

[Translation]

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**Notice on Tender Offer for Share Certificates etc. of Jupiter
Telecommunications Co., Ltd.**

Sumitomo Corporation (“Sumitomo”) and KDDI Corporation (“KDDI”) hereby announce that each company resolved at its board of directors meeting held on October, 24, 2012, to execute a shareholders agreement (the “Shareholders Agreement”) regarding joint operation of Jupiter Telecommunications Co., Ltd. (JASDAQ: Code No. 4817; the “Target Company”). Under the Shareholders Agreement, KDDI will conduct a tender offer (the “Tender Offer”) for all common shares and share options (“Share Options”) issued by the Target Company, jointly with a company (trade name NJ K.K. (planned), “NJ”; KDDI and NJ are collectively referred to as the “Tender Offerors”; and the Tender Offerors and Sumitomo are collectively referred to as the “Tender Offerors, Etc.”) of which the same number of voting rights are to be owned by Sumitomo and KDDI if certain conditions, such as completing procedures and responses required under domestic and foreign competition laws, are satisfied. As of today, the time for commencement of the Tender Offer is not fixed; however, the Tender Offerors expect to commence the Tender Offer by around early February 2013. A detailed schedule of the Tender Offer will be announced soon after it is determined.

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

(1) Outline of the Tender Offer

At present, Sumitomo and KDDI own 39.98% (2,777,912 shares) and 30.71% (2,133,797 shares), respectively, of the total issued common shares of the Target Company (as of June 30, 2012: 6,947,813 shares.) Each company resolved at its board of directors meeting held on October 24, 2012, that the Tender Offerors will jointly conduct the Tender Offer for all the issued common shares (including common shares of the Target Company to be delivered upon the exercise of Share Options) and Share Options of the Target Company, so that the Target Company will be delisted and Sumitomo and KDDI will each own 50% of the voting rights of the Target Company. 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. (as such term is defined in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act"), including the common shares and Share Options issued by the Target Company; hereinafter the same) tendered will be purchased. However, in order for Sumitomo and KDDI to own the same number of voting rights of the Target Company, (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 Share Options.

The Tender Offer will commence subject to the conditions prescribed in the Shareholders Agreement, including the following: (i) procedures and responses required under domestic and foreign competition laws have been completed; (ii) the Target Company has resolved at its board of directors meeting to express its opinion in favor of the Tender Offer and recommend the shareholders and share option holders of the Target Company to accept the Tender Offer (regarding which, according to the Target Company, the Target Company is planning to express its opinion again at the time of the commencement of the Tender Offer, as described below); (iii) a third-party committee established by the Target Company in relation to the Tender Offer has responded to the Target Company's board of directors that it is appropriate to express the opinion mentioned above, and such response has been announced; (iv) neither Sumitomo nor KDDI has materially breached any representations or warranties or is in material breach of its duties under the Shareholders Agreement; and (v) no events or circumstances have occurred that would have any material adverse effects on the financial conditions, operating results, or cash flow of the Target Company or any subsidiaries of the Target Company.

For your reference, the Target Company published the "Notice on Statement of Opinion regarding Tender Offer for Our Share Certificates, etc. by Sumitomo Corporation and KDDI Corporation" on October 24, 2012. According to the Target Company, it resolved at its board of directors meeting held today 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, if the Tender Offer has commenced.

However, given that the Tender Offer is planned to commence under certain conditions as stated above and it is expected to commence around early February 2013 at present, according to the Target Company, it also resolved at the aforementioned board of directors meeting that (a) it plans to ask a third-party committee established by the Target Company as set forth in "(4) (ii) Establishment of Independent Third-Party Committee by the Target Company" below to deliberate whether there is any change in its opinion expressed to the Target Company's board of directors on October 23, 2012, and if it determines that there is no change, to report so or if it determines that there is a change, to opine its changed opinion to the Target Company's board of directors, and (b) based on such opinion of the third-party committee, it plans to express its opinion on the Tender Offer again at the time of the commencement of the Tender Offer.

