

To whom it may concern

Company Name	Jupiter Telecommunications Co., Ltd.
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**NOTICE OF COMPANY'S OPINION ON JOINT TENDER OFFER FOR SHARE CERTIFICATES ETC.  
OF THE COMPANY BY KDDI CORPORATION AND NJ CORPORATION**

Jupiter Telecommunications Co., Ltd. (the "Company") has resolved at its board of directors meeting held on February 26, 2013, to express an opinion in favor of the tender offer (the "Tender Offer") for all of the Company's issued common shares and stock acquisition rights to be conducted by KDDI CORPORATION ("KDDI") and NJ Corporation ("NJ"; KDDI and NJ collectively, the "Tender Offerors") the voting rights of which are owned in equal number by Sumitomo Corporation ("Sumitomo") and KDDI, and to recommend that the shareholders and stock acquisition right holders of the Company accept the Tender Offer.

According to Sumitomo and Tender Offerors' joint statement released today titled "Notice on Commencement of Joint Tender Offer for Share Certificates, etc. of Jupiter Telecommunications Co., Ltd. by KDDI Corporation and NJ Corporation (Notice on the Increase in the Tender Offer Price Announced on October 24, 2012)" (the "Tender Offer Press Release"), Sumitomo, KDDI and NJ, or Sumitomo and KDDI plan to conduct the Tender Offer with the aim of acquiring all of the issued shares of the Company after executing the Tender Offer and a series of proposed procedures (collectively, the "Transaction") as stated in "3.(4) Policy on Reorganization, etc. after the Tender Offer (Matters related to the So-Called Two Step Acquisition)" below, and Sumitomo and Tender Offerors plan to delist the Company's common shares as a result of the Transaction.

The resolution of the Company's board of directors described above has been passed based on these bases.

(Note)

In connection with the Tender Offer, Sumitomo and KDDI released a statement titled "Notice on Tender Offer for Share Certificates etc. of Jupiter Telecommunications Co., Ltd." as of October 24, 2012 (the "Tender Offerors' October Press Release"), and the Company released a statement titled "Notice of Company's Opinion on Tender Offer for Share Certificates Etc. of the Company by Sumitomo Corporation and KDDI Corporation" as of October 24, 2012 (the "Company's October Press Release"). According to the Tender Offerors' October Press Release the tender offer price was intended to be 110,000 yen per common share of the Company, however, as described in "3.(2)(C) Decision-Making Process and Reasons for Decision to Support Tender Offer" below, the tender offer price was raised thereafter, and the Tender Offer will be conducted at the tender offer price of 123,000 yen per common share of the Company.

1. Outline of the Tender Offerors (as of February 26, 2013, unless otherwise noted)

(1)	Name	KDDI Corporation	
(2)	Location	2-3-2, Nishishinjuku, Shinjuku-ku, Tokyo	
(3)	Name and Title of Representative	Takashi Tanaka, President and Representative Director	
(4)	Description of Business	Telecommunications business	
(5)	Amount of Stated Capital	141,851 million yen (as of December 31, 2012)	
(6)	Date of Establishment	June 1, 1984	
(7)	Major Shareholders and Shareholding Ratios (as of December 31, 2012)	KYOCERA Corporation	12.76%
		Toyota Motor Corporation	11.09%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	4.80%
		Japan Trustee Services Bank, Ltd. (Trust Account)	4.43%
		State Street Bank and Trust Company	3.75%
		(Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited)	

		Tokyo Branch) State Street Bank and Trust Company 505223 (Standing proxy: Mizuho Corporate Bank, Ltd., Settlement Business Department) Mellon Bank, N.A. As Agent For Its Client Mellon Omnibus U.S. Pension (Standing proxy: Mizuho Corporate Bank, Ltd., Settlement Business Department)  Japan Post Mutual Aid Association Japan Trustee Services Bank, Ltd. (Trust Account 4) Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.26%      0.96% 0.86% 0.80%
(8)	Relationship between the Company and the Tender Offerors		
	Capital Relationship	KDDI directly or indirectly owns 30.71% (2,133,797 shares) of the total issued common shares of the Company (as of December 31, 2012: 6,947,813 shares).	
	Personnel Relationship	KDDI dispatches Mr. Hirofumi Morozumi and Mr. Makoto Takahashi to the Company as part-time directors, and Mr. Kenichiro Takagi as an outside company auditor. All three are officers/employees of KDDI. KDDI also seconds employees to the Company.	
	Business Relationship	KDDI provides the Company services (such as telephone switching functions and interconnections) necessary for the Company to provide fixed-line services to its customers as wholesale telecommunications services. KDDI also provides the Company upper lines necessary for the Company's customers to connect to the Internet.	
	Status as Related Party	The Company is KDDI's affiliate accounted for under the equity method, so it is a related party of KDDI.	

(1)	Name	NJ Corporation.	
(2)	Location	3-10-10, Iidabashi, Chiyoda-ku, Tokyo	
(3)	Name and Title of Representative	Koichi Kawakami, President and Representative Director	
(4)	Description of Business	To acquire and hold the shares of the Company	
(5)	Amount of Stated Capital	355 million yen	
(6)	Date of Establishment	January 7, 2013	
(7)	Major Shareholders and Shareholding Ratios	Sumitomo Corporation	50.00%
		KDDI Corporation	50.00%
(8)	Relationship between the Company and the Tender Offerors		
	Capital Relationship	Not applicable.	
	Personnel Relationship	Not applicable.	
	Business Relationship	Not applicable.	
	Status as Related Party	Not applicable.	

## 2. Types of Share Certificates, Etc. to be Purchased by the Tender Offerors

### (1) Common shares

### (2) Stock acquisition rights

- (i) Stock acquisition rights issued pursuant to the resolution of the general shareholders' meeting of the Company held on March 28, 2006
- (ii) Stock acquisition rights issued pursuant to the resolution of the board of directors meeting of the Company held on April 27, 2007
- (iii) Stock acquisition rights (mid-term incentive) issued pursuant to the resolution of the board of directors meeting of the Company held on July 29, 2008
- (iv) Stock acquisition rights (mid-term incentive) issued pursuant to the resolution of the board of directors meeting of the Company held on April 23, 2009
- (v) Stock acquisition rights (long-term incentive) issued pursuant to the resolution of the board of directors meeting of the Company held on March 25, 2009
- (vi) Stock acquisition rights (mid-term incentive) issued pursuant to the resolution of the board of

- directors meeting of the Company held on February 25, 2010
  - (vii) Stock acquisition rights (long-term incentive) issued pursuant to the resolution of the board of directors meeting of the Company held on February 25, 2010
  - (viii) Stock acquisition rights (mid-term incentive) issued pursuant to the resolution of the board of directors meeting of the Company held on February 24, 2011
  - (ix) Stock acquisition rights (long-term incentive) issued pursuant to the resolution of the board of directors meeting of the Company held on February 24, 2011
  - (x) Stock acquisition rights (mid-term incentive) issued pursuant to the resolution of the board of directors meeting of the Company held on February 29, 2012
  - (xi) Stock acquisition rights (long-term incentive) issued pursuant to the resolution of the board of directors meeting of the Company held on February 29, 2012
- (The stock acquisition rights described in (i) through (xi) above are hereinafter collectively referred to as the “Stock Acquisition Rights.”)

3. Details and Basis of, and Reasons for, the Opinion on the Tender Offer

(1) Details of the Opinion

The Company resolved at its board of directors meeting held today, on the basis and for the reasons stated in “(2) *Basis of, and Reasons for, the Opinion*” below, that the Company expresses its opinion in favor of the Tender Offer and recommends that the shareholders and stock acquisition right holders of the 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 “3(D) *Approval of All Directors and Consent of All Company Auditors Without Interests*” below.

(2) Basis of, and Reasons for, the Opinion

(A) Outline of the Tender Offer

The Company received the following explanation of the outline of the Tender Offer from Sumitomo and KDDI.

