Agreement” described above, then the tendered Share Certificates, etc., will be returned to the Tendering Shareholder, etc. promptly after completion of necessary procedure, in the manner set forth in “(4) Method of Returning the Share Certificates, etc.” under “10. Method of Settlement” below.

(4) Name and Location of Head Office of Financial Instruments Business Operator and/or Bank, etc. in Charge of Holding in Custody and Returning Share Certificates, etc.

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

8. Funds Required for the Purchase, etc.

(1) Funds, etc. Required for the Purchase, etc.

Purchase Price (yen) --(a)	221,640,342,000
Type of Consideration other than Cash	-
Total Amount of Consideration other than Cash	-
Commissions --(b)	270,000,000
Others --(c)	6,970,000
Total: (a) + (b) + (c)	221,917,312,000

(Note 1) The “Purchase Price (yen) (a)” section shows the amount obtained by multiplying the number of shares to be purchased in the Tender Offer (1,801,954 shares) by the purchase price per share (123,000 yen).

(Note 2) “Commissions (b)” shows the estimated amount of commissions to be paid to the tender offer agent.

(Note 3) “Others (c)” shows comprised of estimated fees and expenses for the public notice concerning the Tender Offer and for printing tender offer explanatory statements and other necessary documents, etc.

(Note 4) Expenses to be incurred by the tender offer agent and fees for legal counsel will also be paid. However, the amounts of such expenses and fees will remain undetermined until the completion of the Tender Offer.

(Note 5) Consumption tax and similar charges are not included in the above amounts.

(Note 6) Among the tendered Share Certificates, etc. to be purchased in the Tender Offer, (1) (i) KDDI will purchase all common shares up to 644,115 shares, and (ii) NJ will purchase all common shares in excess of 644,115 shares, and (2) NJ will purchase all of the Share Options. Therefore, “Total: (a) + (b) + (c)” of the funds, etc. required for the purchase, etc. subject to the number of shares to be purchased (1,801,954 shares) is planned to be appropriated as follows.

<u>Name of the Tender Offeror</u>	Amount planned to be appropriated
KDDI	79,325 million yen
NJ	142,592 million yen

(2) Bank Deposits, Borrowings, etc. that may be Appropriated to Funds Required for the Purchase, etc.

(i) Bank Deposits as of the Day Immediately Preceding or Two Days Preceding the Filing Date of this Statement

(KDDI)

Type	Amount (in thousands of yen)
Ordinary Deposit	12,117,937
Total (a)	12,117,937

(NJ)

Type	Amount (in thousands of yen)
Ordinary Deposit	
Total (a)	

(ii) Borrowings before the Filing Date of this Statement

(A) Financial Institutions

(KDDI)

	Category of business of Lender	Name, etc. of Lender	Terms of the Borrowing Agreement	Amount (in thousands of yen)
1	—	—	—	—
2	—	—	—	—
Total				—

(NJ)

	Category of business of Lender	Name, etc. of Lender	Terms of the Borrowing Agreement	Amount (in thousands of yen)
1	—	—	—	—
2	—	—	—	—
Total				—

(B) Lenders other than Financial Institutions

(KDDI)

Category of business of Lender	Name, etc. of Lender	Terms of the Borrowing Agreement	Amount (in thousands of yen)
—	—	—	—
—	—	—	—
Total			—

(NJ)

Category of business of Lender	Name, etc. of Lender	Terms of the Borrowing Agreement	Amount (in thousands of yen)
—	—	—	—
—	—	—	—
Total			—

(iii) Funds to be Obtained on or after the Filing Date of this Statement

(A) Financial Institutions

(KDDI)

	Category of business of Lender	Name, etc. of Lender	Terms of the Borrowing Agreement	Amount (in thousands of yen)
1	—	—	—	—
2	Bank	Sumitomo Mitsui Banking Corporation (1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc.(Note 1)	7,000,000
2	Bank	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc. (Note 2)	25,000,000
2	Bank	Mizuho Corporate Bank, Ltd. (3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc. (Note 3)	20,900,000
2	Bank	Sumitomo Mitsui Trust Bank, Limited (4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc. (Note 4)	8,000,000
2	Bank	Mitsubishi UFJ Trust and Banking Corporation (4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc. (Note 5)	10,000,000
Total (b)				70,900,000

(Note 1) As evidence supporting the borrowings in the above amount, KDDI has obtained from Sumitomo Mitsui Banking Corporation, a certificate to the effect that Sumitomo Mitsui Banking Corporation is willing to accommodate KDDI with a loan up to 7 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).

(Note 2) As evidence supporting the borrowings in the above amount, KDDI has obtained from The Bank of Tokyo-Mitsubishi UFJ, Ltd., a certificate to the effect that The Bank of Tokyo-Mitsubishi UFJ, Ltd. is willing to accommodate KDDI with a loan up to 25 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).

(Note 3) As evidence supporting the borrowings in the above amount, KDDI has obtained from Mizuho Corporate Bank, Ltd., a certificate to the effect that Mizuho Bank, Ltd. is willing to accommodate KDDI with a loan up to 20.9 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out

in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).

(Note 4) As evidence supporting the borrowings in the above amount, KDDI has obtained from Sumitomo Mitsui Trust Bank, Limited, a certificate to the effect that Sumitomo Mitsui Trust Bank, Limited is willing to accommodate KDDI with a loan up to 8 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).

(Note 5) As evidence supporting the borrowings in the above amount, KDDI has obtained from Mitsubishi UFJ Trust and Banking Corporation, a certificate to the effect that Mitsubishi UFJ Trust and Banking Corporation is willing to accommodate KDDI with a loan up to 10 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).

(NJ)

	Category of business of Lender	Name, etc. of Lender	Terms of the Borrowing Agreement	Amount (in thousands of yen)
1	—	—	—	—
2	Bank	Sumitomo Mitsui Banking Corporation (1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc. (Note 1) Security: guaranty by Sumitomo and KDDI	36,200,000
2	Bank	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc. (Note 2) Security: guaranty by Sumitomo and KDDI	36,200,000
2	Bank	Mizuho Corporate Bank, Ltd. (3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc. (Note 3) Security: guaranty by Sumitomo and KDDI	29,400,000
2	Bank	Sumitomo Mitsui Trust Bank, Limited (4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc. (Note 4) Security: guaranty by Sumitomo and KDDI	21,700,000
2	Bank	Mitsubishi UFJ Trust and Banking Corporation (4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo)	Borrowings to be appropriated to the funds for the purchase, etc. (Note 5) Security: guaranty by Sumitomo and KDDI	21,700,000
Total (b)				145,200,000

- (Note 1) As evidence supporting the borrowings in the above amount, NJ has obtained from Sumitomo Mitsui Banking Corporation, a certificate to the effect that Sumitomo Mitsui Banking Corporation is willing to accommodate NJ with a loan up to 36.2 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).
- (Note 2) As evidence supporting the borrowings in the above amount, NJ has obtained from The Bank of Tokyo-Mitsubishi UFJ, Ltd., a certificate to the effect that The Bank of Tokyo-Mitsubishi UFJ, Ltd. is willing to accommodate NJ with a loan up to 36.2 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).
- (Note 3) As evidence supporting the borrowings in the above amount, NJ has obtained from Mizuho Corporate Bank, Ltd., a certificate to the effect that Mizuho Bank, Ltd. is willing to accommodate NJ with a loan up to 29.4 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).
- (Note 4) As evidence supporting the borrowings in the above amount, NJ has obtained from Sumitomo Mitsui Trust Bank, Limited, a certificate to the effect that Sumitomo Mitsui Trust Bank, Limited is willing to accommodate NJ with a loan up to 21.7 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).
- (Note 5) As evidence supporting the borrowings in the above amount, NJ has obtained from Mitsubishi UFJ Trust and Banking Corporation, a certificate to the effect that Mitsubishi UFJ Trust and Banking Corporation is willing to accommodate NJ with a loan up to 21.7 billion yen as of February 26, 2013 pursuant to the terms of loan to be separately agreed. In such agreed loan contract, the same preconditions for the execution of the loan as those set out in the loan certificate attached hereto will be stipulated. This loan certificate is disclosed through EDINET (<http://info.edinet-fsa.go.jp/>).

(B) Lenders other than Financial Institutions

(KDDI)

Category of business of Lender	Name, etc. of Lender	Terms of the Borrowing Agreement	Amount (in thousands of yen)
—	—	—	—
Total (c)			—

(NJ)

Category of business of Lender	Name, etc. of Lender	Terms of the Borrowing Agreement	Amount (in thousands of yen)
—	—	—	—
Total (c)			—

(iv) Other Method of Financing

(KDDI)

Substance	Amount (in thousands of yen)
—	—
Total (d)	—

(NJ)

Substance	Amount (in thousands of yen)
—	—
Total (d)	—

(v) Total Amount of Bank Deposits or Borrowings, etc. that may be Appropriated to the Funds Required for the Purchase, etc.

228,217,937 thousand yen ((a) + (b) + (c) + (d))

(3) Relationship, etc. between the Issuer of Securities Used as Consideration for the Purchase, etc. and the Tender Offeror

Not applicable

9. Description of the Issuer of Securities Used as Consideration for the Purchase, etc.

Not applicable

10. Method of Settlement

(1) Name and Location of Head Office of the Financial Instruments Business Operator or Bank, etc. to Settle the Purchase, etc.

Daiwa Securities Co. Ltd.
9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(2) Commencement Date of Settlement

Wednesday, April 17, 2013

(3) Settlement Procedure

A notice of purchase, etc. through the Tender Offer will be mailed to the address or the location of each Tendering Shareholder, etc. (or the address of the standing proxy in the case of a Non-Japanese Shareholder, etc.) without delay after the expiration of the Tender Offer Period.

The purchase, etc. will be settled in cash. The proceeds of the Share Certificates, etc. purchased in the Tender Offer will be, without delay on and after the commencement date of settlement, pursuant to the instructions of the Tendering Shareholders, etc., remitted by the tender offer agent to the places designated by the Tendering Shareholders, etc. (or to the standing proxies in the case of the Non-Japanese Shareholders, etc.) (remittance fees may be charged), or paid into the accounts of the Tendering Shareholders, etc. opened with the tender offer agent, which has received their tender.

(4) Method of Returning the Share Certificates, etc.

In the event that the tendered Share Certificates, etc. are not purchased under the terms set forth in “(2) Existence of Conditions for Withdrawal, etc. of the Tender Offer, Details thereof, and Manner of Disclosing Withdrawal, etc.” under “11. Other Conditions and Method of the Purchase, etc.” below, then, without delay on and after the date on which the withdrawal, etc. of the Tender Offer was conducted, Share Certificates, etc. that are required to be returned will be returned in the following manner: regarding the common shares, by reversing to the state of the Tendering Shareholders’ Account opened at the tender offer agent at the time of the tender; and regarding the Share Options, by mailing or delivering the documents submitted upon the tender of Share Options (documents stated in (iv) of “(1) Method of Tendering” of “7. Method of Tendering and Cancelling Agreement” above) to the Tendering Shareholders, etc.

11. Other Conditions and Method of the Purchase, etc.

(1) Existence and Details of Conditions Listed in each Item of Article 27-13, Paragraph 4 of the Act

Not applicable. The Tender Offeror will purchase all of the tendered Share Certificates, etc.

(2) Existence of Conditions for Withdrawal, etc. of the Tender Offer, Details thereof, and Manner of Disclosing Withdrawal, etc.

Upon any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9 and 1.12 through 1.18, Items 3.1 through 3.8 and 3.10 as well as Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Order occur, the Tender Offeror may withdraw the Tender Offer, etc.

In the Tender Offer, the “facts equivalent to the facts listed in Item 3.1 through 3.9” set forth in Article 14, Paragraph 1, Item 3.10 of the Enforcement Order means events where it has turned out that there was misstatements regarding material matters in, or omissions of material matters that should have been stated in, statutory disclosure documents filed by the Target Company in the past.

Should the Tender Offeror intend to withdraw the Tender Offer, etc., it will issue an electronic public notice and publish a notice to that effect in the Nikkei (*Nihon Keizai Shimbun*). However, if it is impracticable to give a public notice on or before the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Cabinet Office Ordinance and give a public notice forthwith.

(3) Existence of Conditions for Reducing the Price of the Purchase, etc., Details thereof, and Manner of Disclosing Reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company conducts any act provided in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the price of the purchase, etc. pursuant to the standards set forth in Article 19, Paragraph 1 of the Cabinet Office Ordinance. Should the Tender Offeror intend to reduce the price of the purchase, etc., it will issue an electronic public notice and publish a notice to that effect in the Nikkei (*Nihon Keizai Shimbun*). However if it is impracticable to give a public notice on or before the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Cabinet Office Ordinance and give a public notice forthwith. If the price of the purchase, etc. is reduced, the Tender Offeror will purchase all tendered Share Certificates, etc. prior to the date of the public notice at the reduced price of the purchase, etc..

(4) Matters regarding the Right of Tendering Shareholders, etc. to Cancel their tender

Tendering Shareholders, etc. may cancel an agreement relating to the Tender Offer at any time during the Tender Offer Period. The method of cancellation will be as described in “(2) Method of Cancelling the Agreement” under “7. Method of Tendering and Cancelling Agreement” above.

No damages or penalties will be claimed against any Tendering Shareholders, etc. by the Tender Offerors in connection with the cancellation of the agreement by the Tendering Shareholders, etc. The cost of returning the tendered Share Certificates, etc. will also be borne by the Tender Offerors. If a Tendering Shareholder, etc. requests a cancellation of an agreement relating to the Tender Offer, the tendered Share Certificates, etc. will be returned promptly after completion of necessary procedure, in the manner set forth in “(4) Method of Returning the Share Certificates, etc.” of “10. Method of Settlement” above.

(5) Manner of Disclosure in case of Amendment of Conditions, etc. of the Tender Offer

Unless prohibited by Article 27-6, Paragraph 1 of the Act and Article 13 of the Enforcement Order, the Tender Offeror may amend the conditions, etc. of the Tender Offer during the Tender Offer Period.

Should any conditions, etc. of the Tender Offer be amended, the Tender Offeror will issue an electronic public notice and publish a notice to that effect in the Nikkei (*Nihon Keizai Shimbun*). However, if it is impracticable to issue a public notice on or before the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in accordance with Article 20 of the Cabinet Office Ordinance and give a public notice forthwith. If the conditions, etc. of the Tender Offer are

amended, the Share Certificates, etc. tendered on or prior to the public notice will also be purchased in accordance with the amended conditions, etc. of the Tender Offer.