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

The types of share certificates, etc. to be purchased in the Tender Offer are as follows:

- (i) Common shares
- (ii) Share options
 - a. Stock compensation type share options 2006
 - b. Stock compensation type share options 2007
 - c. Stock compensation type share options 2008 (mid-term incentive)
 - d. Stock compensation type share options 2009 (mid-term incentive)
 - e. Stock compensation type share options 2009 (long-term incentive)
 - f. Stock compensation type share options 2010 (mid-term incentive)
 - g. Stock compensation type share options 2010 (long-term incentive)
 - h. Stock compensation type share options 2011 (mid-term incentive)
 - i. Stock compensation type share options 2011 (long-term incentive)
 - j. Stock compensation type share options 2012 (mid-term incentive)
 - k. Stock compensation type share options 2012 (long-term incentive)

The Tender Offerors plan to conduct the Tender Offer as soon as practicably possible after completing the procedures and responses required under domestic and foreign competition laws; as of today, the Tender Offerors expect to commence the Tender Offer by around early February 2013, and to complete the account settlement by the end of March 2013. It is anticipated that it will take a certain period of time to complete the procedures involving domestic and foreign competition authorities. Given that, as of today, it is difficult to accurately estimate the amount of time required for these procedures, the progress of these procedures will be announced around early February 2013 at the latest.

The Tender Offer period will be scheduled to be 30 business days, in principle.

Prior to the Tender Offer, Sumitomo and KDDI plan to undertake the procedures for the establishment, etc. of NJ in the following manner:

- (a) KDDI will establish NJ as its wholly-owned subsidiary pursuant to the Shareholders Agreement; and
- (b) Promptly after completing the procedures and responses required under domestic and foreign competition laws, KDDI will transfer to Sumitomo the shares corresponding to 50% of the total issued shares of NJ owned by KDDI, pursuant to the Shareholders Agreement.

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 Share Options; however, excluding the treasury shares held by the Target Company) and Share Options (excluding, however, the treasury share options 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, Sumitomo and KDDI plan to implement procedures for either Sumitomo, KDDI, and NJ, or Sumitomo and KDDI, to acquire all the issued shares of the Target Company (excluding, however, the treasury shares held by 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 Acquisition)" below; these series of transactions which are intended for the Tender 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”).

As to the funds required for the Going Private Transaction, NJ is planning to borrow such funds from financial institutions, etc., and, if necessary, Sumitomo and KDDI would provide a joint guaranty for that borrowing in the ratio of 50:50; in the meantime, KDDI will use its own funds and/or borrowings from financial institutions, etc.

Please also refer to the “Structural Chart” attached hereto for an outline of 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

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 conducted a tender offer 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 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 90 cable TV carriers and 173 stations, it has gained about 1.8 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, thereby supporting the operation and expansion of the Target Company's business jointly with Sumitomo.

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.

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 680,000 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.

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 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 further accelerate the process of deepening the alliance between the three companies by proactively investing in the Target Company management resources held by both companies. 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.

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, 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 Target Company received from Sumitomo and KDDI a preliminary explanation about their intention to

conduct the Tender Offer and a subsequent series of procedures as set forth in “(5) Policy on Reorganization, etc. after the Tender Offer (Matters related to the So-Called Two-Tiered Acquisition)” (collectively, the “Transactions”) on September 28, 2012. Then the Target Company retained Mori Hamada & Matsumoto as its legal advisor and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“Mitsubishi UFJ Morgan Stanley Securities”) as its financial advisor. After the retention, Sumitomo and KDDI submitted to the Target Company a written proposal on the Transaction dated on October 15, 2012 (the “October 15, 2012 Proposal”), and explained the Transactions.