As of today, KDDI owns 30.71% (2,133,797 shares) of the total issued common shares of the Company (based on the total issued shares (6,947,813 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 Company; hereinafter the same), and the Company is an equity-method affiliated company of KDDI. As announced by Sumitomo and KDDI in the Tender Offerors’ October Press Release, pursuant to the shareholders agreement (the “Shareholders Agreement”) executed between Sumitomo and KDDI regarding the joint operation of the 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 stock acquisition rights of the Company, and at present Sumitomo and KDDI have each made a 50% contribution and dispatched one (1) director, respectively.

As of today, Sumitomo owns 39.98% (2,777,912 shares) of the total issued common shares of the Company, and the Company is an equity-method affiliated company of Sumitomo.

As announced in the Tender Offerors’ October Press Release, Sumitomo and KDDI decided at their respective board of directors meetings to jointly conduct the Tender Offer by KDDI and NJ, so that the Company will be delisted and Sumitomo and KDDI will each own 50% of the voting rights of the 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 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 Stock Acquisition Rights.

Should Sumitomo and KDDI fail to acquire all the issued common shares of the Company (including the Company's common shares to be delivered upon the exercise of the Stock Acquisition Rights; however, excluding the treasury shares held by the 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 Company) (details of which procedures are as stated in "(4) Policy on Reorganization, etc. after the Tender Offer (Matters regarding So-Called Two Step Acquisition)").

(B) Purpose of and Background to the Transactions Including the Tender Offer; Management Policy after the Tender Offer is Completed

Since starting its business in 1995 as a joint venture company established by Sumitomo and Telecommunication International, Inc (presently Liberty Global Inc), the Company has worked to spread and expand its cable TV business in Japan and, after merging and acquiring K.K. Jupiter TV in 2007, has grown to be the only comprehensive media business group in Japan that has the combination of (i) a platform for the distribution of multi-channel services, etc., such as a "cable TV business" and "media business", and (ii) content. In its cable TV business, the Company, ahead of every other company in the industry, provided customers with the "combined services of broadcasting and communications" consisting of (1) cable TV services, (2) high-speed Internet services, and (3) telephone services, and at present the Company provides customers of about 3.74 million households (as of the end of January 2013) with these three types of services in five major metropolitan areas (Sapporo, Sendai, Kanto, Kansai, and Kyushu) through 50 stations of 11 subsidiaries in the Company's cable TV business. In the meantime, in the media business, the Company invests in and manages 17 specialized channels that are essential for the multi-channel market in the areas of movies, dramas, sport, and documentaries, etc., and the Company supplies programs to cable TV, satellite broadcasting, and IP multicast broadcasting businesses, etc.

According to Sumitomo and KDDI, Sumitomo has been developing a wide range of business operations in the media and lifestyle area and, 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, Sumitomo proactively invested management resources such as capital and personnel in those business areas. As for the cable TV business, in January 1995 Sumitomo established the Company, which was the first Multiple System Operator (MSO) supervising and operating multiple cable TV stations in Japan; furthermore, Sumitomo has continuously invested its management resources in the Company, thereby leading to its growth. In March 2005, Sumitomo agreed to list the Company's shares on the JASDAQ standard market (the "JASDAQ Market") as its shareholder, and it has worked to contribute to the sustainable growth of the 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 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 Company's media business. Sumitomo announced the tender offer for the Company's share certificates in February 2010, and completed the tender offer in April 2010, and it has supported and operated the Company as its largest shareholder, until today.

In the meantime, according to Sumitomo and KDDI, KDDI, as the only comprehensive telecommunications carrier providing both mobile communications (au mobile phone) and fixed-line telecommunications (broadband Internet/telephone) business, 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 Company in February 2010 through a negotiated transaction, thereby supporting the operation and expansion of the Company’s business jointly with Sumitomo.

In June 2010, the Company, Sumitomo, and KDDI 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 Company. According to Sumitomo, 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 Company, and transferred to the Company the shares of Asmik Ace Entertainment, Inc., a subsidiary for which Sumitomo has taken the management initiative for a long time, thereby contributing to the Company’s strategy of developing unique content.

According to Sumitomo and KDDI, pursuant to the agreement on the above-mentioned alliance, KDDI started cross sales (selling the services of the Company and KDDI to each other) from August 2010 in the Kansai area, thereby expanding the alliance with the Company in terms of sales and marketing. In December 2010, the 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 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 780,000 customers of the 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 Company’s fixed-line telecommunications services (the Internet, fixed-line phone), having attracted many customers for the 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 Company in five major metropolitan areas in Japan to KDDI’s IP core network, thereby addressing the improved reliability of the Company’s service and cost reduction.

According to Sumitomo and KDDI, 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 the 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.

According to Sumitomo and KDDI, 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.

According to Sumitomo and KDDI, recently, Sumitomo and KDDI have come to share the understanding that due to the business environment outlook stated above, in order to maintain and improve the Company’s competitive advantage and realize the Company’s sustainable growth by permanently providing high-quality services satisfactory to customers, it is extremely important to enable proactive investment in the Company of management resources held by both companies, by

deepening the alliance between the three companies and privatizing the 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 Company and that of JCN, a member of the KDDI group, is of great importance. Moreover, it is also critical to establish a management system that enables the 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 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 a series of transactions for the purpose of the implementation of the Tender Offer and the subsequent acquisition by either Sumitomo, KDDI, and NJ or Sumitomo and KDDI of all the issued shares of the Company (excluding, however, the treasury shares held by the Company) and to jointly manage the Company equally at an investment ratio of 50:50, and executed the Shareholders Agreement.

According to Sumitomo and KDDI, as announced in the Tender Offerors' October Press Release, 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.)

According to Sumitomo and KDDI, 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.

According to Sumitomo and KDDI, after the Tender Offer, Sumitomo and KDDI will cause the Company to shift to a scheme of joint management by Sumitomo and KDDI, and it will be delisted after taking the prescribed procedures. In managing the delisted Company, Sumitomo and KDDI will establish and implement various strategies rapidly and flexibly and invest management resources of both companies in the Company based on the idea of joint management by both companies, thereby permanently improving the 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 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 Company acquires all of its common shares sold subject to a call option entitling the Company to buy them back in their entirety, it will integrate JCN into the KDDI group with the Company by share acquisition and merger or other means, thereby promoting business-scale expansion by integrating the cable TV businesses of both companies and their sustainable growth. In addition, Sumitomo will continue to maintain a good relationship with stakeholders in the Company's business developed since the Company was established in 1995, including the competent authorities, the Japan Cable and Telecommunications Association, and 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 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 Company's services, and to further support the 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 Company to realize even more growth.

According to Sumitomo and KDDI, after the Tender Offer expires, the Company will be a consolidated subsidiary of KDDI.

According to Sumitomo and KDDI, Sumitomo and KDDI have executed the Shareholders Agreement regarding the joint operation of the Company.

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

Until the 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 Company.

According to Sumitomo and KDDI, after the Company acquires all its common shares, all of which may be acquired by the 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 Company will be the surviving company and NJ will be the absorbed company (the “Merger”). As stated above, Sumitomo and KDDI will follow a policy under which, after the Company acquires all its common shares subject to wholly call, the Company will integrate JCN, which is a member of the KDDI group, into the 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 Company and JCN. Regarding the specific terms of the integration of JCN into the Company, Sumitomo and KDDI plan to start discussions with the Company after the resolution of the shareholders meeting necessary for the 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 Company approximately four months after the Company has acquired all its common shares subject to wholly call.

(C) Decision-Making Process and Reasons for Decision to Support Tender Offer

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

On September 28, 2012, the Company received from Sumitomo and KDDI an initial general explanation regarding their intention to conduct the Transaction (in which the tender offer price was 110,000 yen per common share of the Company (the “Initially Proposed Tender Offer Price”).

The 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.