(6) Manner of Disclosure in case of Filing of an Amendment Statement

If an amendment statement is filed with the Director General of the Kanto Local Finance Bureau, the Tender Offeror will immediately make a public announcement of the content that is relevant to the content of the public notice of the commencement of the Tender Offer, in accordance with the manner set forth in Article 20 of the Cabinet Office Ordinance. The Tender Offeror will also immediately amend the tender offer explanatory statement and provide the amended tender offer explanatory statements to the Tendering Shareholders, etc. who have received the previous tender offer explanatory statements. However, if the amendments are *de minimis*, the Tender Offeror may, instead of providing an amended tender offer explanatory statements, prepare and deliver to the Tendering Shareholders, etc. documents stating the reason for the amendments, the matters amended, and the details thereof.

(7) Manner of Disclosure of the Results of the Tender Offer

The results of the Tender Offer will be announced publicly in the manner provided in Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Office Ordinance, on the day immediately following the last day of the Tender Offer Period.

II. Description of the Tender Offeror

1. In Case of a Company

(KDDI)

(1) Outline of the Company

- (i) History of the Company
- (ii) Purpose and Business of the Company
- (iii) Amount of Stated Capital and Total Number of Issued Shares
- (iv) Major Shareholders

As of [MM/DD/YY]

Name	Address or Location	Number of Shares Owned (thousand shares)	Ratio of the Number of Shares Owned to the Total Number of Issued Shares (%)
-	-	-	-
-	-	-	-
-	-	-	-

-	-	-	-
Total	-	-	-

(v) Employment History of and Number of Shares Owned by Officers

As of [MM/DD/YY]					
Title	Position	Name	Date of Birth	Employment History	Number of Shares Owned (thousand shares)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total					

(2) Accounting Conditions

- (i) Balance Sheet
- (ii) Profit and Loss Statement
- (iii) Statement of Changes in Net Assets

(3) Matters regarding the Tender Offeror that is a Company Conducting Continuous Disclosure

- (i) Documents Submitted by the Tender Offeror

(A) Annual securities reports and documents attached thereto

28th Fiscal Year (from April 1, 2011 to March 31, 2012) submitted to the Director General of the Kanto Local Finance Bureau on June 21, 2012.

(B) Quarterly securities reports or semiannual securities reports

29th Fiscal Year Third Quarterly Securities Report (from October 1, 2012 to December 31, 2012) submitted to the Director General of the Kanto Local Finance Bureau on February 1, 2013.

(C) Amendment reports

Not applicable.

- (ii) The Place Where the Above Documents are Made Available for Public Inspection

KDDI Corporation

(3-2, Nishi Shinjuku 2-chome, Shinjuku-ku, Tokyo)

Tokyo Stock Exchange, Inc.

(2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

(NJ)

(1) Outline of the Company

(i) History of the Company

Date	History
January 2013	Established as a stock company with its trade name as NJ Corporation, location of the head office at 10-10, Iidabashi 3-chome, Chiyoda-ku, Tokyo, and stated capital of 10,000,000 yen.
February 2013	Stated capital becomes 355,000,000 yen due to a third-party allotment of new shares.

(ii) Purpose and Business of the Company

(Purpose of the company)

1. Acquiring and holding securities;
2. Business of controlling and managing the business activities of other companies by holding shares or equity interests of the companies; and
3. Any and all business activities incidental or related to any of the above items.

(Business of the company)

The principal business of NJ is to acquire and hold the shares of the Target Company.

(iii) Amount of Stated Capital and Total Number of Issued Shares

As of February 27, 2013

Amount of Stated Capital (yen)	Total Number of Issued Shares (shares)
355,000,000	140

(iv) Major Shareholders

As of February 27, 2013

Name	Address or Location	Number of Shares Owned (shares)	Ratio of the Number of Shares Owned to the Total Number of Issued Shares (%)
KDDI Corporation	3-2, Nishi Shinjuku 2-chome, Shinjuku-ku, Tokyo	70	50.00

Sumitomo Corporation	8-11, Harumi 1-chome, Chuo-ku, Tokyo	70	50.00
Total		140	100.00

(v) Employment History of, and Number of Shares Owned by Officers

As of February 27, 2013

Title	Position	Name	Date of Birth	Employment History	Number of Shares Owned (shares)
Representative Director	-	Koichi Kawakami	September 26, 1954	October 2000 Executive Director of KDDI Corporation (to date) March 2006 Associate General Manager of CATV Alliance Division of KDDI Corporation April 2011 General Manager of Media and CATV Business Division of KDDI Corporation (to date) January 2013 Representative Director of NJ Corporation (to date)	0
Representative Director	-	Yoshihisa Adachi	October 14, 1960	April 1984 Joining Sumitomo Corporation April 2011 General Manager, Cable TV Dept., Sumitomo Corporation (to date) February 2013 Representative Director of NJ Corporation (to date)	0
Total					0

(2) Accounting Conditions

NJ, the Tender Offeror, is a company established on January 7, 2013 and since then, no fiscal year has ended. Therefore, NJ has not prepared any financial statements.

(3) Matters regarding the Tender Offeror that is a Company Conducting Continuous Disclosure

(i) Documents Submitted by the Tender Offeror

(A) Annual securities reports and documents attached thereto

Not applicable.

- (b) Quarterly securities reports or semiannual securities reports
Not applicable.
- (C) Amendment reports
Not applicable.
- (ii) The Place Where the Above Documents are Made Available for Public Inspection
Not applicable.

2. In Case of an Entity Other than a Company

Not applicable.

3. In Case of an Individual

Not applicable.

III. Status of the Shareholding and Trading of the Share Certificates, etc. of the Tender Offerors and Persons in a Special Relationship

1. Status of Shareholding of the Share Certificates, etc.

(1) Total Shareholding of the Share Certificates, etc. by the Tender Offerors and Persons in a Special Relationship

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	5,065,730 (shares)	— (shares)	— (shares)
Share Option Certificates	1,422	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—

Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	5,067,152	—	—
Total Number of Share Certificates, etc. Owned	5,067,152	—	—
(Total Number of Dilutive Share Certificates, etc.)	(1,422)	(—)	(—)

(Note 1) The total number of Share Certificates, etc. held by the Tender Offerors and their persons in a special relationship is entered in the above table assuming the following (Note 2) to (Note 5). The “Number of Share Certificates, etc. Owned” above includes the number of share certificates, etc. owned by the Small-Scale Holders (share certificates: 1,117 and Share Option Certificates: 1,422).

(Note 2) While KDDI and NJ are both Tender Offerors, they constitute a person in a special relationship with one another. In order to avoid double counting, the number of shares, etc. held by both parties is not counted in a portion held by persons in a special relationship in calculating the “Total Shareholding of the Share Certificates, etc. by the Tender Offerors and Persons in a Special Relationship” above.

(Note 3) With respect to the number of Share Certificates, etc. held by persons who concurrently constitute a person in a special relationship with KDDI and a person in a special relationship with NJ, adjustments have been made in order to avoid double counting in calculating the “Total Shareholding of the Share Certificates, etc. by the Tender Offeror and Persons in a Special Relationship” above.

(Note 4) For the reasons set forth in (Note 2) and (Note 3) above, the figure in the “Total Shareholding of the Share Certificates, etc. by the Tender Offeror and Persons in a Special Relationship” and the sum of the figures in (KDDI) and (NJ) below do not match.

(Note 5) The Target Company, which is a person in a special relationship, holds 83,168 shares of the Target Company’s common shares. However, because all such shares are treasury shares, there are no voting rights.

(KDDI)

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under	Number of Share Certificates, etc. falling under
--	--	--	--

		Article 7, Paragraph 1, Item 2 of the Enforcement Order	Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	5,065,730 (shares)	— (shares)	— (shares)
Share Option Certificates	1,422	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	5,067,152	—	—
Total Number of Share Certificates, etc. Owned	5,067,152	—	—
(Total Number of Dilutive Share Certificates, etc.)	(1,422)	(—)	(—)

(Note) The “Number of Share Certificates, etc. Owned” above includes the number of share certificates, etc. owned by the Small-Scale Holders (share certificates: 1,117 and Share Option Certificates: 1,422).

(NJ)

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	2,777,912 (shares)	— (shares)	— (shares)
Share Option Certificates	—	—	—
Certificates of Bonds with Share	—	—	—

Options			
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	2,777,912	—	—
Total Number of Share Certificates, etc. Owned	2,777,912	—	—
(Total Number of Dilutive Share Certificates, etc.)	(—)	(—)	(—)

(Note) The number of share certificates, etc. held by KDDI as a person in a special relationship with NJ is not included in the calculation above.

(2) Shareholding of the Share Certificates, etc. by the Tender Offeror

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	2,286,701 (shares)	- (shares)	- (shares)
Share Option Certificates	-	-	-
Certificates of Bonds with Share Options	-	-	-
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	-	-	-
Depository Receipts of Share Certificates, etc. ()	-	-	-
Total	2,286,701	-	-
Total Number of	2,286,701	-	-

Share Certificates, etc. Owned			
(Total Number of Dilutive Share Certificates, etc.)	(-)	(-)	(-)

(Note) The total number of share certificates, etc. held by the Tender Offerors is entered in the above table.

(KDDI)

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	2,286,701 (shares)	- (shares)	- (shares)
Share Option Certificates	-	-	-
Certificates of Bonds with Share Options	-	-	-
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	-	-	-
Depository Receipts of Share Certificates, etc. ()	-	-	-
Total	2,286,701	-	-
Total Number of Share Certificates, etc. Owned	2,286,701	-	-
(Total Number of Dilutive Share Certificates, etc.)	(-)	(-)	(-)

(Note) The number of share certificates, etc. entrusted in the securities custodial trust by KDDI to Mizuho Trust & Banking Co., Ltd., which are deemed to be held by KDDI pursuant to Article 7, Paragraph 1, Item 1 of the Enforcement Order (152,904 shares), is included in the column “Number of Share Certificates, etc. Owned” above.

(NJ)

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	- (shares)	- (shares)	- (shares)
Share Option Certificates	-	-	-
Certificates of Bonds with Share Options	-	-	-
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	-	-	-
Depository Receipts of Share Certificates, etc. ()	-	-	-
Total	-	-	-
Total number of Share Certificates, etc. Owned	-	-	-
(Total Number of Dilutive Share Certificates, etc.)	(-)	(-)	(-)

- (3) Shareholding of the Share Certificates, etc. by the Persons in a Special Relationship (Total of the Persons in a Special Relationship)

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	2,779,029 (shares)	— (shares)	— (shares)
Share Option Certificates	1,422	—	—
Certificates of	—	—	—

Bonds with Share Options			
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	2,780,451	—	—
Total Number of Share Certificates, etc. Owned	2,780,451	—	—
(Total Number of Dilutive Share Certificates, etc.)	(1,422)	(—)	(—)

(Note 1) The total number of Share Certificates, etc. held by the persons in a special relationship with KDDI and the persons in a special relationship with NJ is entered in the above table assuming the following (Note 2) to (Note 4). The “Number of Share Certificates, etc. Owned” above includes the number of share certificates, etc. owned by the Small-Scale Holders (share certificates: 1,117 and Share Option Certificates: 1,422).

(Note 2) While KDDI and NJ are both Tender Offerors, they constitute a person in a special relationship with one another. In order to avoid double counting, the number of shares, etc. held by both parties is not counted in a portion held by persons in a special relationship in calculating the “Shareholding of the Share Certificates, etc. by the Persons in a Special Relationship (Total of the Persons in a Special Relationship)” above.

(Note 3) With respect to the number of Share Certificates, etc. held by persons who concurrently constitute a person in a special relationship with KDDI and a person in a special relationship with NJ, adjustments have been made in order to avoid double counting in calculating the “Shareholding of the Share Certificates, etc. by the Persons in a Special Relationship (Total of the Persons in a Special Relationship)” above.

(Note 4) For the reasons set forth in (Note 2) and (Note 3) above, the figure in the “Shareholding of the Share Certificates, etc. by the Persons in a Special Relationship (Total of the Persons in a Special Relationship)” and the sum of the figures in “KDDI” and “NJ” below do not match.

(KDDI)

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	2,779,029 (shares)	— (shares)	— (shares)
Share Option Certificates	1,422	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	2,780,451	—	—
Total Number of Share Certificates, etc. Owned	2,780,451	—	—
(Total Number of Dilutive Share Certificates, etc.)	(1,422)	(—)	(—)

(Note) The “Number of Share Certificates, etc. Owned” above includes the number of share certificates, etc. owned by the Small-Scale Holders (share certificates: 1,117 and Share Option Certificates: 1,422).

(NJ)

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	2,777,912	— (shares)	— (shares)

	(shares)		
Share Option Certificates	—	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	2,777,912	—	—
Total Number of Share Certificates, etc. Owned	2,777,912	—	—
(Total Number of Dilutive Share Certificates, etc.)	(—)	(—)	(—)

(Note) The number of share certificates, etc. held by KDDI as a person in a special relationship with NJ is not included in the calculation above.

(4) Shareholding of the Share Certificates, etc. by the Persons in a Special Relationship (Breakdown per Person in a Special Relationship)

(i) Persons in a Special Relationship

As of February 27, 2013

Name	Sumitomo Corporation
Address or Location	8-11, Harumi 1-chome, Chuo-ku, Tokyo
Occupation or Business	General trading company
Contact Information	Person in Charge: Masatoshi Hayashi, General Manager, Corporate Communications Dept., Sumitomo Corporation Contact Place: 8-11, Harumi 1-chome, Chuo-ku, Tokyo Telephone Number: 03-5166-3100
Relationship with the Tender Offerors	Corporation having special capital relationship with NJ, the Tender Offeror. Party agreeing to the joint exercise of voting rights and other rights as a shareholder of the Target Company with the Tender Offerors.

Name	Jupiter Telecommunications Co., Ltd.
------	--------------------------------------

Address or Location	8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Occupation or Business	Cable TV broadcast and telecommunications business through supervision and operation of cable TV stations; Supervision of programming business for Cable TV stations and digital satellite broadcasters.
Contact Information	<p>Person in Charge: Yoshihiro Aoyama, General Manager of IR Dept., Jupiter Telecommunications Co., Ltd.</p> <p>Contact Place: 8-1, Marunouchi 1- chome, Chiyoda-ku, Tokyo</p> <p>Telephone Number: 03-6765-8157</p>
Relationship with the Tender Offerors	Corporation with which KDDI, the Tender Offeror, has a special capital relationship.

Name	Shuichi Mori
Address or Location	8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (Location of Jupiter Telecommunications Co., Ltd.)
Occupation or Business	Representative Director, President, Jupiter Telecommunications Co., Ltd.
Contact Information	<p>Person in Charge: Yoshihiro Aoyama, General Manager of IR Dept., Jupiter Telecommunications Co., Ltd.</p> <p>Contact Place: 8-1, Marunouchi 1- chome, Chiyoda-ku, Tokyo</p> <p>Telephone Number: 03-6765-8157</p>
Relationship with the Tender Offerors	Officer of a corporation with which KDDI, the Tender Offeror, has a special capital relationship.