The Company held a board of directors meeting on October 9, 2012, where the following matters were resolved:

- (i) to establish a third-party committee consisting of attorneys, certified public accountants, and other members with expertise who are highly independent of the Company, Sumitomo, and KDDI;
- (ii) to request to the third-party committee the following matters (the “Delegated Matters”):
  - (a) to consider, and make a recommendation to the Company’s board of directors on, whether or not the Company’s board of directors should express an opinion in favor of the Tender Offer and, if it should, whether or not the Company should express an opinion to recommend the acceptance of the Tender Offer and
  - (b) to consider, and give its opinion to the Company’s board of directors on, whether it would not be disadvantageous for the Company’s minority shareholders if the 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 Company after the Tender Offer; and
- (iii) 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 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 Company, Sumitomo, and KDDI.

The Company then received from Sumitomo and KDDI a written proposal and explanation of the Transaction dated October 15, 2012. Upon receipt of that proposal, during the period from October 17, 2012 up to October 23, 2012, the 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 advices 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.

After the 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 Company was asked to explain its business plan and the impact of the Transaction on the corporate value of the 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 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 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 the tender offer price of 139,500 yen (the "2010 Tender Offer Price") per common share of the Company upon the tender offer by Sumitomo for the Company's share certificates announced in February 2010, 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 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 Company's board of directors that (a) it is appropriate for the 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 stock acquisition right holders tender their shares or stock acquisition rights in the Tender Offer, and (b) that the Company's minority shareholders would not be disadvantaged if the 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 Company after the Tender Offer. The Phase-One Third-Party Committee also submitted its written report (the “October Written Report”) to the 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:

- (i) the Initially Proposed Tender Offer Price is considered to be appropriate in light of the calculation results in the October Share Price Valuation Report (as defined below); the Tender Offer Price was also considered to be appropriate in the October Fairness Opinion (as defined below) from a financial perspective for the Company’s shareholders (excluding Sumitomo and the Tender Offerors, and their related companies); the premium added to the market value of the 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 Company and Sumitomo and KDDI; the purchase price for the Stock Acquisition Rights calculated by deducting their exercise price from the tender offer price of the Company’s common stock was found to be appropriate in light of the advices given by Mitsubishi UFJ Morgan Stanley Securities to the Company;
- (ii) 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 Company such as synergies; and
- (iii) the interests of the Company’s minority shareholders have been taken into account through appropriate and fair procedures by taking the measures 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” below.

As described in “(3)(B) The Company’s Procurement of a Share Price Valuation Report and Fairness Opinion from a Third-Party Calculation Agent Independent of the Tender Offerors” below, the Company has obtained a share price valuation report (*kabushiki-kachi santei-sho*) on the 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 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 Company’s shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial perspective. The Company also received from Mitsubishi UFJ Morgan Stanley Securities advice regarding the purchase price of the Stock Acquisition Rights.

Taking into consideration the content of the October Written Report submitted by the Phase-One Third-Party Committee, 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 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 Company’s shareholders with a reasonable opportunity to sell their shares for the following reasons:

- (i) it was considered that the Transaction would contribute to an increase in the corporate value of the Company through business expansion as a result of the integration of the cable television business of JCN and the 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
- (ii) 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 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 Company’s shares.

For the Stock Acquisition Rights, the Company's board of directors also concluded that the purchase price of the Stock Acquisition Rights provided the Stock Acquisition Right holders with a reasonable opportunity to sell their Stock Acquisition Rights, because the purchase price of each Stock Acquisition Right was calculated by multiplying the Initially Proposed Tender Offer Price less the exercise price of the Stock Acquisition Rights by the number of common stock allotted for each Stock Acquisition Right exercised.

Then, as described in "*(3)(D) Approval of All Directors and Consent of All Company Auditors Without Interests*" below, the 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 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 stock acquisition right holders tender their shares or stock acquisition rights in the Tender Offer if the Tender Offer commenced (the "October Expression of Endorsement").

According to Sumitomo and KDDI, 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 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, and, if not, to state as such to the Company's board of directors or, if so, to state to the 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 Company that Sumitomo and KDDI desired to commence the Tender Offer as early as the beginning of February, taking into account the status of preliminary investigations by competition authorities in China.

After being so informed, the 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 Company should be in favor of the Tender Offer. At the outset of such discussion and consideration, the Company confirmed that (i) its performance for the fiscal year ended December 2012 was almost the same as that projected in the 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 Company's business plan and other factors that affect the calculation of the 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 Company had received from some of its shareholders requests to raise the Initially Proposed Tender Offer Price, the 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 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 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 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 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 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.

The third-party committee held its sixth meeting on January 18, 2013, and 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 Company should be in favor of the Tender Offer. For the discussion and examination by the Phase-Two Third-Party Committee, the Company, Mitsubishi UFJ Morgan Stanley Securities, and Mori Hamada & Matsumoto respectively gave explanations, and questions and answers were made, with respect to the following: (i) after October 24, 2012, whether there was any material change in the Company's business plan and other factors affecting the calculation of the 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 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 (as defined below) and the Fairness Opinions (as defined below), 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 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 Company's board of directors that (a) it is appropriate for the 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 stock acquisition right holders tender their shares or stock acquisition rights in the Tender Offer, and (b) the Company's minority shareholders would not be disadvantaged if the 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 Company after the Tender Offer. The Phase-Two Third-Party Committee also submitted its written report (the "February Written Report") to the 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:

- (i) according to the financial results of the fiscal year ended in December 2012 and other reports, no material change was found in the Company's business conditions after the October Written Report was submitted;
- (ii) the Tender Offer Price is considered to be appropriate in light of the calculation results in the February Share Price Valuation Report (as defined below); the Tender Offer Price was also considered to be appropriate in the February Fairness Opinion (as defined below) from a financial perspective for the 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;
- (iii) there were sincere negotiations to increase the Tender Offer Price between the 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));
- (iv) 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%);

- (v) 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 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;
- (vi) the purchase price for the Stock Acquisition Rights, 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 Company; and
- (vii) the interests of the Company's minority shareholders are considered to have been taken into account through appropriate and fair procedures after announcement of the Company's October Press Release, 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" below.

Because more than four months have passed from the reference date of the October Share Price Valuation Report and the October Fairness Opinion, the Company obtained the share price valuation report (*kabushiki-kachi santei-sho*) 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 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 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 "(3)(B) The Company's Procurement of a Share Price Valuation Report and Fairness Opinion from a Third-Party Calculation Agent Independent of the Tender Offerors" below. The Company also received advice from Mitsubishi UFJ Morgan Stanley Securities regarding the purchase price of the Stock Acquisition Rights.

Thus, the 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, 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 Company concluded at the board of directors meeting held today 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 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 today, there was no material change to the Company's business plan and other factors affecting the calculation of the corporate value of the 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 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 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 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 Stock Acquisition Rights, the Company's board of directors also concluded that the purchase price of the Stock Acquisition Rights offered the Stock Acquisition Right holders with a reasonable opportunity to sell their Stock Acquisition Rights, because the purchase price of each Stock Acquisition Right was calculated by multiplying the Tender Offer Price less the exercise price of the Stock Acquisition Rights by the number of common stock allotted for each Stock Acquisition Right exercised.

Then, as described in "*(3)(D) Approval of All Directors and Consent of All Company Auditors Without Interests*" below, the 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 Company expresses its opinion in favor of the Tender Offer and recommends that the shareholders and stock acquisition right holders of the Company accept the Tender Offer.

Upon the examination, discussion and negotiation of the Tender Offer, as described in "*(3)(D) Approval of All Directors and Consent of All Company Auditors Without Interests*" below, in order to avoid conflicts of interest among the board of directors, the Company has taken the following measures. First, out of the 11 directors of the 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 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 today, in order to ensure that the quorum for the Company's board of directors meeting was met. However, from the viewpoint of maintaining the resolution's fairness, they made no remarks at the Company's board of directors meeting regarding the Transactions, 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 Company, except for their attendance at the board of directors meetings.

The Company decided at the board of directors meeting held today to comprehensively approve the Stock Acquisition Right holders' transferring their Stock Acquisition Rights to the Tender Offerors by tendering them in the Tender Offer.