Name	Shunsuke Oyama
Address or Location	8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (Location of Jupiter Telecommunications Co., Ltd.)
Occupation or Business	Representative Director, Executive Vice President, Jupiter Telecommunications Co., Ltd.
Contact Information	<p>Person in Charge: Yoshihiro Aoyama, General Manager of IR Dept., Jupiter Telecommunications Co., Ltd.</p> <p>Contact Place: 8-1, Marunouchi 1- chome, Chiyoda-ku, Tokyo</p> <p>Telephone Number: 03-6765-8157</p>
Relationship with the Tender Offerors	Officer of a corporation with which KDDI, the Tender Offeror, has a special capital relationship.

Name	Tomoya Aoki
Address or Location	8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (Location of Jupiter Telecommunications Co., Ltd.)
Occupation or Business	Senior Managing Director, Jupiter Telecommunications Co., Ltd.
Contact Information	Person in Charge: Yoshihiro Aoyama, General Manager of IR Dept., Jupiter Telecommunications Co., Ltd. Contact Place: 8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-6765-8157
Relationship with the Tender Offerors	Officer of a corporation with which KDDI, the Tender Offeror, has a special capital relationship.

Name	Mineo Fukuda
Address or Location	8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (Location of Jupiter Telecommunications Co., Ltd.)
Occupation or Business	Senior Managing Director, Jupiter Telecommunications Co., Ltd.
Contact Information	Person in Charge: Yoshihiro Aoyama, General Manager of IR Dept., Jupiter Telecommunications Co., Ltd. Contact Place: 8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-6765-8157
Relationship with the Tender Offerors	Officer of a corporation with which KDDI, the Tender Offeror, has a special capital relationship.

Name	Toru Kato
Address or Location	8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (Location of Jupiter Telecommunications Co., Ltd.)
Occupation or Business	Director, Jupiter Telecommunications Co., Ltd.
Contact Information	Person in Charge: Yoshihiro Aoyama, General Manager of IR Dept., Jupiter Telecommunications Co., Ltd. Contact Place: 8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-6765-8157
Relationship with the Tender Offerors	Officer of a corporation with which KDDI, the Tender Offeror, has a special capital relationship.

Name	Ryosuke Yamazoe
Address or Location	8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

	(Location of Jupiter Telecommunications Co., Ltd.)
Occupation or Business	Director, Jupiter Telecommunications Co., Ltd.
Contact Information	<p>Person in Charge: Yoshihiro Aoyama, General Manager of IR Dept., Jupiter Telecommunications Co., Ltd.</p> <p>Contact Place: 8-1, Marunouchi 1- chome, Chiyoda-ku, Tokyo</p> <p>Telephone Number: 03-6765-8157</p>
Relationship with the Tender Offerors	Officer of a corporation with which KDDI, the Tender Offeror, has a special capital relationship.

Name	Yoshiki Nakai
Address or Location	8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (Location of Jupiter Telecommunications Co., Ltd.)
Occupation or Business	Director, Jupiter Telecommunications Co., Ltd.
Contact Information	<p>Person in Charge: Yoshihiro Aoyama, General Manager of IR Dept., Jupiter Telecommunications Co., Ltd.</p> <p>Contact Place: 8-1, Marunouchi 1- chome, Chiyoda-ku, Tokyo</p> <p>Telephone Number: 03-6765-8157</p>
Relationship with the Tender Offerors	Officer of a corporation with which KDDI, the Tender Offeror, has a special capital relationship.

Name	Kunio Fujimoto
Address or Location	8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (Location of Jupiter Telecommunications Co., Ltd.)
Occupation or Business	Standing Statutory Auditor, Jupiter Telecommunications Co., Ltd.
Contact Information	<p>Person in Charge: Yoshihiro Aoyama, General Manager of IR Dept., Jupiter Telecommunications Co., Ltd.</p> <p>Contact Place: 8-1, Marunouchi 1- chome, Chiyoda-ku, Tokyo</p> <p>Telephone Number: 03-6765-8157</p>
Relationship with the Tender Offerors	Officer of a corporation with which KDDI, the Tender Offeror, has a special capital relationship.

(ii) Number of Share Certificates, etc. Held

Sumitomo Corporation

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	2,777,912 (shares)	- (shares)	- (shares)
Share Option Certificates	-	-	-
Certificates of Bonds with Share Options	-	-	-
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	-	-	-
Depository Receipts of Share Certificates, etc. ()	-	-	-
Total	2,777,912	-	-
Total Number of Share Certificates, etc. Owned	2,777,912	-	-
(Total Number of Dilutive Share Certificates, etc.)	(-)	(-)	(-)

Jupiter Telecommunications Co., Ltd.

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	0 (shares)	- (shares)	- (shares)
Share Option Certificates	-	-	-

Certificates of Bonds with Share Options	-	-	-
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	-	-	-
Depository Receipts of Share Certificates, etc. ()	-	-	-
Total	0	-	-
Total Number of Share Certificates, etc. Owned	0	-	-
(Total Number of Dilutive Share Certificates, etc.)	(-)	(-)	(-)

(Note) The Target Company, which is a person in a special relationship, holds 83,168 shares of the Target Company's common shares. However, because all such shares are treasury shares, there are no voting rights.

Shuichi Mori

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	245 (shares)	— (shares)	— (shares)
Share Option Certificates	164	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—

Total	409	—	—
Total Number of Share Certificates, etc. Owned	409	—	—
(Total Number of Dilutive Share Certificates, etc.)	(164)	(—)	(—)

(Note) Since Mr. Shuichi Mori falls under the Small-Scale Holders, the “Number of Share Certificates, etc. Owned” owned by him are not included in the “Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)” provided for in “5 Holding Ratio of Share Certificates, etc. after the Purchase, etc.” of “I. Overview of the Tender Offer” above. The number of voting rights (45 units) under the Target Company’s common shares (45 shares) (omit decimals) equivalent to the equity of the shareholders’ association for directors of the Target Company is included in the above “Number of Share Certificates, etc. Owned”.

Shunsuke Oyama

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	122 (shares)	— (shares)	— (shares)
Share Option Certificates	105	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depositary Receipts of Share Certificates, etc. ()	—	—	—
Total	227	—	—
Total Number of Share Certificates, etc. Owned	227	—	—
(Total Number of Dilutive Share	(105)	(—)	(—)

Certificates, etc.)			
---------------------	--	--	--

(Note) Since Mr. Shunsuke Oyama falls under the Small-Scale Holders, the “Number of Share Certificates, etc. Owned” owned by him are not included in the “Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)” provided for in “5 Holding Ratio of Share Certificates, etc. after the Purchase, etc.” of “I. Overview of the Tender Offer” above. The number of voting rights (22 units) under the Target Company’s common shares (22 shares) (omit decimals) equivalent to the equity of the shareholders’ association for directors of the Target Company is included in the above “Number of Share Certificates, etc. Owned”.

Tomoya Aoki

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	199 (shares)	— (shares)	— (shares)
Share Option Certificates	661	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	860	—	—
Total Number of Share Certificates, etc. Owned	860	—	—
(Total Number of Dilutive Share Certificates, etc.)	(661)	(—)	(—)

(Note) Since Mr. Tomoya Aoki falls under the Small-Scale Holders, the “Number of Share Certificates, etc. Owned” owned by him are not included in the “Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)” provided for in “5 Holding Ratio of Share Certificates, etc. after the Purchase, etc.” of “I. Overview of the Tender Offer” above.

Mineo Fukuda

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	280 (shares)	— (shares)	— (shares)
Share Option Certificates	99	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	379	—	—
Total Number of Share Certificates, etc. Owned	379	—	—
(Total Number of Dilutive Share Certificates, etc.)	(99)	(—)	(—)

(Note) Since Mr. Mineo Fukuda falls under the Small-Scale Holders, the “Number of Share Certificates, etc. Owned” owned by him are not included in the “Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)” provided for in “5 Holding Ratio of Share Certificates, etc. after the Purchase, etc.” of “I. Overview of the Tender Offer” above. The number of voting rights (22 units) under the Target Company’s common shares (22 shares) (omit decimals) equivalent to the equity of the shareholders’ association for directors of the Target Company is included in the above “Number of Share Certificates, etc. Owned”.

Toru Kato

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under	Number of Share Certificates, etc. falling under

		Article 7, Paragraph 1, Item 2 of the Enforcement Order	Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	169 (shares)	— (shares)	— (shares)
Share Option Certificates	365	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	534	—	—
Total Number of Share Certificates, etc. Owned	534	—	—
(Total Number of Dilutive Share Certificates, etc.)	(365)	(—)	(—)

(Note) Since Mr. Toru Kato falls under the Small-Scale Holders, the “Number of Share Certificates, etc. Owned” owned by him are not included in the “Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)” provided for in “5 Holding Ratio of Share Certificates, etc. after the Purchase, etc.” of “I. Overview of the Tender Offer” above. The number of voting rights (16 units) under the Target Company’s common shares (16 shares) (omit decimals) equivalent to the equity of the shareholders’ association for directors of the Target Company is included in the above “Number of Share Certificates, etc. Owned”.

Ryosuke Yamazoe

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	19 (shares)	— (shares)	— (shares)
Share Option	—	—	—

Certificates			
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	19	—	—
Total Number of Share Certificates, etc. Owned	19	—	—
(Total Number of Dilutive Share Certificates, etc.)	(—)	(—)	(—)

(Note) Since Mr. Ryosuke Yamazoe falls under the Small-Scale Holders, the “Number of Share Certificates, etc. Owned” owned by him are not included in the “Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)” provided for in “5 Holding Ratio of Share Certificates, etc. after the Purchase, etc.” of “I. Overview of the Tender Offer” above. The number of voting rights (6 units) under the Target Company’s common shares (6 shares) (omit decimals) equivalent to the equity of the shareholders’ association for directors of the Target Company is included in the above “Number of Share Certificates, etc. Owned”.

Yoshiki Nakai

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	65 (shares)	— (shares)	— (shares)
Share Option Certificates	—	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust	—	—	—

for Share Certificates, etc. ()			
Depository Receipts of Share Certificates, etc. ()	—	—	—
Total	65	—	—
Total Number of Share Certificates, etc. Owned	65	—	—
(Total Number of Dilutive Share Certificates, etc.)	(—)	(—)	(—)

(Note) Since Mr. Yoshiki Nakai falls under the Small-Scale Holders, the “Number of Share Certificates, etc. Owned” owned by him are not included in the “Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)” provided for in “5 Holding Ratio of Share Certificates, etc. after the Purchase, etc.” of “I. Overview of the Tender Offer” above. The number of voting rights (5 units) under the Target Company’s common shares (5 shares) (omit decimals) equivalent to the equity of the shareholders’ association for directors of the Target Company is included in the above “Number of Share Certificates, etc. Owned”.

Kunio Fujimoto

As of February 27, 2013

	Number of Share Certificates, etc. Owned	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Share Certificates, etc. falling under Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share Certificates	18 (shares)	— (shares)	— (shares)
Share Option Certificates	28	—	—
Certificates of Bonds with Share Options	—	—	—
Certificates of Beneficiary Interests in Trust for Share Certificates, etc. ()	—	—	—
Depository Receipts of Share Certificates, etc. ()	—	—	—

Total	46	—	—
Total Number of Share Certificates, etc. Owned	46	—	—
(Total Number of Dilutive Share Certificates, etc.)	(28)	(—)	(—)

(Note) Since, Mr. Kunio Fujimoto falls under the Small-Scale Holders, the “Number of Share Certificates, etc. Owned” owned by him are not included in the “Number of voting rights under Share Certificates, etc. held by persons in a special relationship (as of February 27, 2013) (g)” provided for in “5 Holding Ratio of Share Certificates, etc. after the Purchase, etc.” of “I. Overview of the Tender Offer” above. The number of voting rights (18 units) under the Target Company’s common shares (18 shares) (omit decimals) equivalent to the equity of the shareholders’ association for directors of the Target Company is included in the above “Number of Share Certificates, etc. Owned”.

2 Status of Trading of the Share Certificates, etc.

(1) Status of Trading for a Period of Sixty (60) Days Prior to the Filing Date

Not applicable.

3 Material Agreements Executed in Connection with the Relevant Share Certificates, etc.

(i) Securities Disposition Trust

Pursuant to a securities disposition trust agreement (the “Disposition Trust Agreement”) dated February 18, 2010, KDDI Global Media, LP, which was a subsidiary of KDDI, entrusted to Mizuho Trust & Banking Co., Ltd. 201,182 shares (which was obtained by subtracting the number of shares already disposed of at the time of the succession of the Disposition Trust Agreement stated below, from the number of shares that are the originally entrusted) of the Target Company’s common shares for disposition. However, given that KDDI Global Media, LP resolved to dissolve on March 11, 2011, in order to liquidate KDDI Global Media, LP, all of its rights and obligations under the Disposition Trust Agreement such as the beneficiary interests in the disposition trust was succeeded to by KDDI on March 14, 2011, pursuant to an agreement dated March 11, 2011 between KDDI Global Media, LP, KDDI, and Mizuho Trust & Banking Co., Ltd.

As a result, as of the filing date of this statement, 2013, KDDI has entrusted to Mizuho Trust & Banking Co., Ltd. the Target Company’s common shares for disposition pursuant to the Disposition Trust Agreement. These shares, which have been entrusted to the securities disposition trust, will be tendered in the Tender Offer. The number of shares which KDDI entrusted to the securities disposition trust as of February 26, 2013 is 79,380 shares.

(ii) Securities Custodial Trust

KDDI International Holdings, LLC, which was a subsidiary of KDDI, has entrusted 152,904 shares of the Target Company's common shares to Mizuho Trust & Banking Co., Ltd. for the purpose of creating the custodial trust pursuant to a securities custodial trust agreement dated February 18, 2010 (the "Custodial Trust Agreement"). Regarding the Target Company's common shares subject to the custodial trust, KDDI International Holdings, LLC did not have the authority to exercise or instruct the voting rights and other rights, nor did it have the authority necessary to conduct or instruct investment.

Also, in the Custodial Trust Agreement provided (1) that KDDI International Holdings, LLC was allowed to request (partial) cancellation of the agreement only where it was confirmed that the cancellation is not in violation of the tender offer regulations and the purposes thereof; and (2) that the trustee would accept the request for cancellation of all or a part of the trust principal and return the entrusted shares only to the extent that the trustee determined that there were unavoidable circumstances, or that the cancellation was reasonable within the purposes of the trust.

Thereafter, given that KDDI International Holdings, LLC resolved to dissolve on March 11, 2011 by, in order to liquidate KDDI International Holdings, LLC, all of the rights and obligations under the Custodial Trust Agreement such as the beneficiary interests in the trust, were succeeded to by KDDI as of March 14, 2011 pursuant to an agreement dated March 11, 2011 between KDDI International Holdings, LLC, KDDI and Mizuho Trust & Banking Co., Ltd.

As a result, as of the filing date of this statement, pursuant to the Custodial Trust Agreement, KDDI has entrusted to Mizuho Trust & Banking Co., Ltd. 152,904 shares of the Target Company's common shares for the securities custodial trust. These 152,904 shares will not be tendered in the Tender Offer.

(iii) Shareholders Agreement

Sumitomo and KDDI executed the Shareholders Agreement on October 24, 2012, and promised that neither may assign to any third party, establish security interest, or otherwise dispose of, all or part of the common shares of the Target Company owned by each of them, and to jointly exercise the voting rights and other rights in connection with the appointment of the Target Company's officers and other related matters.

In addition, KDDI promises, under the Shareholders Agreement, that regarding the Target Company's common shares subject to the securities disposition trust under the Disposition Trust Agreement (as of February 26, 2013, 79,380 shares) entrusted to Mizuho Trust & Banking Co., Ltd., and the Target Company's common shares subject to securities custodial trust under the Custodial Trust Agreement (as of the filing date of this statement, 152,904 shares) entrusted to Mizuho Trust & Banking Co., Ltd., KDDI must not allow the voting rights to be exercised by KDDI through a cancellation or modification, etc. of the Disposition Trust Agreement or the Custodial Trust Agreement, or accept the return of the shares.

(iv) Others

NJ plans to exercise its voting rights in the Target Company in accordance with instructions of Sumitomo and KDDI after the settlement of the Tender Offer completes.

Sumitomo does not plan to tender the common shares of the Target Company it owns in the Tender Offer.

4 Agreement to Purchase the Share Certificates, etc. on and after the Filing Date of this Statement

Not applicable.

IV Transactions, etc. between the Tender Offeror and the Target Company

1 Existence and Content of Transactions between the Tender Offeror and the Target Company or its Officers

(1) Transactions with the Target Company

(Provision of Services by KDDI to Target Company)

KDDI provides the Target Company with services that are necessary for the Target Company to provide (fixed) telephone services to its customers (telephone exchange functions, interconnection, etc.). KDDI also provides the Target Company with network services such as upper-level lines necessary for the Target Company's customers to make internet connections, and other services. The value of those transactions is as follows:

(million yen)

	26th fiscal year (from April 1, 2009 to March 31, 2010)	27th fiscal year (from April 1, 2010 to March 31, 2011)	28th fiscal year (from April 1, 2011 to March 31, 2012)
(fixed) telephone related services	643	726	5,680
Network Services	1,966	2,991	4,475
Others	18	139	434

(Provision of Services by Target Company to KDDI)

The Target Company provides KDDI with network access (IP lines). The Target Company also provides KDDI with services (interconnection) that are necessary for KDDI to provide (fixed and mobile) telephone services to its customers. In addition, The Target Company provides KDDI with video content which KDDI provides to its customers, and other services. The value of those transactions is as follows:

(million yen)

	26th fiscal year (from April 1, 2009 to March 31, 2010)	27th fiscal year (from April 1, 2010 to March 31, 2011)	28th fiscal year (from April 1, 2011 to March 31, 2012)
Provision of Network Access (IP line)	2,145	1,893	3,623
(fixed and mobile) telephone related	917	973	1,032

services			
Provision of Video Content	63	162	551
Others	0	45	559

There are no applicable matters with regard to NJ.

(2) Transactions with the Officers

KDDI dispatches to the Target Company two (2) officers, Hirofumi Morozumi and Makoto Takahashi as part-time directors, and one officer Kenichiro Takagi as part-time company auditor. KDDI also seconds its employees to the Target Company.

There are no applicable matters with regard to NJ.

2 Existence and Content of Agreements between the Tender Offeror and the Target Company, or its Officers

(1) Content of Agreements between the Tender Offeror and the Target Company, or its Officers

According to the Target Company's Press Release dated February 26, 2013, the Target Company resolved at its board of directors meeting held on February 26, 2013, that it expresses its opinion in favor of the Tender Offer and recommends that the shareholders and share option holders of the Target Company accept the Tender Offer.

The Target Company concluded at the board of directors meeting held on February 26, 2013 as follows in relation to the Transaction. With regards to the appropriateness of the Tender Offer Price, it was concluded that the Tender Offer Price was appropriate, and that the Tender Offer provides the Target Company's shareholders with a reasonable opportunity to sell their shares, taking into consideration, in addition to the matters already examined at the board of directors meeting held on October 24, 2012, (i) the content and conclusion of the February Written Report, (ii) the fact that from October 24, 2012 (when the proposal of the Tender Offer was publicly announced) and up to February 26, 2013, there was no material change to the Target Company's business plan and other factors affecting the calculation of the corporate value of the Target Company, (iii) the fact that the Tender Offer Price was raised from 110,000 yen to 123,000 yen as a result of the discussion and negotiation between the Target Company and Sumitomo and KDDI, (iv) the Tender Offer Price is above the price range calculated by DCF analysis and almost equal to the upper end of its price range, and is above the price range calculated by the comparable companies analysis, in each case as described in the February Share Price Valuation Report, and the opinion (the February Fairness Opinion) that the Tender Offer Price was appropriate from a financial perspective for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors and their related companies) has been received, (v) it is set forth in the February Written Report that while the general stock market conditions improved after October 24, 2012, the premium added in the Tender Offer Price is still considered to be in line with that of recent cases similar to the Transaction, taking into consideration, among other things, the movement of the market value of

comparable listed companies and the fact that the Tender Offer Price was increased from the Initially Proposed Tender Offer Price by 13,000 yen (approximately 11.8%), (vi) according to the explanation from Mitsubishi UFJ Morgan Stanley Securities, the Tender Offer Price would not be considered inappropriate due to the fact that the Tender Offer Price is lower than the “2010 Tender Offer Price”, because a considerable period of time has passed since February 2010, and the business environment surrounding, and the growth potential of, the domestic cable television industry, including the Target Company, have changed since February 2010, due to continuous decreasing trend of ARPU (Average Revenue per User) owing to factors such as increased competition with fixed carriers, and the growth of alternative media distribution business using tablet PC and other media owing to the rapid expansion of high-speed mobile communication market.

For the Share Options, the Target Company’s board of directors also concluded that the purchase price of the Share Options offered the Share Option holders with a reasonable opportunity to sell their Share Options, because the purchase price of each Share Option was calculated by multiplying the Tender Offer Price less the exercise price of the Share Options by the number of common stock allotted for each Share Options exercised.

Then, as described in “(v) Approval of All Directors and Consent of All Company Auditors Without Interests” in “(3) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below, the Target Company resolved, through a unanimous decision of all directors present (excluding two directors who abstained from voting on the resolution from the viewpoint of maintaining the resolution’s fairness) that the Target Company expresses its opinion in favor of the Tender Offer and recommends that the shareholders and share option holders of the Target Company accept the Tender Offer.

Upon the examination, discussion and negotiation of the Tender Offer, as described in (v) Approval of All Directors and Consent of All Company Auditors Without Interests” in “(3) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest” below, in order to avoid conflicts of interest among the board of directors, the Target Company has taken the following measures. First, out of the 11 directors of the Target Company, four directors, Mr. Yoshio Osawa, Mr. Hirofumi Morozumi, Mr. Makoto Takahashi, and Mr. Daisuke Mikogami, who concurrently serve as officers/employees of Sumitomo and KDDI, and two directors, Mr. Shuichi Mori and Mr. Shunsuke Oyama, who were officers/employees of Sumitomo or KDDI until relatively recently (until March 2011), did not attend any of the board of directors meetings regarding the Transaction, nor did they participate in any examination of the Transaction or any discussion or negotiation with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company. Out of the other five directors, Mr. Ryosuke Yamazoe and Mr. Yoshiki Nakai who were officers/employees of Sumitomo or KDDI until relatively recently (until March or June 2011) participated in the board of directors meetings regarding the Transaction, including the board of directors meeting held on February 26, 2013, in order to ensure that the quorum for the Target Company’s board of directors meeting was met. However, from the viewpoint of maintaining the resolution’s fairness, they made no remarks at the Target Company’s board of directors meeting regarding the Transaction, abstained from voting on resolutions, and did not participate in any examination of the Transaction or any discussion or negotiation with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company, except for their attendance at the board of directors meetings.

The Target Company decided at the board of directors meeting held on February 26, 2013 to comprehensively approve the Share Option holders' transferring their Share Options to the Tender Offerors by tendering them in the Tender Offer.

Further, the Target Company decided at the board of directors meeting held on February 26, 2013 not to declare interim dividend for the record date of June 30, 2013 in respect of the fiscal year ending December 2013, on the condition that the Tender Offer is completed.

(2) The Tender Offeror's Decision Making Process Leading up to the Decision to Implement the Tender Offer

NJ's major shareholder Sumitomo has been developing a wide range of business operations in the media and lifestyle area. For more than 25 years since entering the media market in 1984 as a new business, Sumitomo has worked to spread and expand its media business in Japan. In particular, Sumitomo has positioned, as the core of its media business, the cable TV business providing customers with multi-channel cable TV services, high-speed Internet services, and fixed-line telephone services on a one-stop-shop basis, as well as the specialized channel operation business for cable TVs and satellite TVs. Furthermore, it proactively invested management resources such as capital and personnel in those business areas. As for the cable TV business, Sumitomo established the Target Company that is a Multiple System Operator (MSO) supervising and operating multiple cable TV stations for the first time in Japan in January 1995; furthermore, it has continuously invested its management resources in the Target Company, thereby leading to its growth. In March 2005, Sumitomo agreed to list the Target Company's shares on the JASDAQ Market as its shareholder, and it has worked to contribute to the sustainable growth of the Target Company by providing it with the wide-range of management resources held by the Sumitomo group, as well as to contribute to the development of the cable TV industry in Japan.

In September 2007, Sumitomo agreed to the Target Company's integration of the specialized channel operations business, which is a major part of K.K. Jupiter TV's business that Sumitomo had operated as its core business, thereby strengthening the Target Company's media business. Sumitomo announced a tender offer for the share certificates of the Target Company in February 2010 and completed it in April 2010, and it has supported and operated the Target Company as its largest shareholder, until today.

In the meantime, as the only comprehensive telecommunications carrier providing both mobile communications (au mobile phone) and fixed-line telecommunications (broadband Internet/telephone) business, KDDI, the Tender Offeror aims to realize a new telecommunications environment enabling a seamless connection under the brand of "au". KDDI launched its cable TV business in 1998 when it started providing high-speed Internet services using cable TV via its subsidiary; in 2005, it started providing the "Cable-Plus Phone," which is a fixed-line phone service for cable TVs. At present, as KDDI is tied up with 93 cable TV carriers and 177 stations, it has gained about 2.68 million Cable-Plus Phone service users, and has made efforts to contribute to the business development of the cable TV industry. In 2006, KDDI took a stake in JCN, which is the second-ranked MSO in Japan (in 2007, it became KDDI's consolidated subsidiary) resulting in full-scale participation in the management of the cable TV business. In July 2011, KDDI took a stake in

Community Network Center Incorporated, which is the third-ranked MSO in the industry carrying out cable TV business in the Chubu area. KDDI invested in the Target Company in February 2010 through negotiated transaction, thereby supporting the operation and expansion of the Target Company's business jointly with Sumitomo.

In June 2010, Sumitomo, KDDI, and the Target Company executed a memorandum of understanding regarding discussing an alliance between them, and Sumitomo and KDDI agreed to cooperate with each other to the maximum extent in order to improve the corporate value of the Target Company. Pursuant to this agreement, Sumitomo further strengthened a tie-up between a wide-ranging business base such as the media retail network-related business and the Target Company, and transferred to the Target Company the shares of Asmik Ace Entertainment, Inc., a subsidiary of which Sumitomo has taken the management initiative for a long time, thereby contributing to the Target Company's strategy of developing unique content.

Pursuant to the agreement on the above-mentioned alliance, KDDI started cross sales (selling the services of the Target Company and KDDI to each other) from August 2010 in the Kansai area, thereby expanding the alliance with the Target Company in terms of sales and marketing. In December 2010, the Target Company started providing a wireless Internet service using the WiMAX infrastructure (MVNO) of UQ Communications Inc., which is an affiliate of KDDI. In April 2011, the Target Company started providing the "J:COM PHONE-Plus" service utilizing the platform for KDDI's "Cable-Plus Phone", the number of users of which has increased to as many as approximately 780,000 customers of the Target Company. In February 2012, furthermore, it started providing "au Smart Value" as a discount service combining its smartphone, the users of which are rapidly increasing, with the Target Company's fixed-line telecommunications services (the Internet, fixed-line phone), having attracted many customers for the Target Company, thereby promoting various measures to expand its customer base. In terms of infrastructure, in March 2012, KDDI started shifting interexchange channels connecting service areas of the Target Company in five major metropolitan areas in Japan to KDDI's IP core network, thereby addressing the improved reliability of the Target Company's service and cost reduction.

However, The paid multi-channel broadcasting market in Japan comprises cable TV, satellite multi-channel broadcasting, and IP broadcasting. Although the entire market scale is expected to grow slowly in the future, as a mid-term trend the market is likely to shift from a growth stage to a maturing stage. On the other hand, the competition environment will become more severe not only due to competition between cable TV, satellite multi-channel broadcasting, and IP broadcasting, but also due to the change of the environment including prevalence of new devices such as smartphones and tablet terminals, the expansion of various Internet services, the creation of new services resulting from customers' changing lifestyles, and the resultant competition with those service providers. Reflecting such changes in both the business and competition environments, tie-ups between paid multi-channel operators (including cable TV operators), media operators, and Internet service providers will accelerate across their business areas; moreover, a change in industry structure is also anticipated.

Similar to the paid multi-channel broadcasting market, although the fixed-line broadband market in Japan is also expected to grow slowly in the future, the market is likely to shift from a growth stage to a maturing stage as a mid-term trend. Further, in recent years, wireless Internet access has been accelerating,

resulting in competition between the fixed-line broadband business and the wireless Internet business, or creation of a new form of service arising from a fusion or supplementation of both businesses; thus, the industry is facing a turning point. In addition, while various kinds of services are developing, customers' needs are changing; thus, the industry is in an era where services tailored to the opportunities and purposes of each user are sought.