Further, the Company decided at the board of directors meeting held today not to declare an 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) 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 light of the possible conflicts of interest given the fact that Sumitomo and KDDI are the Company's major shareholders, together holding approximately 71.55% of the voting rights of the Company, and given that out of the directors of the Company, two concurrently serve as representative directors of KDDI, one as a representative director of Sumitomo, and one as an officer/employee of Sumitomo, and out of the company auditors of the Company, one concurrently serves as an officer/employee of KDDI and one as an officer/employee of Sumitomo, the Company has taken the following measures in order to ensure the fairness of the Tender Offer, including, but not limited to, measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest.

(A) Establishment of third-party committee by the Company

The board of directors of the Company resolved to establish a third-party committee and to request the third-party committee to consider the Delegated Matters as stated in "(2)(C) *Decision-Making Process and Reasons for Decision to Support Tender Offer*" above in order to avoid arbitrariness and conflicts of interest and to ensure fairness, transparency and objectivity in the Company's decision-making process regarding the Transaction including the Tender Offer.

As stated in "(2)(C) *Decision-Making Process and Reasons for Decision to Support Tender Offer*" above, the third-party committees made the following reports.

Five meetings of the Phase-One Third-Party Committee were held in total between October 15, 2012 and October 23, 2012, and by unanimous resolution of all its members, decided to report to the Company's board of directors that (a) it is appropriate for the Company's board of directors to express an opinion in favor of the Tender Offer and to express an opinion to recommend that the shareholders and stock acquisition right holders of the Company accept the Tender Offer, and (b) the Company's minority shareholders would not be disadvantaged if the Company's board of directors expresses an opinion in favor of the Tender Offer, recommends the acceptance of the Tender Offer, and decides to implement the procedures for the direct or indirect acquisition by Sumitomo and KDDI of all of the issued shares of the Company after the Tender Offer. The Phase-One Third-Party Committee also submitted its written report to the Company's board of directors on the same day.

Nine meetings of the Phase-Two Third-Party Committee were held in total between January 18, 2013 and February 25, 2013, and by unanimous resolution of all its members, decided to report to the Company's board of directors that (a) it is appropriate for the Company's board of directors to express an opinion in favor of the Tender Offer and to express an opinion to recommend that the shareholders and stock acquisition right holders of the Company accept the Tender Offer, and (b) the Company's minority shareholders would not be disadvantaged if the Company's board of directors expresses an opinion in favor of the Tender Offer, recommends the acceptance of the Tender Offer, and decides to implement the procedures for the direct or indirect acquisition by the Sumitomo and KDDI of all of the issued shares of the Company after the Tender Offer. The Phase-Two Third-Party committee also submitted its written report to the Company's board of directors on the same day.

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

(B) The Company's Procurement of Share Price Valuation Reports and Fairness Opinions from a Third-Party Calculation Agent Independent of the Company, Sumitomo and the Tender Offerors

In assessing the price in the Tender Offer, the Company received the following documents from Mitsubishi UFJ Morgan Stanley Securities, a third-party calculation agent independent of the 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 Company, nor does it have any material interests in the Tender Offer.

(i) October Share Price Valuation Report

The Company requested Mitsubishi UFJ Morgan Stanley Securities to evaluate the share value of the

Company's common shares, and received the October Share Price Valuation Report on October 23, 2012. The results of the valuation of the 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 Company's shares) as the base date and evaluated the value per common share of the 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 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 Company and listed companies engaging in businesses that were relatively similar to the Company's businesses.

In the DCF analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Company with a range from 97,473 yen to 123,014 yen, by discounting the cash flow that the Company is expected to generate in the future by certain discount rates, based on the Company's business plan, interviews with the Company's management, trends in the Company's operating results to date, and future profit forecasts of the 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.

(ii) October Fairness Opinion

The 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 Company's shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial point of view. Moreover, as for the Stock Acquisition Rights, although the Company has received no valuation report or fairness opinion from a third-party calculation agent, the Company has been advised on the purchase price of the Stock Acquisition Rights by Mitsubishi UFJ Morgan Stanley Securities.

(iii) February Share Price Valuation Report

Because more than four months have passed from the reference date of the October Share Price Valuation Report, the Company again requested Mitsubishi UFJ Morgan Stanley Securities to evaluate the share value of the Company's common shares, and received the February Share Price Valuation Report on February 25, 2013. The results of the valuation of the 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 Company's shares) as the base date and evaluated the value per common share of the 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 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 Company and listed companies engaging in businesses that were relatively similar to the Company's businesses.

In the DCF analysis, Mitsubishi UFJ Morgan Stanley Securities evaluated the value per common share of the Company with a range from 97,281 yen to 122,711 yen, by discounting the cash flow that the Company is expected to generate in the future by certain discount rates, based on the Company's business plan, interviews with the Company's management, trends in the Company's operating results to date, and future profit forecasts of the 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 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 Company's business plan which was used as the basis for the DCF analysis in the October Share Price Valuation Report).

(iv) February Fairness Opinion

Because more than four months have passed from the reference date of the October Fairness Opinion, the 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 Company's shareholders (excluding Sumitomo and the Tender Offerors, and their related companies) from a financial point of view. Moreover, as for the Stock Acquisition Rights, although the Company has received no valuation report or fairness opinion from a third-party calculation agent, the Company has been advised on the purchase price of the Stock Acquisition Rights by Mitsubishi UFJ Morgan Stanley Securities.

(Note)

In relation to the Share Price Valuation Report and the Fairness Opinion (collectively, the "Valuation Report, Etc.") described in (i) through (iv) above, the Company has received, from Mitsubishi UFJ Morgan Stanley Securities, a supplemental explanation regarding the disclosure and disclaimers of the Valuation Report, Etc. that were prepared and submitted by Mitsubishi UFJ Morgan Stanley Securities at the 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 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 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 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 Company and its related companies. In addition, Mitsubishi UFJ Morgan Stanley Securities assumes that the information regarding the Company's businesses, operation, financial conditions, prospects, and synergies was reasonably prepared by the 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 Company's board of directors and they are prepared solely



for the use by the 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 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 reference 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 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 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 Company, Sumitomo and KDDI, and their related companies in the future and may receive a fee in exchange for those services in the future.

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

The 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 Company's board of directors meeting from Mori Hamada & Matsumoto, the Company's legal advisor independent of Sumitomo and the Tender Offerors, and the Company has carefully examined the terms on which the 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.

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

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 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 Company resolved to conduct the Expression of Endorsement at the board of directors meeting held today.

In addition, the Company resolved the October Expression of Endorsement at the board of directors meeting held on October 24, 2012 as described above in "3. (2) *Decision-Making Process and Reasons for Decision to Support Tender Offer (a) Course of events up to October 24, 2012*".

The 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 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 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 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 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 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.

In addition, the Company made a resolution at the board of directors meeting held today to comprehensively approve the transfer of the Stock Acquisition Rights owned by their holders to the Tender Offerors by tendering the Stock Acquisition Rights in the Tender Offer. Further, the Company decided at the board of directors meeting held today not to declare an 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.

(E) Procurement by Sumitomo and the Tender Offerors of Share Price Valuation Reports (*kabushiki-kachi santei-sho*) from Independent Third-Party Calculation Agents

According to Sumitomo and KDDI, as described in “1.(4)(i) Measures to Ensure Fairness of the Tender Offer by Sumitomo and Tender Offerors” of the Tender Offer Press Release (attached as reference materials), (i) Sumitomo received a financial analyses reports regarding the Company’s common shares (*kabushiki-kachi santei-sho*) from Goldman Sachs Japan Co., Ltd. dated October 24, 2012 and February 26, 2013, and (ii) KDDI received from JP Morgan Securities Japan Co., Ltd. a share price valuation report (*kabushiki-kachi santei-sho*) dated October 23, 2012 and opinion statements dated October 23, 2012 and February 25, 2013 (fairness opinions) which state that the price of the Tender Offer is fair to KDDI from a financial point of view subject to certain assumptions.