As described above, being exposed to the competition with various media services, the business environment surrounding the Target Company has been becoming gradually severer, requiring it to provide a wider range of services. Sumitomo and KDDI have come to share the understanding that based on this business environment outlook, in order to maintain and improve the Target Company's competitive advantage and realize the Target Company's sustainable growth by permanently providing high-quality services satisfactory to customers, it is extremely important to enable proactively investing management resources held by both companies in the Target Company, by deepening the alliance between the three companies and privatizing the Target Company and establishing a joint management system by Sumitomo and KDDI. Specifically, further accelerating various measures including expanding the business scale through the integration of the cable TV business of the Target Company and that of JCN, a member of the KDDI group, is of great importance. Moreover, it is also critical to establish a management policy that enables the Target Company to work on revolutionary new products and new services by devoting management resources including research and development and equipment investment to such projects from a medium to long term perspective, while avoiding, through privatizing the Target Company, aiming for a short-term improvement in performance with its focus on the capital market, where corporate value might be evaluated by a short-term fluctuation of performance, as a listed company. Sumitomo and KDDI concluded that it would be best for them to conduct the Going Private Transaction, and jointly manage the Target Company equally at an investment ratio of 50:50, and executed the Shareholders Agreement (for the details of the agreement regarding the joint management, please see "(3) Agreement on Joint Management of the Target Company between Sumitomo and KDDI" in "3. Purpose of the Purchase, etc." of "I. Overview of the Tender Offer" above).

As announced in the Press Release dated October 24, 2012, in the Shareholders Agreement, it was agreed between Sumitomo and KDDI that KDDI and NJ would jointly conduct the Tender Offer upon certain conditions being met, such as completion of the procedures and responses required under domestic and foreign competition laws. (As stated above, Sumitomo and KDDI resolved, at each board of directors meeting held on February 26, 2013, to change the Tender Offer Price, to 123,000 yen per share.)

Upon the completion of the procedures and responses required under domestic and foreign competition laws, KDDI confirmed that the terms and conditions in which the Tender Offerors would commence the Tender Offer as set forth in the Shareholders Agreement were satisfied, and decided to commence the Tender Offer on February 26, 2013. Also, NJ has, in addition to confirming its major shareholder KDDI's decision above, confirmed that Sumitomo, the other major shareholder of NJ, confirmed that the conditions to commence the Tender Offer by the Tender Offerors set forth in the Shareholders Agreement were met, and determined to commence the Tender Offer on February 26, 2013. Pursuant to the decisions above, the Tender Offerors determined to jointly commence the Tender Offer.

(3) Measures to Ensure the Fairness of the Price for the Purchase, etc. and to Avoid Conflicts of Interest

NJ's major shareholders Sumitomo and KDDI hold in the aggregate a majority of the voting rights regarding the common shares of the Target Company as of the filing date of this statement. In addition, some members of the board of directors of the Target Company have certain interests in Sumitomo and KDDI: among the directors of the Target Company, two directors concurrently serve as representative directors of KDDI, one as a representative director of Sumitomo, and one as a Sumitomo employee; and among the company auditors of the Target Company, one company auditor concurrently serves as a KDDI employee, and one as a Sumitomo employee. In light of the foregoing, Sumitomo, the Tender Offerors and the Target Company have taken the following measures in order to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the tender offer price for the Target Company's common shares and the Share Options and measures to avoid conflicts of interest. (The following description of the measures taken by the Target Company is based on the explanations provided by the Target Company.)

(i) Measures to Ensure Fairness of the Tender Offer by Sumitomo and the Tender Offerors

As announced in the Press Release dated October 24, 2012, the fundamental policies regarding the implementation of the Tender Offer by the Tender Offerors was decided between Sumitomo and KDDI on October 24, 2012. In addition, Sumitomo and KDDI decided to change the Tender Offer Price to 123,000 yen from 110,000 yen per common share of the Target Company, which had been published in the Press Release dated October 24, 2012, at their respective board of directors meeting held on February 26, 2013. In connection with such series of decisions, Sumitomo retained and requested advice from Goldman Sachs as its financial advisor, and Nagashima Ohno & Tsunematsu as its legal adviser, and KDDI retained and requested advice from J.P. Morgan as its financial advisor and Nishimura & Asahi as its legal adviser. Taking into consideration such advice, each of Sumitomo and KDDI carefully discussed and deliberated in order to avoid arbitrariness in the decision-making process with respect to the Tender Offer.

Upon the consummation of the Tender Offer and the Going Private Transactions by KDDI and NJ, an entity in which Sumitomo and KDDI each owns the same number of voting rights, Sumitomo expects to beneficially own 50% of the voting rights in the Target Company. Therefore, in the process of determining the Tender Offer Price, Sumitomo requested Goldman Sachs, a financial advisor independent from Sumitomo, the Target Company, KDDI and NJ to perform financial analyses regarding the Target Company's common shares, and received from Goldman Sachs Goldman Sachs October Report prepared by Goldman Sachs. For the avoidance of doubt, the Goldman Sachs October Report does not address the purchase price for the Share Options. The tender offer price, as of October 24, 2012, of 110,000 yen in cash per common share of the Target Company was determined by Sumitomo, using as a reference the results of the financial analyses of the Target Company's common shares conducted by Goldman Sachs set forth in the Goldman Sachs October Report, and taking into consideration, as of October 24, 2012, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer

prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company.

Sumitomo first prepared the Forecasts for the Target Company and its subsidiaries and affiliated companies from the beginning of October 2012 to late October 2012, based on information presented to Sumitomo by the Target Company's management, while assessing the strategic rationale for the proposed transactions in connection with the Tender Offer, and examining, with the Target Company's management, the past and current business operations, financial condition and future prospects of the Target Company.

Goldman Sachs, in preparing the Goldman Sachs October Report referred to above, conducted its financial analyses of the Target Company's common shares using an average market share price analysis, a comparable companies analysis, and a DCF analysis. With respect to a comparable transactions analysis, although Goldman Sachs researched acquisition transactions involving companies with comparable businesses to the Target Company, Goldman Sachs did not conduct such analysis because it believed that there were no minority float acquisition transactions similar to the Tender Offer involving such comparable companies. The comparable companies analysis and the DCF analysis were based on the Forecasts, approved for Goldman Sachs' use by Sumitomo, and publicly available information. Goldman Sachs provided the Goldman Sachs October Report solely for the information and assistance of the board of directors of Sumitomo in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer.

Goldman Sachs' financial analyses, which were presented to Sumitomo's board of directors on October 24, 2012 and set forth in the Goldman Sachs October Report, resulted in a range of implied values per common share of the Target Company:

(A) Average Market Share Price Analysis: 78,991 yen to 81,054 yen

In performing the average market share price analysis based on publicly available information, Goldman Sachs used October 17, 2012 as the base date, and reviewed the average closing prices of the Target Company common shares on the base date (82,500 yen) and over the one-month (79,495 yen), three-month (78,991 yen), and six-month (81,054 yen) periods ending on the base date.

(B) Comparable Companies Analysis: 82,726 yen to 121,084 yen

In performing the comparable companies analysis, Goldman Sachs used October 17, 2012, as the base date and analyzed the Target Company's common share value by selecting listed companies that, while not directly comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, and applying the comparable companies' estimated fiscal year 2012 enterprise value to EBITDA multiples, based on the most recently publicly available information, to the Forecasts, which were approved for Goldman Sachs' use by Sumitomo.

(C) DCF Analysis: 99,127 yen to 179,962 yen

Goldman Sachs performed the DCF analysis of the Target Company's common shares based on the Forecasts, which were approved for Goldman Sachs' use by Sumitomo. In performing the DCF analysis, Goldman Sachs analyzed the Target Company's common shares by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at an implied range of net present values per share. No significant increase or decrease in profit is expected in the Forecasts, on which the DCF analysis was based.

Based on the foregoing, Sumitomo, using as a reference the results of the financial analyses of the Target Company's common shares conducted by Goldman Sachs set forth in the Goldman Sachs October Report, and taking into consideration, as of October 24, 2012, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company, determined the Tender Offer Price for the Tender Offer to be 110,000 yen in cash per common share of the Target Company at Sumitomo's board of directors meeting held on October 24, 2012 and announced such determination in the Press Release dated October 24, 2012.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, Sumitomo, together with KDDI, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February of 2013 at the earliest. However, in late January 2013, Sumitomo and KDDI received a request from the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, considering certain increases in the share prices of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, Sumitomo, together with KDDI, accepted such request and resumed consultations and negotiations with the Target Company. As a result of these consultations and negotiations, taking into consideration the market trend of the share price of the Target Company's common shares, the likelihood of tenders in the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, Sumitomo determined, at Sumitomo's board of directors meeting held on February 26, 2013, to raise the Tender Offer Price from 110,000 yen in cash, as announced in the Press Release dated October 24, 2012, to 123,000 yen in cash per common share of the Target Company, in order to obtain the Target Company's recommendation that its shareholders tender in the Tender Offer. In addition, in the process of re-determining the Tender Offer Price, Sumitomo received from Goldman Sachs and took into consideration, subject to certain conditions, the Goldman Sachs February Report prepared by Goldman Sachs. For the avoidance of doubt, the Goldman Sachs Financial Analyses Reports do not address the purchase price for the Share Options.

Goldman Sachs, in preparing the Goldman Sachs February Report referred to above, conducted its financial analyses of the Target Company's common shares using an average market share price analysis, a comparable companies analysis, and a DCF analysis. With respect to a comparable transactions analysis, although Goldman Sachs researched acquisition transactions involving companies with comparable businesses to the Target Company, Goldman Sachs did not conduct such analysis because it believed that there were no minority float acquisition transactions similar to the Tender Offer involving such comparable companies. The comparable companies analysis and the DCF analysis were based on the Forecasts, approved for Goldman Sachs' use by Sumitomo, and publicly available information. Goldman Sachs provided the Goldman Sachs February Report solely for the information and assistance of the board of directors of Sumitomo in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer.

Goldman Sachs' financial analyses, which were presented to Sumitomo's board of directors on February 26, 2013 and set forth in the Goldman Sachs February Report resulted in a range of implied values per common share of the Target Company:

- (A) Average Market Share Price Analysis: 78,961 yen to 81,028 yen

In performing the average market share price analysis based on publicly available information, Goldman Sachs used October 19, 2012 as the base date, and reviewed the average closing prices of the Target Company common shares on the base date (82,700 yen) and over the one-month (79,824 yen), three-month (78,961 yen), and six-month (81,028 yen) periods ending on the base date.

- (B) Comparable Companies Analysis: 86,898 yen to 123,465 yen

In performing the comparable companies analysis, Goldman Sachs used February 19, 2013, as the base date and analyzed the Target Company's common share value by selecting listed companies that, while not directly comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, and applying the comparable companies' estimated fiscal year 2013 enterprise value to EBITDA multiples, based on the most recently publicly available information, to the Forecasts, which were approved for Goldman Sachs' use by Sumitomo.

- (C) DCF Analysis: 101,687 yen to 182,569 yen

Goldman Sachs performed the DCF analysis of the Target Company's common shares based on the Forecasts, which were approved for Goldman Sachs' use by Sumitomo. In performing the DCF analysis, Goldman Sachs analyzed the Target Company's common shares by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at an implied range of net present values per share. No significant increase or decrease in profit is expected in the Forecasts, on which the DCF analysis was based.

Please refer to (Note) below, which sets forth in more detail the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by Goldman Sachs.

Goldman Sachs does not constitute a related party of Sumitomo, the Target Company, KDDI or NJ, nor does it have any material interests that should be noted in connection with the Tender Offer. In addition, although NJ is planning to conduct a tender offer for the Share Options pursuant to the Shareholders Agreement, the purchase price for the Share Options is not included within the scope of Goldman Sachs' financial analyses regarding the Target Company's common shares or the Goldman Sachs Financial Analyses Reports.

(Note) The following is a supplemental explanation of the assumptions made, matters considered, and limitations on the review undertaken in connection with performing Goldman Sachs' financial analyses of the Target Company's equity with October 17, 2012 as the base date for the Goldman Sachs October Report and related financial analyses, and February 19, 2013 as the base date for the Goldman Sachs February Report and related financial analyses:

Goldman Sachs did not attribute any particular weight to any factor or analysis. Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports were necessarily based on economic, monetary, market, and other conditions as in effect on, and the information made available to, Goldman Sachs as of October 17, 2012 for the Goldman Sachs October Report and related financial analyses, and as of February 19, 2013 for the Goldman Sachs February Report and related financial analyses, and Goldman Sachs assumes no responsibility for updating, revising, or reaffirming its financial analyses or the Goldman Sachs Financial Analyses Reports based on circumstances, developments, or events occurring after the respective dates thereof. Goldman Sachs assumed with Sumitomo's consent that the Forecasts have been reasonably prepared on a basis reflecting the best estimates and judgments of the management of Sumitomo available as of October 17, 2012 and Sumitomo has confirmed that the Forecasts continue to represent the best estimates and judgments of the management of Sumitomo as of February 19, 2013. In addition, in preparing the Goldman Sachs February Report and in performing its financial analyses, Goldman Sachs assumed with Sumitomo's consent that no changes have been made to the Forecasts. Except as otherwise noted, the quantitative information used in Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports, to the extent it is based on market data, is based on market data as it existed on or before October 17, 2012 for the Goldman Sachs October Report and related financial analyses and on or before February 19, 2013 for the Goldman Sachs February Report and related financial analyses, and is not necessarily indicative of current market conditions.

Goldman Sachs and its affiliates (collectively, the "Goldman Sachs Group") are engaged in commercial and investment banking and financial advisory services, market making and trading, research and investment management (both public and private investing), principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities, and other financial and non-financial activities and services for

various persons and entities. The Goldman Sachs Group, and funds or other entities in which they invest or with which they co-invest, may at any time purchase, sell, hold, or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments of Sumitomo, KDDI, NJ, the Target Company, and any of their respective affiliates, and third parties, or any currency or commodity that may be involved in the transactions contemplated by the Shareholders Agreement (including the Tender Offer and the Going Private Transaction) (the "Agreement Transactions") for the accounts of the Goldman Sachs Group and its customers. Goldman Sachs has acted as financial advisor to Sumitomo in connection with, and has participated in certain of the negotiations leading to, the Agreement Transactions. Goldman Sachs expects to receive fees for its services in connection with the Agreement Transactions, a principal portion of which is contingent upon consummation of the Tender Offer, and Sumitomo and its affiliates have agreed to reimburse Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. The Goldman Sachs Group has provided from time to time and are currently providing certain investment banking services to Sumitomo and its affiliates for which the Investment Banking Division of the Goldman Sachs Group has received, and may receive, compensation, including having acted as joint bookrunner with respect to a public offering in January 2012 of Sumitomo's 44th domestic unsecured senior bond due January 2022 (aggregate principal amount 15 billion yen). The Goldman Sachs Group may also in the future provide investment banking services to Sumitomo, KDDI, NJ, the Target Company, and their respective affiliates, for which the Investment Banking Division of the Goldman Sachs Group may receive compensation.

In connection with performing its financial analyses and preparing the Goldman Sachs Financial Analyses Reports, Goldman Sachs has reviewed, among other things, the Shareholders Agreement; the Annual Securities Reports (Yuka Shoken Houkoku-Sho) of the Target Company for the five fiscal years ended December 31, 2011; the First Quarter Securities Reports (Dai-ichi Shihanki Houkoku-Sho) of the Target Company for the first fiscal quarter ended March 31, 2012; the Second Quarter Securities Reports (Dai-ni Shihanki Houkoku-Sho) of the Target Company for the second fiscal quarter ended June 30, 2012; the Third Quarter Securities Reports (Dai-san Shihanki Houkoku-Sho) of the Target Company for the third fiscal quarter ended September 30, 2012; Earnings Releases (Kessan Tanshin) of the Target Company for the fiscal year ended December 31, 2012; certain other communications from the Target Company to its shareholders; certain publicly available research analyst reports for the Target Company; and the Forecasts as approved for Goldman Sachs' use by Sumitomo. Goldman Sachs has also held discussions with members of the senior managements of Sumitomo and the Target Company regarding their assessment of the past and current business operations, financial condition, and future prospects of the Target Company and its subsidiaries, and with members of the senior management of Sumitomo regarding their assessment of the strategic rationale for the Agreement Transactions. In addition, Goldman Sachs has reviewed the reported price and trading for the common shares of the Target Company; compared certain financial and stock market information for the Target Company with similar information for certain other companies the securities of which are publicly traded; and performed such other studies

and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of performing its financial analyses and preparing the Goldman Sachs Financial Analyses Reports, Goldman Sachs has, with Sumitomo's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting, and other information provided to, discussed with or reviewed by Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs has assumed with Sumitomo's consent that the Forecasts have been reasonably prepared on a basis reflecting the best estimates and judgments of the management of Sumitomo available as of the applicable date. In addition, Goldman Sachs has not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative, or off-balance-sheet assets and liabilities) of Sumitomo, KDDI, NJ, the Target Company, or any of their respective subsidiaries, and Goldman Sachs has not been furnished with any such evaluation or appraisal. Goldman Sachs has assumed that all governmental, regulatory, or other consents and approvals necessary for the consummation of the Agreement Transactions will be obtained without any adverse effect on Sumitomo, KDDI, NJ, or the Target Company, or on the expected benefits of the Agreement Transactions in any way meaningful to Goldman Sachs' analysis. Goldman Sachs has also assumed that the Agreement Transactions will be consummated on the terms set forth in the Shareholders Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs' analysis.

Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports do not address the underlying business decision of Sumitomo to engage in the Agreement Transactions, or the relative merits of the Agreement Transactions as compared to any strategic alternatives that may be available to Sumitomo; nor do they address any legal, regulatory, tax, or accounting matters. Goldman Sachs does not express any view on, and Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports do not address, any other term or aspect of the Shareholders Agreement or the Agreement Transactions or any term or aspect of any other agreement or instrument contemplated by the Shareholders Agreement or entered into or amended in connection with the Agreement Transactions, including, without limitation, any post-closing obligations of Sumitomo; the fairness of the Agreement Transactions to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of Sumitomo; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors, or employees of Sumitomo, KDDI, or the Target Company, or any class of such persons in connection with the Agreement Transactions, whether relative to the Tender Offer Price pursuant to the Shareholders Agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices that the common shares of Sumitomo or the common shares of the Target Company will trade at any time or as to the impact of the Agreement Transactions on the solvency or viability of Sumitomo, KDDI, NJ, or the Target Company or the ability of Sumitomo, KDDI, NJ, or the Target Company to pay their respective obligations when they come due. Goldman Sachs' advisory services and analyses in relation to the Tender Offer are provided solely for the information and assistance of

Sumitomo's board of directors in connection with its consideration of the Tender Offer Price. Goldman Sachs did not recommend any specific tender offer price to Sumitomo or its board of directors, or that any specific purchase price constituted the only appropriate purchase price for the Tender Offer. Goldman Sachs' analysis does not constitute a recommendation as to whether or not Sumitomo should cause NJ to make the Tender Offer.

Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports are not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or the Goldman Sachs Financial Analyses Reports or any summary set forth herein, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' financial analyses or the Goldman Sachs Financial Analyses Reports. Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed.

On the other hand, for the purpose of ensuring the fairness of the Tender Offer Price, in the process of determining the Tender Offer Price, KDDI requested J.P. Morgan as its financial advisor independent from KDDI, the Target Company, Sumitomo, and NJ to perform financial analyses of the Target Company's common shares, and received the J.P. Morgan Report. For the avoidance of doubt, the purchase price for the Share Options is not included in the scope of the J.P. Morgan Report. The Tender Offer Price as of October 24, 2012 of 110,000 yen in cash per common share of the Target Company was determined by KDDI, using as a reference the results of J.P. Morgan's financial analyses as of October 23, 2012, while also comprehensively taking into consideration the results of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers by entities other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company.

KDDI first prepared the business plans and financial forecasts for the Target Company and its subsidiaries and affiliated companies from the beginning of October 2012 to late October 2012, based on information presented to KDDI by the Target Company's management, while assessing the strategic rationale and potential gains for the proposed transactions in connection with the Tender Offer, and examining, with the Target Company's management, the past and current business operations, financial condition and future prospects of the Target Company.

In preparing the J.P. Morgan Report, J.P. Morgan conducted various financial analyses of the Target Company's common shares including an average market share price analysis, a comparable companies analysis, and a DCF analysis. The J.P. Morgan Report has been provided solely for the information and assistance of the board of directors of KDDI in connection with its consideration of the Tender Offer Price. J.P. Morgan has not recommended any specific purchase price to KDDI or its board of directors, nor has J.P. Morgan recommended that any specific purchase price constituted the only appropriate purchase price.

J.P. Morgan's financial analyses and the J.P. Morgan Report, which were presented to KDDI's board of directors on October 23, 2012, present the following financial analysis ranges of the value per common share of Target Company:

(A) Average Market Share Price Analysis: 78,961 yen to 82,700 yen

In performing the average market share price analysis based on publicly available information, J.P. Morgan used October 19, 2012 as the base date, and reviewed the closing price of Target Company common shares on the base date (82,700 yen) and average prices over the one-month (79,824 yen), three-month (78,961 yen), and six-month (81,028 yen) periods ending on the base date.

(B) Comparable Companies Analysis: 70,381 yen to 107,282 yen

In performing the comparable companies analysis, J.P. Morgan used October 19, 2012, as the base date and evaluated the share value by selecting listed companies that, while not totally comparable to the Target Company, are engaged in businesses that for purposes of analysis may be considered similar to the Target Company, based on the comparison of financial indicators such as market share price, growth rate, and profitability.

(C) DCF Analysis: 95,724 yen to 129,305 yen

J.P. Morgan performed the DCF analysis based on relevant factors such as the business plans and financial forecasts, approved for J.P. Morgan's use by KDDI, the profit and capital expenditure forecast in the Target Company's business plan, the results of the interview with the Target Company's management and due diligence, and other publicly available information. In performing the DCF analysis, J.P. Morgan evaluated the share value by discounting the free cash flows that the Target Company is expected to generate in the future by a range of discount rates to arrive at a range of present values. No significant increase or decrease in profit is expected in the business plans and financial forecasts, on which the DCF analysis was based.

Based on the foregoing, KDDI, using as a reference the results of the financial analyses of the Target Company's common shares conducted by J.P. Morgan as of October 23, 2012, while also comprehensively taking into consideration the results of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the prospect of a well-subscribed tender offer, together with examples of premiums implied in precedent tender offers by entities other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company, determined the purchase price for the Tender Offer to be 110,000 yen in cash per common share at KDDI's board of directors meeting held on October 24, 2012, and announced that decision in the Press Release dated October 24, 2012.

On this occasion, KDDI had been provided with the October JPM Fairness Opinion, which, on the basis of and subject to certain assumptions, stated that the Tender Offer Price of 110,000 yen per common share of the Target Company was fair to KDDI from a financial point of view.

Since the announcement of the Tender Offer in the Press Release dated October 24, 2012, KDDI, together with Sumitomo, had been proceeding with the preparations necessary to commence the Tender Offer in accordance with the Shareholders Agreement and communicated to the Target Company in early January 2013 that, in light of the progress of the necessary procedures and responses in accordance with domestic and foreign competition laws, Sumitomo and KDDI wished to commence the Tender Offer in early February, 2013 at the earliest. However, in late January 2013, KDDI and Sumitomo received a request by the Target Company to resume consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, based on certain increases in the share price of comparable companies and the stock market in general after October 24, 2012, as well as requests by certain shareholders of the Target Company to increase the Tender Offer Price. Accordingly, KDDI, together with Sumitomo, accepted the Target Company's request and resumed consultations and negotiations. As a result of these consultations and negotiations, KDDI, taking into consideration the market trend of the transactions of the Target Company's common shares after October 24, 2012, the prospect of a well-subscribed tender offer, and examples of premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, taken together, decided to raise the purchase price for the Tender Offer to 123,000 yen at KDDI's board of directors meeting held on February 26, 2013, from 110,000 yen per common share, which had been published in the Press Release dated October 24, 2012, in order to obtain the Target Company's recommendation that its shareholders tender their shares in the Tender Offer. Furthermore, in re-determining the Tender Offer Price, KDDI has re-obtained the February JPM Fairness Opinion, which, on the basis of and subject to certain assumptions, states that the Tender Offer Price is fair to KDDI from a financial point of view.

For the avoidance of doubt, J.P. Morgan does not constitute a related party of KDDI, the Target Company, Sumitomo, or NJ, nor does it have any interests that should be disclosed in connection with the Tender Offer. Moreover, while NJ is planning to conduct a tender offer for the Share Options pursuant to the Shareholder Agreement, the fairness of the purchase price for the Share Options is not included in the scope of the JPM Fairness Opinions.

For supplemental explanation of the assumptions made, matters considered and limitations on the review undertaken in connection with the JPM Fairness Opinions and evaluation of the Target Company's share value underlying the opinion, please refer to the following (Note).

(Note) In stating the opinion contained in the fairness opinion and conducting the financial analyses underlying the opinion, J.P. Morgan has relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to, or discussed with, J.P. Morgan by KDDI and the Target Company or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan has not independently verified (nor has J.P. Morgan assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. J.P. Morgan has not conducted or been provided with any valuation or appraisal of any assets or liabilities of KDDI or the Target Company, nor has J.P. Morgan evaluated the solvency of KDDI or the Target Company under any laws relating to bankruptcy, insolvency, or similar matters. In relying on financial analyses and forecasts (including the synergies) provided to J.P. Morgan, J.P. Morgan has assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future

results of operations and financial condition of KDDI and the Target Company to which such analyses or forecasts relate. J.P. Morgan expresses no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based. J.P. Morgan has also assumed that the Tender Offer and the other transactions contemplated by the Shareholders Agreement will have the tax consequences described in materials furnished to J.P. Morgan by KDDI, and will be consummated as described in the Shareholders Agreement, and that the definitive version of any document related to the Shareholders Agreement will not differ in any material respects from the draft thereof furnished to J.P. Morgan. J.P. Morgan has also assumed that the representations and warranties made by KDDI and Sumitomo in the Shareholders Agreement and the related agreements are and will be true and accurate in all respects material to J.P. Morgan's analysis. J.P. Morgan has further assumed that there is no possibility that KDDI is subject to indemnity liability as provided in the Shareholders Agreement and the related agreements that is material for J.P. Morgan's analysis.

J.P. Morgan is not a legal, regulatory, or tax expert and has relied on the assessments made by advisors to KDDI with respect to such issues. J.P. Morgan has further assumed that all material governmental, regulatory, or other consents and approvals necessary for the consummation of the Tender Offer will be obtained without any adverse effect on the KDDI or the Target Company or on the contemplated benefits of the Tender Offer.

J.P. Morgan's opinion is necessarily based on economic, market, and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date hereof. It should be understood that subsequent developments may affect the content of this opinion and that J.P. Morgan does not have any obligation to update, revise, or reaffirm its opinion. J.P. Morgan's opinion is limited to the fairness, from a financial point of view, of the Tender Offer Price to KDDI and NJ, and J.P. Morgan expresses no opinion as to the underlying decision by KDDI to engage in the Tender Offer. Furthermore, J.P. Morgan expresses no opinion with respect to the amount or nature of any compensation paid by KDDI to any officers, directors, or employees of any party to the Tender Offer, or with respect to the fairness of any such compensation.

J.P. Morgan has acted as financial advisor to KDDI with respect to the Tender Offer and will receive a fee from KDDI for J.P. Morgan's services, a substantial portion of which will become payable only if the Tender Offer is consummated. In addition, KDDI has agreed to indemnify J.P. Morgan for certain liabilities arising out of J.P. Morgan's engagement. Please be advised that during the two years preceding the submission date of the fairness opinion, neither J.P. Morgan nor its affiliates have had any other material financial advisory or other material commercial or investment banking relationships with KDDI or the Target Company other than the financial advisory services with respect to the Tender Offer. During the two years preceding the submission date of the fairness opinion, J.P. Morgan and its affiliates have had commercial or investment banking relationships with Sumitomo, for which J.P. Morgan and its affiliates have received customary compensation. In the ordinary course of J.P. Morgan's businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of KDDI, the Target Company, or Sumitomo for J.P. Morgan's own account or

for the accounts of customers and, accordingly, J.P. Morgan may at any time hold long or short positions in such securities.

Due to the news report on October 20, 2012, about the Tender Offer, the share price of the Target Company is considered to have appreciated in a manner that substantially incorporates the occurrence of the Tender Offer. The Tender Offer Price of 123,000 yen in cash per common share represents a premium of approximately 48.7% (rounded off to one decimal place; hereinafter the same) on 82,700 yen, the closing price of the regular trading of the Target Company's common shares on the JASDAQ Market on October 19, 2012 (the business day immediately prior to the business day which was affected by the news report); a premium of approximately 54.1% on 79,824 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last one (1) month ending October 19, 2012 (from September 20, 2012, to October 19, 2012); a premium of approximately 55.8% on 78,961 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last three (3) months ending October 19, 2012 (from July 20, 2012, to October 19, 2012); and a premium of approximately 51.8% on 81,028 yen, the simple average of closing prices of the regular trading of the Target Company's common shares for the last six (6) months ending October 19, 2012 (from April 20, 2012, to October 19, 2012). Moreover, the Tender Offer Price represents an addition of premium of approximately 10.8% on 111,000 yen, the closing price on February 26, 2013, the business day immediately prior to the filing date of this statement.