The Tender Offer Price of 123,000 yen per common share represents (i) a premium of approximately 48.7% (rounded off to one decimal place; hereinafter the same) on 82,700 yen, the closing price of the Company’s shares in regular trading on the JASDAQ Market on October 19, 2012 (the business day immediately before October 20, 2012 on which news reports were released speculating on the purchase of the Company’s shares); (ii) a premium of approximately 54.1% on 79,824 yen, the simple average of closing prices of the regular trading of the Company’s shares for the last one (1) month ending October 19, 2012 (from September 20, 2012, to October 19, 2012); (iii) a premium of approximately 55.8% on 78,961 yen, the simple average of closing prices of the regular trading of the Company’s shares for the last three (3) months ending October 19, 2012 (from July 20, 2012, to October 19, 2012); and (iv) a premium of approximately 51.8% on 81,028 yen, the simple average of closing prices of the regular trading of the Company’s 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 a premium of approximately 10.9% on 110,900 yen, the closing price on February 25, 2013, the business

day immediately prior to the determination of the Tender Offer Price by Sumitomo and KDDI.

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

While the shortest period for the purchase, etc. of the Tender Offer (the “Tender Offer Period”) set forth in the laws and regulations is twenty (20) business days, the Tender Offerors’ Tender Offer Period is thirty (30) business days.

According to Sumitomo and KDDI, by having a comparatively long-term Tender Offer Period, it is intended that while ensuring the opportunity for an appropriate decision to accept the Tender Offer by the Company’s shareholders, opportunities are also ensured for persons other than the Tender Offerors to conduct competing purchases, etc., and the appropriateness of the purchase price is thereby ensured.

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

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

The Company has received the following explanation from Sumitomo and KDDI about their policy of reorganization, etc. after the Tender Offer.

According to Sumitomo and KDDI, as stated in “(2)(A) *Outline of the Tender Offer*” above, the Tender Offer will be conducted as part of the Transaction. Should it not be possible for all of the issued common shares of the Company (including common shares of the Company to be delivered upon the exercise of Share Options; however, excluding the treasury shares held by the Company) to be acquired in the Tender Offer, notwithstanding the number of share certificates, etc. tendered in the Tender Offer, it is contemplated that either Sumitomo, KDDI, and NJ or Sumitomo and KDDI will acquire all of the issued shares of the Company (excluding, however, the treasury shares held by the Company) in the manner described below. Specifically, after the completion of the account settlement of the Tender Offer, in order to make either Sumitomo, KDDI, and NJ or Sumitomo and KDDI the Company’s only shareholders, the following is planned to be requested of the 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 in order to, for example, subject all common shares issued by the Company to a call option entitling the Company to buy them back in their entirety (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 Company subject to the call option entitling the Company to buy them back in their entirety (excluding, however, the treasury shares held by the Company) and deliver shares of a separate class from the common shares of the Company in exchange for this acquisition;
- (iii) to hold an extraordinary meeting of shareholders that includes items (i) and (ii) above as proposals submitted for deliberation and to put items (i) and (ii) above on the agenda for that meeting;
- (iv) to hold a class shareholders’ meeting for shareholders of the Company’s common shares that includes the partial amendment of the articles of incorporation set out in item (i) above as a proposal submitted for deliberation and to put item (i) above on the agenda for that meeting.

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

If each of the above procedures is implemented, all common shares issued by the Company will be subject to a call option entitling the Company to buy them back in their entirety, all of these shares (excluding, however, the treasury shares held by the Company) will be acquired by the Company, and the Company’s shareholders

(excluding, however, the Company) will receive the separate-class shares of the Company as consideration for the acquisition. However, to those Company shareholders who would receive a fraction of a number of separate-class shares, the amount of money to be obtained such as through the sale to KDDI or NJ of the separate-class shares equivalent to the total of the fraction (any fraction in the 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. The sale price of the separate-class shares equivalent to the total of the fraction 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 of the purchase, etc. for common shares of the Company in the Tender Offer by the number of common shares of the Company held by each of the shareholders. Furthermore, although the class and the number of shares of the Company to be delivered as consideration for the acquisition of common shares of the Company subject to the call option entitling the Company to buy them back in their entirety is not determined as of today, the class and the number of shares of the Company are planned to be determined so that the number of shares of the Company that must be delivered to the Company's shareholders who did not accept the Tender Offer (excluding Sumitomo, KDDI, and NJ or Sumitomo and KDDI, but including the Company's common stock which KDDI has entrusted to Mizuho Trust & Banking Co., Ltd. for the securities custodial trust), will be a fraction of a share, in order for Sumitomo, KDDI, and NJ or Sumitomo and KDDI hold all of the Company's issued shares (excluding, however, the treasury shares held by the Company).

With respect to the provisions under the Companies Act that aim to protect the rights of minority shareholders related to the procedures above, if shareholders resolve to acquire all of the shares subject to the call option described in item (ii) above, it is provided that shareholders may petition the court 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 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 the call option described in (i) above, it is provided that shareholders may demand that the Company purchase the shares they own pursuant to the provisions of Articles 116 and 117 of the Companies Act and other relevant laws and regulations. However, under this method, if the call of the common shares comes into effect based on the shareholders' resolution described in item (ii) above and the shareholders lose the relevant common shares, then the shareholders may be deemed to have lost their standing to file the petition for the determination of the purchase price provided for in Article 117, Paragraph 2 of the Companies Act.

Moreover, the method described above, whereby all the common shares issued by the Company are subjected to the call option entitling the Company to buy them back in their entirety and the Company's separate class of shares is delivered in exchange for the acquisition of the common shares, may require time to be implemented or the method of implementation might change, depending on the circumstances of the relevant authorities' interpretation, etc. of the relevant laws and regulations, the state of the shareholding ratios of Sumitomo and the Tender Offerors in the Company after the Tender Offer, and the state of the shareholding ratios of the Company's shareholders other than Sumitomo and the Tender Offerors in the Company. However, if there is a change in the methods described above, the amount of money, etc. ultimately to be paid to each shareholder of the Company is planned to be calculated so as to make it the same as the price of the purchase, etc. of the common shares of the 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 months from the completion of the account settlement of the Tender Offer) and the like will be announced promptly by the Company once it has decided them after consultation with Sumitomo and KDDI.

Sumitomo and the Tender Offerors plan to conduct the Merger whereby the Company will be the surviving company and NJ will be absorbed after the implementation of each of the procedures above. Therefore, even if NJ remains a shareholder of the Company after the implementation of each procedure above, the ratio of voting rights directly held by each of Sumitomo and KDDI in the Company is planned to be 50% as a result of the Merger.

Please consult your own tax advisors with respect to tax matters relating to the tendering of shares or stock acquisition rights in the Tender Offer, the receipt of money, etc. as consideration for the implementation of the procedures above, or the sale of shares to the Company pursuant to its demand to buy them in connection with the implementation of the procedures above.

#### (5) Prospect of Being Delisted and the Reasons Therefor

The Company's common shares are listed on JASDAQ as of today. However, because the Tender Offerors have not set a maximum number of shares to be purchased in the Tender Offer, the common shares of the Company might be delisted depending on the result of the Tender Offer pursuant to JASDAQ's delisting standards after the prescribed procedures. Also, Sumitomo and KDDI have stated that 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 "(4) Policy on Reorganization, etc. after the Tender Offer (Matters related to the So-Called Two Step Acquisition)" above, Sumitomo and the Tender Offerors plan to implement procedures for the purpose of acquiring all the issued shares of the Company (excluding, however, the treasury shares held by the Company) pursuant to applicable laws and regulations. In this case, the Company's common shares will be delisted after the prescribed procedures pursuant to JASDAQ's delisting standards. After the delisting, the Company's common shares may not be traded on the JASDAQ Market.

If the procedures set forth in "(4) Policy on Reorganization, etc. after the Tender Offer (Matters related to the So-Called Two Step Acquisition)" above are implemented, an application for listing of shares is not contemplated to be made for the separate class of the Company's shares to be delivered as consideration for the Company's common shares subject to the call option.