(ii) Establishment of Independent Third-Party Committee by the Target Company

According to the Target Company, in order to avoid arbitrariness and conflicts of interest and to ensure fairness, transparency and objectivity in the Target Company's decision-making process regarding the Transaction including the Tender Offer, the Target Company held a board of directors meeting on October 9, 2012 and the board of directors resolved the following matters:

- (A) to establish a third-party committee consisting of attorneys, certified public accountants, and other members with expertise who are highly independent of the Target Company, Sumitomo, and KDDI;
- (B) to request to the third-party committee the Delegated Matters; and
- (C) on condition that the number of members of the third-party committee should be three and the members are to be appointed from among attorneys, certified public accountants, and other persons with expertise who are also highly independent from the Target Company, Sumitomo, and KDDI, to entrust the appointment of the members of the third-party committee to Mr. Tomoya Aoki, Mr. Mineo Fukuda, and Mr. Toru Kato, three of the five present directors of the Company (the remaining two present directors being Mr. Ryosuke Yamazoe and Mr. Yoshiki Nakai, who had been officers/employees of Sumitomo or KDDI until relatively recently (until March or June 2011), and the absent directors being Mr. Yoshio Osawa, Mr. Hirofumi Morozumi, Mr. Makoto Takahashi, Mr. Daisuke Mikogami, Mr. Shuichi Mori, and Mr. Shunsuke Oyama).

Pursuant to those resolutions, Mr. Aoki, Mr. Fukuda, and Mr. Kato established the third-party committee by unanimously appointing, as the members thereof, Mr. Shiro Kuniya, an attorney at Oh-Ebashi LPC & Partners, Mr. Nobumichi

Hattori, a visiting professor of Graduate School of Finance, Accounting and Law of Waseda University, and Mr. Toru Mio, a representative director of Mio & Company Inc. and Oct Advisors Inc., concurrently, from among attorneys, certified public accountants, and several other candidates for the committee members with expertise who were highly independent from the target Company, Sumitomo, and KDDI.

After the Target Company received the proposal dated October 15, 2012 as described above, five meetings of the Phase-One Third-Party Committee were held in total between October 15, 2012 and October 23, 2012 in which the Delegated Matters were discussed and examined. For the discussion and examination by the Phase-One Third-Party Committee, information regarding the Transaction was collected through the following ways: (A) the Target Company was asked to explain its business plan and the impact of the Transaction on the corporate value of the Target Company along with other subjects, and question-and-answer sessions about these matters were conducted; (B) Mitsubishi UFJ Morgan Stanley Securities was asked to explain the result of the share price valuation, and question-and-answer sessions about it were conducted; (C) questionnaires were sent to Sumitomo and KDDI on three occasions, and Sumitomo and KDDI answered them; (D) the Target Company and Mitsubishi UFJ Morgan Stanley Securities reported the status of the negotiation regarding the tender offer price with Sumitomo and KDDI, and question-and-answer sessions about it were conducted; (E) the decision-making process of the Target Company and certain other matters regarding the Transactions were explained by Mori Hamada & Matsumoto, and question-and-answer sessions about these matters were conducted; and (F) in addition to the foregoing, relevant materials regarding the Transaction were submitted. At the meeting of the Phase-One Third-Party Committee, it was also explained by Mitsubishi UFJ Morgan Stanley Securities that, with respect to 2010 Tender Offer Price, the Initially Proposed Tender Offer Price would not be considered inappropriate due to the fact that the Initially Proposed Tender Offer Price was lower than the 2010 Tender Offer Price, because, (i) a considerable period of time has passed since February 2010, and (ii) the business environment surrounding, and the growth potential of, the domestic cable television industry, where the Target Company belongs, have changed since February 2010, due to continuous decreasing trend of ARPU (Average Revenue per User) owing to factors such as increased competition with fixed carriers, and the growth of alternative media distribution business using tablet PC and other media owing to the rapid expansion of high-speed mobile communication market.

In consideration of the above factors, the Phase-One Third-Party Committee discussed and examined the Delegated Matters, and as a result, at the meeting held on October 23, 2012, by unanimous resolution of all the members, the Phase-One Third-Party Committee reported to the Target Company's board of directors that (a) it is appropriate for the Target Company's board of directors to express an opinion in favor of the Tender Offer and to express an opinion to recommend that its shareholders and share option holders tender their shares or share options in the Tender Offer, and (b) that the Target Company's minority shareholders would not be disadvantaged if the Target Company's board of directors decides to express an opinion in favor of the Tender Offer and recommend the acceptance of the Tender Offer and decides to implement the procedures for the acquisition directly or indirectly by Sumitomo and KDDI of all of the issued shares of the Target Company after the Tender Offer. The Phase-One Third-Party Committee also submitted October Written Report to the Target Company's board of directors on the same day.

According to the October Written Report received from the Phase-One Third-Party Committee, the main factors that the Phase-One Third-Party Committee took into account in making its report as described above were as follows:

- (A) the Initially Proposed Tender Offer Price is considered to be appropriate in light of the calculation results in the October Share Price Valuation Report ; the Tender Offer Price was also considered to be appropriate in the October Fairness Opinion from a financial perspective for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors, and their related companies); the premium added to the market value of the Target Company's shares is in line with that added in the cases similar to the Transaction; there were several negotiations to increase the tender offer price between the Target Company and Sumitomo and KDDI; the purchase price for the Share Options calculated by deducting their exercise price from the Initially Proposed Tender Offer Price of the Target Company's common stock was found to be appropriate in light of the advices given by Mitsubishi UFJ Morgan Stanley Securities to the Target Company;
- (B) no particular problems are found with the Transaction or the Initially Proposed Tender Offer Price from the viewpoint of the impact of the Transaction on the corporate value of the Target Company such as synergies; and
- (C) the interests of the Target Company's minority shareholders have been taken into account through appropriate and fair procedures by taking the measures described in "3. (3) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest" (note) in the Target Company's Press Release dated February 26, 2013.

In addition, the third-party committee held its sixth meeting on January 18, 2013, and after that, nine meetings of the Phase-Two Third-Party Committee were held in total between then and February 25, 2013 in which the members mainly discussed and examined, among other things, whether the Target Company should be in favor of the Tender Offer and recommend the acceptance of the Tender Offer. For the discussion and examination by the Phase-Two Third-Party Committee, the Target Company, Mitsubishi UFJ Morgan Stanley Securities, and Mori Hamada & Matsumoto respectively gave explanations, and question-and-answer sessions were conducted, with respect to the following: (i) after October 24, 2012, whether there was any material change in the Target Company's business plan and other factors affecting the calculation of the Target Company's corporate value, (ii) the movement of the market value of comparable listed companies and movements in general stock market conditions after October 24, 2012, (iii) opinions of the Target Company's minority shareholders received after October 24, 2012 requesting that the Initially Proposed Tender Offer Price be raised for the Tender Offer, (iv) the content of the Share Price Valuation Reports and the Fairness Opinions, and (v) the status of price negotiations with Sumitomo and KDDI. The third-party committee also gathered information regarding the Transaction from the relevant materials submitted to the committee.

In consideration of the above factors, the Phase-Two Third-Party Committee discussed and examined whether the Target Company should be in favor of the Tender Offer and recommend the acceptance of the Tender Offer, and as a result, at

its meeting held on February 25, 2013, by an unanimous resolution of all the members, the Phase-Two Third-Party Committee reported to the Target Company's board of directors that (a) it is appropriate for the Target Company's board of directors to express an opinion in favor of the Tender Offer and to express an opinion to recommend that its shareholders and share option holders tender their shares or share options in the Tender Offer, and (b) the Target Company's minority shareholders would not be disadvantaged if the Target Company's board of directors decided to express an opinion in favor of the Tender Offer and recommend the acceptance of the Tender Offer and decided to implement the procedures for the direct or indirect acquisition by Sumitomo and KDDI of all of the issued shares of the Target Company after the Tender Offer. The Phase-Two Third-Party Committee also submitted the February Written Report to the Target Company's board of directors on the same day.

According to the February Written Report received from the Phase-Two Third-Party Committee, in addition to the analyses made in the October Written Report, the main factors that the Phase-Two Third-Party Committee took into account in making its report as described above were as follows:

- (A) according to the financial results of the fiscal year ended in December 2012 and other reports, no material change was found in the Target Company's business conditions after the October Written Report was submitted;
- (B) the Tender Offer Price is considered to be appropriate in light of the calculation results in the February Share Price Valuation Report; the Tender Offer Price was also considered to be appropriate in the February Fairness Opinion from a financial perspective for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors and their related companies); the valuation method adopted in the February Share Price Valuation Report has not changed from that of October Share Price Valuation Report in any substantial aspects and is considered to be consistent;
- (C) there were sincere negotiations to increase the Tender Offer Price between the Target Company and Sumitomo and KDDI, through which the Tender Offer Price was ultimately increased from the Initially Proposed Tender Offer Price by 13,000 yen (approximately 11.8% (rounded off to one decimal place; hereinafter the same));
- (D) while the general stock market conditions improved after October 24, 2012, the premium added in the Tender Offer Price is still considered to be in line with that of recent cases similar to the Transaction, taking into consideration, among other things, the movement of the market value of comparable listed companies and the fact that the Tender Offer Price was increased from the Initially Proposed Tender Offer Price by 13,000 yen (approximately 11.8%) ;
- (E) the Tender Offer Price would not be considered inappropriate due to the fact that the Tender Offer Price is lower than the 2010 Tender Offer Price, because (i) a considerable period of time has passed since February 2010, and (ii) the business environment surrounding, and the growth potential of, the domestic cable television industry, including the Target Company, have changed since February 2010, due to continuous decreasing trend of ARPU (Average Revenue per User) owing to factors such as increased competition with fixed carriers, and the growth of alternative media distribution business

using tablet PC and other media owing to the rapid expansion of high-speed mobile communication market;

- (F) the purchase price for the Share Options, which was calculated by deducting their exercise price from the Tender Offer Price, was found to be appropriate in light of the advices given by Mitsubishi UFJ Morgan Stanley Securities to the Target Company; and
- (G) the interests of the Target Company's minority shareholders are considered to have been taken into account through appropriate and fair procedures after announcement of the "Target Company's Press Release as of October, by taking the measures such as those described in "3. (3) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest" (note) in the Target Company's Press Release dated February 26, 2013.

Each member of the Target Company's third-party committee has expertise and is highly independent of the Target Company, Sumitomo and KDDI, and the Target Company has considered that each member of the third-party committee does not have any conflicts of interest with the Target Company's general shareholders in connection with the Transaction.

(Note) Almost the same effect is provided in "3. (3) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Price of Purchase, Etc. and Measures to Avoid Conflicts of Interest" in the Target Company's Press Release dated February 26, 2013.

- (iii) The Target Company's Acceptance of a Share Price Valuation Report and Fairness Opinion from a Third-Party Calculation Agent Independent of the Target Company, Sumitomo and the Tender Offerors

According to the Target Company, in assessing the price in the Tender Offer, the Target Company received the following documents from Mitsubishi UFJ Morgan Stanley Securities, a third-party calculation agent independent of the Target Company, Sumitomo and the Tender Offerors, in order to ensure the fairness of the assessment of the price.

For the avoidance of doubt, Mitsubishi UFJ Morgan Stanley Securities does not constitute a related party of the Target Company, nor does it have any material interests in the Tender Offer.

(A) October Share Price Valuation Report

The Target Company requested Mitsubishi UFJ Morgan Stanley Securities to evaluate the share value of the Target Company's common shares, and received the October Share Price Valuation Report on October 23, 2012. The results of the valuation of the Target Company's shares by Mitsubishi UFJ Morgan Stanley Securities are as follows:

Market Share Price Analysis:	78,961 yen to 82,700 yen per share
Comparable Companies Analysis:	61,125 yen to 89,420 yen per share
DCF Analysis:	97,473 yen to 123,014 yen per share

In the market share price analysis, Mitsubishi UFJ Morgan Stanley Securities used October 19, 2012 (the business day immediately before October 20, 2012, which was the day on which news reports were released speculating on the purchase of the Target Company's shares) as the base date and evaluated the value per common share of the Target Company with a range from 78,961 yen to 82,700 yen, based on the closing price on the base date (82,700 Yen), the average closing prices for the last one month (79,824 Yen), the average closing prices for the last three months (78,961 Yen), and the average closing prices for the last six months (81,028 Yen), of the common shares on the JASDAQ Market.

In the comparable companies analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 61,125 yen to 89,420 yen, through a comparison of the market share prices and the financial indicators representing profitability and the like of the Target Company and listed companies engaging in businesses that were relatively similar to the Target Company's businesses.

In the DCF analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 97,473 yen to 123,014 yen, by discounting the cash flow that the Target Company is expected to generate in the future by certain discount rates, based on the Target Company's business plan, interviews with the Target Company's management, trends in the Target Company's operating results to date, and future profit forecasts of the Target Company. In addition, no significant increase or decrease in profit is expected in the business plan and the financial forecasts on which the DCF analysis was based.

(B) October Fairness Opinion

The Target Company received October Fairness Opinion on October 23, 2012 that states that the Initially Proposed Tender Offer Price is fair for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial point of view. Moreover, as for the Share Options, although the Target Company has received no valuation report or fairness opinion from a third-party calculation agent, the Target Company has been advised on the purchase price of the Share Options by Mitsubishi UFJ Morgan Stanley Securities.

(C) February Share Price Valuation Report

Because four months or more have passed from the base date of the October Share Price Valuation Report, the Target Company again requested Mitsubishi UFJ Morgan Stanley Securities to evaluate the share value of the Target Company's common shares, and received the February Share Price Valuation Report on February 25, 2013. The results of the valuation of the Target Company's shares by Mitsubishi UFJ Morgan Stanley Securities are as follows:

Market Share Price Analysis:	78,961 yen to 82,700 yen per share
Comparable Companies Analysis:	64,322 yen to 96,185 yen per share
DCF Analysis:	97,281 yen to 122,711 yen per share

In the market share price analysis, Mitsubishi UFJ Morgan Stanley Securities used October 19, 2012 (the business day immediately before October 20, 2012, which was the day on which news reports were released speculating on the purchase of the Target Company's shares) as the base date and evaluated the value per common share of the Target Company with a range from 78,961 yen to 82,700 yen, based on the closing price on the base date (82,700 Yen), the average closing prices for the last one month (79,824 Yen), the average closing prices for the last three months (78,961 Yen), and the average closing prices for the last six months (81,028 Yen), of the common shares on the JASDAQ Market.

In the comparable companies analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 64,322 yen to 96,185 yen, through a comparison of the market share prices and the financial indicators representing profitability and the like of the Target Company and listed companies engaging in businesses that were relatively similar to the Target Company's businesses.

In the DCF analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Target Company with a range from 97,281 yen to 122,711 yen, by discounting the cash flow that the Target Company is expected to generate in the future by certain discount rates, based on the Target Company's business plan, interviews with the Target Company's management, trends in the Target Company's operating results to date, and future profit forecasts of the Target Company. In addition, no significant increase or decrease in profit is expected in the business plan and the financial forecasts on which the DCF analysis was based.