- (6) Reasons for Recommending that Shareholders Tender their Shares in the Tender Offer, a Purpose of which is to Delist the Shares; State of Consideration of Alternative Measures

As stated in "(5) Prospect of Being Delisted and the Reasons Therefor" above, the Company's shares will be delisted as a result of the Tender Offer and the subsequent series of procedures. Upon the Company's deliberate consultations on and considerations of the conditions of the Tender Offer based on, among other things, the Share Price Valuation Report and the Fairness Opinion obtained from Mitsubishi UFJ Morgan Stanley Securities, the legal advice obtained from Mori Hamada & Matsumoto, and the reports from the third party committee, the Company has judged that the Transaction including the Tender Offer will contribute to the enhancement of the corporate value of the Company and will provide an opportunity for the Company's shareholders and stock acquisition rights holders to sell their shares at a reasonable price and has resolved to endorse the Tender Offer and recommend that shareholders and stock acquisition rights holders tender their shares in the Tender Offer.

If Sumitomo, KDDI, and NJ or Sumitomo and KDDI are not able to acquire all the issued shares of the Company (excluding the treasury shares held by the Company) in the Tender Offer, Sumitomo and the Tender Offerors plan, through the procedures stated in "(4) Policy on Reorganization, etc. after the Tender Offer (Matters related to the So-Called Two Step Acquisition)" above, to provide an opportunity for the general shareholders of the Company to receive money in exchange for the common shares of the Company that are to be delisted while changing the Company into a company the issued shares of which are all held by Sumitomo, KDDI, and NJ or Sumitomo and KDDI. The amount of money to be received in exchange for the common shares will be calculated so that the amount of money to be delivered to each shareholder is equal to the amount calculated by multiplying the Tender Offer Price by the number of common shares of the Company held by the shareholder.

- (7) Other matters

None.

4. Matters Relating to Material Agreements regarding Tendering Shares, etc., in the Tender Offer between the Tender Offerors and the Company's Shareholders

None. Sumitomo plans to not tender the common shares it holds in the Company in the Tender Offer.

5. Details of Benefits Gained by the Tender Offerors or Persons with Special Relations with the Tender Offerors

None.

6. Response Policy with respect to Basic Policies relating to the Control of the Company

None.

7. Questions to the Tender Offerors

None.

8. Requests for Extension of Tender Offer Period

None.

9. Future Prospects

Please see “3.(4) Policy on Reorganization, etc. after the Tender Offer (Matters related to the So-Called Two Step Acquisition)” and “3.(5) Prospect of Being Delisted and the Reasons Therefor” above.

End

○ (Reference) “Notice on Commencement of Joint Tender Offer for Share Certificates, etc. of Jupiter Telecommunications Co., Ltd. by KDDI Corporation and NJ Corporation (Notice on the Increase in the Tender Offer Price Announced on October 24, 2012)”

[Translation]

February 26, 2013

To whom it may concern:

Company Name: Sumitomo Corporation  
Name of Representative: Kuniharu Nakamura, President & CEO  
(Code No.: 8053, TSE First Section)  
Inquiries: Masatoshi Hayashi,  
General Manager, Corporate Communications Dept.  
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Company Name: KDDI Corporation  
Name of Representative: Takashi Tanaka, President  
(Code No.: 9433, TSE First Section)  
Inquiries: Shinichi Muramoto, Vice President, General Administration &  
Human Resources  
(TEL. 03-6678-0982)

Company Name: NJ Corporation  
Name of Representative: Koichi Kawakami, Representative Director

**Notice on Commencement of Joint Tender Offer for Share Certificates, etc. of  
Jupiter Telecommunications Co., Ltd. by KDDI Corporation and NJ  
Corporation  
(Notice on the Increase in the Tender Offer Price Announced on October 24,  
2012)**

As announced in the “Notice on Tender Offer for Share Certificates, etc. of Jupiter Telecommunications Co., Ltd.” dated October 24, 2012, (the “Press Release dated October 24, 2012”), Sumitomo Corporation (“Sumitomo”) and KDDI Corporation (“KDDI”) had decided to execute a shareholders agreement (the “Shareholders Agreement”) regarding the joint operation of Jupiter Telecommunications Co., Ltd. (JASDAQ: Code No. 4817; the “Target Company”), and under the Shareholders Agreement, KDDI would conduct a tender offer (the “Tender Offer”) for all common shares and share options (the “Share Options”) issued by the Target Company, jointly with a company, of which the same number of voting rights were to be owned by Sumitomo and KDDI if certain conditions, such as completion of procedures and responses required under domestic and foreign competition laws, were satisfied.

Pursuant to the Shareholders Agreement, Sumitomo and KDDI have been proceeding with the preparations for the Tender Offer, such as incorporating NJ Corporation (“NJ”, whose head office is located at 10-10, Iidabashi 3-chome, Chiyoda-ku, Tokyo; and together with KDDI, the “Tender Offerors”), which will be the tender offeror in the Tender Offer together with KDDI. As to the Chinese competition law, KDDI and Sumitomo received a certificate of permission on February 17, 2013 (note), and thus the procedures and responses required under domestic and foreign competition laws stated above have been completed.

As stated in “1. (4) (i) Measures to Ensure Fairness of the Tender Offer by Sumitomo and the Tender Offerors”, receiving a request by the Target Company, Sumitomo and KDDI resumed consultations and negotiations regarding the purchase price of the Tender Offer and other conditions, and as a result of these consultations and

negotiations, Sumitomo and KDDI decided, at their respective board of directors meetings held on February 26, 2013, to raise the purchase price per common share of the Target Company in the Tender Offer (the "Tender Offer Price") to 123,000 yen from 110,000 yen. In addition, according to the Target Company, it resolved, at its board of directors meeting held on February 26, 2013, to express its opinion in favor of the Tender Offer and recommend that the shareholders and share option holders of the Target Company accept the Tender Offer.

In the way described above, Sumitomo and KDDI confirmed with each other that the conditions under which the Tender Offerors would commence the Tender Offer set forth in the Shareholders Agreement have been satisfied, and the Tender Offerors determined to jointly commence the Tender Offer on February 26, 2013. The details of the Tender Offer are as follows.

(Note) The Chinese Ministry of Commerce dispatched the certificate of permission as of February 8, 2013. However, Sumitomo and KDDI received the document on February 17, 2013.

1. Purpose, etc. of the Purchase, etc.

(1) Outline of the Tender Offer

As of today, 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 Press Release dated October 24, 2012, pursuant to 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 today. As of today, 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 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 the maximum nor the 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 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 today. 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:

- (i) 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
- (ii) 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 today, 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 today. 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. KDDI has retained and requested advice from JP-Morgan 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.

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.

Details of Goldman Sachs' financial analyses and the Goldman Sachs Financial Analyses Reports are described in "(i) Basis of the Financial Analyses" in "(4) Basis, etc. of the Financial Analyses Regarding the Price for the Purchase, etc." in "2. Outline of the Purchase, etc."

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.

On the other hand, for the purpose of ensuring the fairness of 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. Details of J.P. Morgan's financial analyses and the J.P. Morgan Report are described in "(i) Basis of the Financial Analyses" in "(4) Basis, etc. of the Financial Analyses Regarding the Price for the Purchase, etc." in "2. Outline of the Purchase, etc."

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.

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.

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 10.9% on 110,900 yen, the closing price on February 25, 2013, the business day immediately prior to the date of announcement of the commencement of the Tender Offer.

(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 advice 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 today.

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 period for the purchase, etc. of the Tender Offer, (the "Tender Offer Period") set forth in the laws and regulations is twenty (20) business days, the Tender Offerors' Tender Offer Period 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 today, 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 today. 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.

2. Outline of the Purchase, etc.

(1) Outline of the Target Company

(i) Name	Jupiter Telecommunications Co., Ltd.																				
(ii) Location	Marunouchi Trust Tower North, 8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo																				
(iii) Name and Title of Representative	Shuichi Mori, Representative Director, President & CEO																				
(iv) Description of 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																				
(v) Stated Capital	117,550 million yen (as of December 31, 2012)																				
(vi) Date of Establishment	January 18, 1995																				
(vii) Major Shareholders and Shareholding Ratio (as of June 30, 2012)	<table> <tr> <td>Sumitomo Corporation</td> <td>39.98%</td> </tr> <tr> <td>KDDI Corporation</td> <td>30.71%</td> </tr> <tr> <td>THE CHASE MANHATTAN BANK, N.A.</td> <td>3.45%</td> </tr> <tr> <td>LONDON SECS LENDING OMNIBUS ACCOUNT (Standing proxy agent: Settlement and Clearing Services Division, Mizuho Corporate Bank, Ltd.)</td> <td></td> </tr> <tr> <td>Mizuho Trust &amp; Banking Co., Ltd. Securities Custodian Trust 0700117</td> <td>2.20%</td> </tr> <tr> <td>Trust &amp; Custody Services Bank, Ltd. (Money trust tax account)</td> <td>1.99%</td> </tr> <tr> <td>UBS SECURITIES LLC-HFS CUSTOMER SEGREGATED ACCOUNT (Standing proxy agent: Citibank Japan Ltd.)</td> <td>1.17%</td> </tr> <tr> <td>NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY (Standing proxy agent: The Hongkong and Shanghai Banking Corporation Ltd. (Tokyo))</td> <td>0.91%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385174 (Standing proxy agent: Settlement and Clearing Services Division, Mizuho Corporate Bank, Ltd.)</td> <td>0.78%</td> </tr> <tr> <td>MORGAN STANLEY &amp; CO, LLC (Standing proxy agent: Morgan Stanley MUFG Securities Co., Ltd.)</td> <td>0.75%</td> </tr> </table>	Sumitomo Corporation	39.98%	KDDI Corporation	30.71%	THE CHASE MANHATTAN BANK, N.A.	3.45%	LONDON SECS LENDING OMNIBUS ACCOUNT (Standing proxy agent: Settlement and Clearing Services Division, Mizuho Corporate Bank, Ltd.)		Mizuho Trust & Banking Co., Ltd. Securities Custodian Trust 0700117	2.20%	Trust & Custody Services Bank, Ltd. (Money trust tax account)	1.99%	UBS SECURITIES LLC-HFS CUSTOMER SEGREGATED ACCOUNT (Standing proxy agent: Citibank Japan Ltd.)	1.17%	NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY (Standing proxy agent: The Hongkong and Shanghai Banking Corporation Ltd. (Tokyo))	0.91%	JP MORGAN CHASE BANK 385174 (Standing proxy agent: Settlement and Clearing Services Division, Mizuho Corporate Bank, Ltd.)	0.78%	MORGAN STANLEY & CO, LLC (Standing proxy agent: Morgan Stanley MUFG Securities Co., Ltd.)	0.75%
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JP MORGAN CHASE BANK 385174 (Standing proxy agent: Settlement and Clearing Services Division, Mizuho Corporate Bank, Ltd.)	0.78%																				
MORGAN STANLEY & CO, LLC (Standing proxy agent: Morgan Stanley MUFG Securities Co., Ltd.)	0.75%																				

	National Mutual Insurance Federation of Agricultural Cooperatives 0.70% (Standing proxy agent: The Master Trust Bank of Japan, Ltd.)
(viii) Relationship between the Tender Offerors and the Target Company	
Capital Relationship	KDDI owns 30.71% (2,133,797 shares) of the total issued common shares of the Target Company (as of December 31, 2012: 6,947,813 shares).
Personnel Relationship	KDDI seconds to the Target Company its officers, Hirofumi Morozumi and Makoto Takahashi, as part-time directors, and Kenichiro Takagi as an outside company auditor. KDDI also seconds its employees to the Target Company.
Business Relationship	As a telecommunications service wholesaler, KDDI provides the Target Company with services that are required for the Target Company to provide its fixed-line phone services to its customers (telephone switching and interconnection, etc.). Also, KDDI provides the Target Company with upper-level lines that are required for the Target Company to provide Internet access to its customers.
Falling under the Category of Related Party or Not	The Target Company is KDDI's affiliate as accounted for by using the equity method, thereby falling under the category of a related party.

(2) Schedule, etc.

(i) Schedule

Resolution of the board of directors meeting (KDDI)	Tuesday, February 26, 2013
Decision of the directors (NJ)	Tuesday, February 26, 2013
Date of the public notice of the commencement of the Tender Offer	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: <a href="http://info.edinet-fsa.go.jp/">http://info.edinet-fsa.go.jp/</a> )
Filing Date of the Statement	Wednesday, February 27, 2013

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

From Wednesday, February 27, 2013 to Wednesday, April 10, 2013  
(30 business days)

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



Not applicable.

(3) Price for the Purchase, etc.

(i) Common Shares 123,000 yen per share

(ii) The Share Options

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

(4) Basis, etc. of the Financial Analyses Regarding the Price for the Purchase, etc.

(i) Basis of the Financial Analyses

(a) Common Shares

(I) Basis of the Determination of the Tender Offer Price by KDDI

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.

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, 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' 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 10.9 % on 110,900 yen, the closing price on February 25, 2013, the business day immediately prior to the date of announcement of the commencement of the Tender Offer.

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 today's date, 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.

(ii) Process of Financial Analyses

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. 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” of “1. Purpose, etc. of the Purchase, etc.” 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.

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 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 “(i) Basis of the Financial Analyses” above)

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 Release 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 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 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 "(i) 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.

(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. Today, 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 today's date. 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 measures set forth in "(4) Measures to Ensure Fairness of the Purchase, etc. and to Avoid Conflicts of Interest" of "1. Purpose, etc. of the Purchase, etc." 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. For details, please refer to "(4) Measures to Ensure Fairness of the Purchase, etc. and to Avoid Conflicts of Interest" of "1. Purpose, etc. of the Purchase, etc."

(iii) Relationship with the Financial Advisors

Goldman Sachs, which conducted financial analyses of the Target Company's common shares based on Sumitomo's instructions, does not correspond to a related party of Sumitomo, NJ, the Target Company or KDDI, nor does it have any material interests that should be noted herein in connection with the Tender Offer.

J.P. Morgan, which is the financial advisor of KDDI, does not correspond to a related party of KDDI, NJ, the Target Company or Sumitomo, nor does it have any material interests that should be noted herein in connection with the Tender Offer.

(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.

(5) 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 Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, 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 today’s date, (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 today’s date, 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 today’s date, 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.

(6) Change in Holding Ratio of Share Certificates, etc. due to Purchase, etc.

No. of voting rights under share certificates, etc. held by the Tender Offerors prior to the purchase, etc.	2,286,701 units	(Holding ratio of the share certificates, etc. prior to the purchase, etc.: 33.31%)
No. of voting rights under share certificates, etc. held by persons in a special relationship prior to the purchase, etc.	2,777,912 units	(Holding ratio of the share certificates, etc. prior to the purchase, etc.: 40.47%)
No. of voting rights under share certificates, etc. to be purchased	1,801,954 units	(Holding ratio of the share certificates, etc. after the purchase, etc.: 100.00%)
No. of voting rights held by all shareholders, etc. of the Target Company	6,864,437 units	

(Note 1) The number entered as the “No. of voting rights under share certificates, etc. held by the Tender Offerors prior to the purchase, etc.”, is the total of (i) the number of voting rights pertaining to the share certificates, etc. (2,133,797 units) held by KDDI as of today and (ii) the number of voting rights pertaining to the share certificates, etc. (152,904 units) which are entrusted by KDDI to Mizuho Trust & Banking Co., Ltd. under a securities administration trust, and which are equivalent to share certificates, etc. which are owned by KDDI based on Article 7, Paragraph 1, Item 1 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended, “Enforcement Order”).