The methods of valuation adopted in the February Share Price Valuation Report were the same valuation methods as adopted in October Share Price Valuation Report. However, on account of the difference in the reference dates, there are slight differences in the results of the comparable companies analysis in the two reports.

Also, with regards to the DCF analysis, there are slight differences in the results of the two reports, since the February Share Price Valuation Report took in to account the announcement of the Target Company's actual financial results for the fiscal year ended December 2012 and the new budget for the fiscal year ending December 2013 (however, there is no substantial change in the figures from those of the Target Company's business plan which was used as the basis for the DCF analysis in the October Share Price Valuation Report).

(D) February Fairness Opinion

Because four months or more have passed from the base date of the October Fairness Opinion, the Target Company has again received a written opinion from Mitsubishi UFJ Morgan Stanley Securities (the February Fairness Opinion) on February 25, 2013 that states that the Tender Offer Price is fair for the Target Company's shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial point of view. Moreover, as for the Share Options, although the Target Company has received no valuation report or fairness opinion from a third-party calculation agent, the Target Company has been advised on the purchase price of the Share Options by Mitsubishi UFJ Morgan Stanley Securities.

(Note)

According to the Target Company, in relation to the Valuation Report, Etc. described in (A) through (D) above, the Target Company has received, from Mitsubishi UFJ Morgan Stanley Securities, a supplemental explanation regarding the disclosure and disclaimers of Valuation Report, Etc. that were prepared and submitted by Mitsubishi UFJ Morgan Stanley Securities at the Target Company's request. For the details, please refer to the following:

In submitting the Valuation Report, Etc. and stating the opinion contained in the Fairness Opinion and conducting the analyses and calculation of the share value of the Target Company's common shares underlying the opinion, Mitsubishi UFJ Morgan Stanley Securities has relied upon the assumptions that all information that was furnished by, or discussed with, the Target Company, all other information that was reviewed by or on behalf of Mitsubishi UFJ Morgan Stanley Securities, and all publicly available information was accurate and complete and that there is no fact that could materially affect the analyses and calculation of the share value of the Target Company's common shares, and Mitsubishi UFJ Morgan Stanley Securities has not independently verified (nor has Mitsubishi UFJ Morgan Stanley Securities assumed responsibility or liability for independently verifying) any such information.

Moreover, Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed, nor has it been provided with any valuation or appraisal of, the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Company and its related companies. In addition, Mitsubishi UFJ Morgan Stanley Securities assumes that the information regarding the Target Company's businesses, operation, financial conditions, prospects, and synergies was reasonably prepared by the Target Company's management based on their best estimate and judgment available at the time. Furthermore, Mitsubishi UFJ Morgan Stanley Securities expresses no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based.

The Valuation Report, Etc. and analyses by Mitsubishi UFJ Morgan Stanley Securities have been provided solely for the information of the Target Company's board of directors and they are prepared solely for the use by the Target Company's board of directors in connection with its examination of the Transaction. They therefore must not be relied upon or used by any other person for any other purpose. Mitsubishi UFJ Morgan Stanley Securities expresses no opinion or recommendation to the Target Company's shareholders regarding whether or not to accept the Tender Offer.

The Valuation Report, Etc. and analyses by Mitsubishi UFJ Morgan Stanley Securities are based on financial, economic, currency exchange, market, and other conditions and trends as of the date of the Valuation Report, Etc., and on the information available to Mitsubishi UFJ Morgan Stanley Securities as of that date. It should be understood that developments after the base date may affect the content of the analyses, that there are factors the impact of which cannot be measured as of that date, and that Mitsubishi UFJ Morgan Stanley Securities does not have any obligation to update, revise, or reaffirm its opinion.

Mitsubishi UFJ Morgan Stanley Securities will receive a fee from the Target Company for Mitsubishi UFJ Morgan Stanley Securities' services, a substantial portion of which will become payable only if the Tender Offer is consummated.

Mitsubishi UFJ Morgan Stanley Securities or its related companies have provided services as financial advisors or financial services to the Target Company, Sumitomo and KDDI, and their related companies for a period of two years prior to February 25, 2013. Mitsubishi UFJ Morgan Stanley Securities or its related companies received a fee in exchange for those services. In addition, Mitsubishi UFJ Morgan Stanley Securities or its related companies may provide those services to the Target Company, Sumitomo and KDDI, and their related companies in the future and may receive a fee in exchange for those services in the future.

(iv) Advice from Law Firm Independent of Sumitomo and the Tender Offerors

According to the Target Company, the Target Company has received advice on the legality of procedures regarding the Tender Offer and the method and fairness of the decision-making process of the Target Company's board of directors meeting from Mori Hamada & Matsumoto, the Target Company's legal advisor independent of Sumitomo and the Tender Offerors, and the Target Company has carefully examined the terms on which the Target Company accepts the Transaction proposed by Sumitomo and KDDI, the specific terms and procedures for the Tender Offer, various other terms such as the time of the Tender Offer's implementation, and matters concerning further negotiation of the price in the Tender Offer with Sumitomo and KDDI such as the necessity and methods thereof.

(v) Approval of All Directors and Consent of All Company Auditors Without Interests

According to the Target Company, based on, among other things, the explanation of the Transaction from Sumitomo and KDDI, advice received from Mitsubishi UFJ Morgan Stanley Securities including the Share Price Valuation Reports and the Fairness Opinions, legal advice from Mori Hamada & Matsumoto, and the content of the reports of the third-party committee, the Target Company has carefully discussed and deliberated the various terms regarding the Transaction including the Tender Offer. As a result of such discussion and deliberation, the Target Company resolved to conduct the Expression of Endorsement at the board of directors meeting held on February 26, 2013.

In addition, the Target Company resolved the October Expression of Endorsement at the board of directors meeting held on October 24, 2012 as described above in "(a) Course of events up to October 24, 2012" in "(2) Background to, and Purpose of, the Tender Offer; Decision-Making Process to Conduct the Tender Offer; and Management Policy, etc. after the Tender Offer" in "3. Purpose of the Purchase, etc." of "I. Overview of the Tender Offer".

The Target Company has taken the following measures to avoid conflicts of interest between the directors and shareholders at the meetings of the board of directors regarding the Transaction including the above board of directors meetings to ensure that the resolutions have been appropriate and fair.

Out of eleven directors of the Target Company, three (Mr. Yoshio Osawa,

Mr. Hirofumi Morozumi, and Mr. Makoto Takahashi, who concurrently serve as representative directors of Sumitomo or KDDI) did not attend, nor were counted in the quorum of, any board of directors meeting regarding the Transaction as they are considered persons with special interests in the resolution of the board of directors meeting regarding the Transaction. None of the three directors above participated in the examination of the Transaction or the discussions or negotiations with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company. Also, Mr. Daisuke Mikogami, a director who concurrently serves as an officer/employee of Sumitomo, and Mr. Shuichi Mori and Mr. Shunsuke Oyama, both representative directors who were officers/employees of Sumitomo or KDDI until relatively recently (until March 2011), did not attend any board of directors meeting regarding the Transaction, nor did they participate in the examination of the Transaction or the discussions or negotiations with Sumitomo and KDDI regarding the Transactions on behalf of the Target Company, given the possibility of a conflict of interest.

Out of the five other directors, Mr. Ryosuke Yamazoe and Mr. Yoshiki Nakai, both directors who were officers/employees of Sumitomo or KDDI until relatively recently (until March or June 2011), attended board of directors meetings relating to the Transaction from the viewpoint of ensuring that the quorum for the board of directors meetings were met. However, from the viewpoint of maintaining the fairness of the resolutions, they did not speak at board of directors meetings regarding the Transaction, nor did they participate in any examination of the Transaction or the discussions or negotiations with Sumitomo and KDDI regarding the Transaction on behalf of the Target Company, except for their attendance at board of directors meetings in which they abstained from voting on the resolutions. Both of the above resolutions have been adopted by the unanimous vote of all directors present except for the above directors.

Two company auditors—namely, Mr. Kunio Fujimoto, a full-time company auditor, and Mr. Katsuyuki Yamaguchi, a company auditor—who were present at the relevant board of directors meetings have stated opinions to the effect that they do not object to the above resolutions.

Out of four company auditors of the Target Company, Mr. Toshifumi Shibuya and Mr. Kenichiro Takagi, who both concurrently serve as officers/employees of Sumitomo or KDDI, have not attended any board of directors meeting regarding the Transaction from the viewpoint of maintaining the fairness and neutrality of the resolutions. Mr. Katsuyuki Yamaguchi, a company auditor, is an attorney who belongs to Nishimura & Asahi, a legal advisor of KDDI for the Transaction. However, according to Mr. Yamaguchi, fire wall measures to block any flow of information between himself and the attorneys who are engaged in this matter at Nishimura & Asahi have been implemented.

The Target Company decided at the board of directors meeting held on February 26, 2013 to comprehensively approve the Share Option holders' transferring their Share Options to the Tender Offerors by tendering them in the Tender Offer.

Further, the Target Company decided at the board of directors meeting held on February 26, 2013 not to declare interim dividend for the record date of June 30, 2013 in respect of the fiscal year ending December 2013, on the condition that the Tender Offer is completed.

(vi) Securing Objective Circumstances that Ensure Appropriateness of Price and Fairness of the Tender Offer

While the shortest Tender Offer Period permitted under the laws and regulations is twenty (20) business days, the Tender Offeror Period in the Tender Offer is thirty (30) business days.

By having a comparatively long-term Tender Offer Period, it is intended that while ensuring the opportunity for an appropriate decision to be made on the tender to the Tender Offer by the shareholders, opportunities for persons other than the Tender Offerors to purchase, etc. are ensured, and appropriateness of the purchase price is thereby ensured.

In addition, the Tender Offerors, Sumitomo and the Target Company do not have any agreement which may restrict communications, etc. between the persons proposing the competing purchase and the Target Company such as an agreement including the provisions for the protection of the transactions which may prohibit communications between the Target Company and persons proposing the competing purchase. In addition to the establishment of the Tender Offer Period above, ensuring opportunities for competing purchase is intended to ensure the fairness of the Tender Offer.

As described in “(1) Outline of the Tender Offer” of “3. Purpose of the Purchase, etc.” in “I. Overview of the Tender Offer”, as of the filing date of this statement KDDI already owns 30.71% (2,133,797 shares) of the total issued common shares of the Target Company and Sumitomo already owns 39.98% (2,777,912 shares) of the total issued common shares of the Target Company. Due to these shareholdings, the Tender Offerors have not set a minimum number of shares to be purchased, the so-called “Majority of Minority,” because the Tender Offerors believe that ensuring an opportunity for all shareholders to sell their shares without setting such a minimum number would be appropriate, given that there may be investors who would not tender at the stage of the Tender Offer regardless of the Tender Offer Price, and thus, should such a minimum number be set, there is a possibility that the Tender Offer could be unsuccessful due to the behavior of a few investors, making the transaction uncertain, and restricting investors’ options rather than widening them. Even without setting such a minimum number, the Tender Offerors believe that they have given sufficient consideration to the interests of minority shareholders through the measures set forth in items (i) through (vi) above, which are meant to secure the fairness of the Tender Offer.

V Status of the Target Company

1 Status of Profits and Losses and Related Matters for the Last Three (3) Years

(1) Status of Profits and Losses

Fiscal year	-	-	-
Sales	-	-	-
Cost of sales	-	-	-
Selling, general and administrative expenses	-	-	-
Non-operating revenues	-	-	-
Non-operating	-	-	-

expenses			
Net profit (Net loss) for the period	-	-	-

(2) Status per share

Fiscal Year	-	-	-
Net profit or loss per share	-	-	-
Amount of dividends per share	-	-	-
Amount of net assets per share	-	-	-

2 Status of stock prices

Name of financial instruments exchange or financial instruments dealers association	JASDAQ Standard Market of Osaka Securities Exchange Co., Ltd.						
Month	August 2012	September 2012	October 2012	November 2012	December 2012	January 2013	February 2013
Highest stock price (yen)	82,000	80,200	112,700	108,500	108,800	109,500	111,100
Lowest stock price (yen)	76,100	76,500	78,600	107,300	107,300	108,000	109,200

(Note) Figures for February, 2013 are based on share values through February 26, 2013.

3 Status of Shareholders

(1) Status of Shareholders according to Category of Shareholders

as of [MM][DD][YYYY]

Category	Status of shares (number of shares per unit: [xx] shares)								Status of shares falling short of one (1) unit (shares)
	Government and local government	Financial institutions	Financial instruments business operators	Other juridical person	Foreign juridical persons, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders (person)	-	-	-	-	-	-	-	-	-
Number of shares held (unit)	-	-	-	-	-	-	-	-	-
Percentage of number of shares held (%)	-	-	-	-	-	-	-	-	-

(2) Number of shares held by major shareholders and officers

(i) Major shareholders

as of [MM][DD][YYYY]

Name	Address or location	Number of shares	Percentage of
------	---------------------	------------------	---------------

		held (in shares)	number of shares held to the total number of issued shares (%)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total	-	-	-

(ii) Officers

as of [MM][DD][YYYY]

Name	Official title	Job title	Number of shares held (in shares)	Percentage of number of shares held to the total number of issued shares (%)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total	-	-	-	-

4. Matters regarding the Target Company, which is a Company that Files the Ongoing Disclosure Documents

(1) Documents Filed by the Target Company

(i) Securities Report and the Attached Documents

Filed with the Director General of the Kanto Finance Bureau on March 23, 2011 for the 17th fiscal year (from January 1, 2010 to December 31, 2010)

Filed with the Director General of the Kanto Finance Bureau on March 28, 2012 for the 18th fiscal year (from January 1, 2011 to December 31, 2011)

To be filed with the Director General of the Kanto Finance Bureau on March 27, 2013 for the 19th fiscal year (from January 1, 2012 to December 31, 2012)

(ii) Quarterly Report or Semiannual Report

Filed with the Director General of the Kanto Finance Bureau on November 7, 2012 for the third quarter of the 19th fiscal year (from July 1, 2012 to September 30, 2012)

(iii) Extraordinary Report

Not applicable.

(iv) Amendment Report

Not applicable.

(2) Places where the Aforementioned Documents are Made Available for Inspection

Jupiter Telecommunications Co., Ltd.
(8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo)

Osaka Securities Exchange Co., Ltd.
(8-16, Kitahama 1-chome, Chuo-ku, Osaka)

5 Others

According to the Target Company, the Target Company decided at the board of directors meeting held on February 26, 2013 not to declare interim dividend for the record date of June 30, 2013 in respect of the fiscal year ending December 2013, on the condition that the Tender Offer is completed. For more details, please refer to “NOTICE CONCERNING INTERIM DIVIDEND FOR THE FISCAL YEAR ENDING DECEMBER 2013”, announced by the Target Company on February 26, 2013.