(Note 2) The number entered as the “No. of voting rights under share certificates, etc. held by persons in a special relationship prior to the purchase, etc.”, is the total number of voting rights pertaining to share certificates, etc. held by each person in a special relationship (excluding (i) shares owned by persons (“Minority Owner”) who are excluded as persons in a special relationship when calculating the holding rate of share certificates, etc. pursuant to each Item of Article 27-2, Paragraph 1 of the Act based on Article 3, Paragraph 2, Item 1 of 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, "Cabinet Office Ordinance"), (ii) shares owned by KDDI, which is the Tender Offeror, (iii) share certificates, etc. which are entrusted by KDDI to Mizuho Trust & Banking Co., Ltd. under a securities administration trust and which are equivalent to share certificates, etc. which are owned by KDDI pursuant to Article 7, Paragraph 1, Item 1 of the Enforcement Order, and (iv) treasury shares held by the Target Company; the same applies to Note 3).

(Note 3) The number entered as the "No. of voting rights under share certificates, etc. to be purchased," is the number of voting rights (1,801,954 units) under share certificates, etc. to be purchased in the Tender Offer (1,801,954 shares) stated in the above column "(5) Number of Share Certificates, etc. to be Purchased".

(Note 4) The number entered as the "No. of voting rights held by all shareholders, etc. of the Target Company" is the number of voting rights held by all shareholders, etc. as of June 30, 2012, stated in the Target Company's 19th FY 3rd Quarterly Report that was submitted on November 7, 2012. However, with respect to the Tender Offer, the Target Company common shares that are issued pursuant to the exercise of the Share Options are within the scope of the Tender Offer. Therefore, in calculating the "Holding ratio of the share certificates, etc. after the purchase, etc.", the number of voting rights that was used as the denominator was 6,866,567 units. This number was obtained by calculating the sum of the following: (i) the number of the voting rights (6,864,645 units) pertaining to the number of share (6,864,645 shares) that is equal to the total number of issued shares in the Target Company as of December 31, 2012 (6,947,813 shares) stated in the Target Company's Annual Financial Results Release, minus the number of treasury shares held by the Target Company as of December 31, 2012 (83,168 shares) stated in the Target Company's Annual Financial Results Release, and (ii) the number of voting rights (1,922 units) pertaining to the number of Target Company common shares (1,922 shares), which are the object of the Share Options, as of December 31, 2012, which is obtained by taking the number of Target Company common shares (2,226 shares), which are the object of the Option Shares, as of December 31, 2011, stated in the Target Company's 18th FY Securities Report that was submitted on March 28, 2012, and reflecting the change between the said date and December 31, 2012 (according to the Target Company, the number of Share Options has decreased by 304 units (equivalent to 304 common shares) between December 31, 2011 and December 31, 2012).

(Note 5) The numbers entered as the "Holding ratio of the share certificates, etc. prior to the purchase, etc.", were rounded off to two decimal places.

(7) Purchase Price (planned)

KDDI 79,325 million JPY

NJ 142,592 million JPY

(8) Method of Settlement

- (i) 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

- (ii) Commencement Date of Settlement

Wednesday, April 17, 2013

- (iii) 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.

- (vi) 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 “(ii) Existence of Conditions for Withdrawal, etc. of the Tender Offer, Details thereof, and Manner of Disclosing Withdrawal, etc.” under “(9). 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 to the Tendering Shareholders, etc.

(9) Other Conditions and Method of the Purchase, etc.

- (i) 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.

- (ii) 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.

- (iii) 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..

- (iv) 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. 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.

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 “(iv) Method of Returning the Share Certificates, etc.” of “(8) Method of Settlement” above.

- (v) 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.

- (vi) 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.

(vii) 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.

(viii) Others

In the Press Release dated October 24, 2012, Sumitomo and KDDI publicly announced that, unless the Tender Offer can be structured to comply with applicable U.S. laws and relevant regulations, the Tender Offer would not be extended in or into the United States or to any U.S. Person (meaning a "U.S. person" as defined in Regulation S of the U.S. Securities Act of 1933; the same applies in this paragraph); however, since it was confirmed that the Tender Offer can be structured to comply with applicable U.S. laws and relevant regulations, the Tender Offer will be extended into the United States and also to U.S. Persons.

(10) Date of Public Notice of Commencement of the Tender Offer

Wednesday, February 27, 2013

(11) Tender Offer Agent

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

3. Policy, etc. after the Tender Offer and Future Prospects

For the Policy, etc. after the Tender Offer, please see "(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," "(3) Agreement on Joint Management of the Target Company between Sumitomo and KDDI", "(5) Policy on Reorganization, etc. after the Tender Offer (Matters on So-Called Two-Tiered Acquisition)", and "(6) Prospect of Being Delisted and the Grounds Therefor" of "1. Purpose, etc. of the Tender Offer."

4. Others

(1) Existence and Details of the Agreement(s) between the Tender Offerors and the Target Company or its Officers

According to the Target Company, it resolved at its board of directors meeting held on February, 26, 2013, at which it expressed its opinion in favor of the Tender Offer, and recommended that the shareholders and share option holders of the Target Company accept the Tender Offer.

The aforementioned resolution by the Target Company's board of directors was resolved in the manner that is stated in "(v) Approval of All Directors and Consent of All Company Auditors Without Interests" of "(4) Measures to Ensure the Fairness of

the Price for the Purchase, etc. and to Avoid Conflicts of Interest” of “1. Purpose, etc. of the Tender Offer.”

- (2) Other Information Considered Necessary to Determine Whether to Accept the Purchase, etc. by the Investor(s)

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 on Interim Dividend for the Fiscal Year Ending December 2013”, announced by the Target Company on February 26, 2013.

**[Insider Regulation]**

Please be aware that anyone who has read the information contained in this press release may be prohibited from purchasing the share certificates, etc. of the Target Company until twelve (12) hours have passed following the announcement of this document (the afternoon, February 26, 2013, the time announced on the timely disclosure information inspection service of the Tokyo Stock Exchange) as a primary recipient of information coming under the insider trading regulations pursuant to the provisions of Article 167, Paragraph 3 of the Act and Article 30 of the Order for Enforcement of the Act. Please be advised in advance that even if you are accused of any criminal, civil, or administrative liability for conducting such purchases, the Tender Offerors and Sumitomo shall not be held liable therefor.

**[Solicitation Regulation]**

This press release is an announcement for the purpose of publication of the Tender Offer to the general public, and it was not prepared for the purpose of solicitation for any sale. Upon offering for sale, please make sure to inspect the tender offer statement regarding the Tender Offer and to tender your shares by your own judgment. This press release does not constitute all or part of, any offer for, or a solicitation of, the sale, or solicitation of any offer of the purchase of, securities. This press release (or any part thereof) or the fact of its distribution shall not be grounds for any agreement regarding the Tender Offer, nor can it be relied upon in concluding any agreement.

**[Future Prospects]**

The descriptions in this press release contain “forward-looking statements”. The actual results may significantly differ from the predictions explicitly or implicitly indicated as “forward-looking statements” due to known or unknown risks, or uncertainty or other factors. Tender Offerors and Sumitomo, or their affiliates or their agents cannot promise that any predictions explicitly or implicitly indicated as “forward-looking statements” will eventually be accurate. The “forward-looking statements” in this press release have been prepared based on the information held by the Tender Offerors and Sumitomo as of the date of this press release, and the Tender Offerors and Sumitomo, or their affiliates or their agents shall not be liable to update or revise the descriptions to reflect future events or circumstances except as obligated by laws and regulations or the rules of the financial instruments exchange.

**[Countries or Regions other than Japan]**

In certain countries or regions, legal restrictions may be imposed on the announcement, publication, or the distribution of this press release. In such cases, please note and comply with such restrictions. This press release shall be deemed to be simply a distribution of materials for informational purposes, and shall not constitute any solicitation of offers for the purchase, etc. or the offer for the sale, etc. of share certificates, etc. regarding the Tender Offer.

The Tender Offer is being initiated by Tender Offerors, both of which are companies incorporated in Japan and have only residents of Japan as their 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, these procedures and standards, however, are not necessarily identical to those in jurisdictions other than Japan.