As set forth in “(4) (iii) The Target Company’s Acceptance of a Share Price Valuation Report and Fairness Opinion from a Third-Party Calculation Agent Independent of the Tender Offerors” the Target Company has received a fairness opinion dated October 23, 2012 (the “Fairness Opinion”) by Mitsubishi UFJ Morgan Stanley Securities that states that the Tender Offer Price, which is employed for the Transactions, is fair for the Target Company’s shareholders (excluding the Tender Offerors, Etc. and their related companies) from a financial point of view and an explanation of its content, as well as a share price valuation report (the “Share Price Valuation Report”) dated the same day and an explanation regarding the valuation of the Target Company’s common shares. Furthermore, the Target Company has been advised of the purchase price for the Share Options by Mitsubishi UFJ Morgan Stanley Securities.

According to the Target Company, it had careful discussions and deliberation based on the content of the report from the third-party committee as set forth in “(4) (ii) Establishment of Independent Third-Party Committee by the Target Company”, as well as receiving advice from Mitsubishi UFJ Morgan Stanley Securities and Mori Hamada & Matsumoto.

According to the Target Company, it, at its board of directors meeting held today, determined that the Tender Offer Price is appropriate and that the Tender Offer provides its shareholders with a reasonable opportunity to sell their shares based on the aforementioned discussion and deliberation, because (i) conducting the Transactions is considered to help increase the corporate value of the Target Company through the business-scale expansion by the integration of the cable TV businesses of JCN and the Target Company, the efficient use of the management resources of Sumitomo and KDDI, the deepened interconnection with the business areas of Sumitomo and KDDI including the media industry, and the like; (ii) the Tender Offer Price is included in the range of the valuation by the DCF analysis in the Share Price Valuation Report, located in the vicinity of the middle of the result of the valuation, and exceeds the upper end of the valuation range by the market share price analysis and the comparable companies analysis, as well as the fact that the Target Company has received a written opinion (the Fairness Opinion) that states that the Tender Offer Price, which is employed for the Transactions, is fair for the Target Company’s shareholders (excluding the Tender Offerors, Etc. and their related companies) from a financial point of view, and the Tender Offer Price represents, on the market share price for the Target Company, a premium comparable to the level of premiums in precedent transactions similar to the Transactions. As for the Share Options, in addition, since the purchase price for the Share Options is the amount obtained by multiplying the Tender Offer Price less the exercise price for the Share Options by the number of shares underlying one (1) Share Option, the Target Company’s board of directors has determined that the Tender Offer provides the holders of the Share Options with a reasonable opportunity to sell them.

(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, 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 Tender Offer is completed. However, Sumitomo and KDDI plan to carry out the integration of JCN into the Target Company promptly after the Target Company has acquired all its common shares subject to wholly call (scheduled about two months after the said acquisition).

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

Sumitomo and KDDI hold in the aggregate a majority of the voting rights regarding the common shares of the Target Company as of October 24, 2012. 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 and KDDI 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 Tender Offerors, Etc.

Sumitomo has retained and requested advice from Goldman Sachs Japan Co., Ltd. ("Goldman Sachs") as its financial advisor, and Nagashima Ohno & Tsunematsu as its legal adviser, and KDDI has retained and requested advice from JPMorgan Securities Japan Co., Ltd. ("J.P. Morgan") as its financial advisor and Nishimura & Asahi as its legal adviser. Taking into consideration such advice, each of Sumitomo and KDDI has 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 are each expected to own 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 proposed to be paid for each common share of the Target Company in connection with the Tender Offer (the "Tender Offer Price"), Sumitomo requested Goldman Sachs, a financial advisor independent from Sumitomo, the Target Company and KDDI, 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 Report") prepared by Goldman Sachs. For the avoidance of doubt, the Goldman Sachs Report does not address the purchase price for the Share Options. The Tender Offer Price 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, and taking into consideration 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. Details of Goldman Sachs' financial analyses and the Goldman Sachs Report are described 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 as a related party of Sumitomo, the Target Company, or KDDI, 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 Report.

For the purpose of ensuring the fairness of the Tender Offer Price, in the process of determining the Tender Offer Price, KDDI requested J.P. Morgan as an independent financial advisor to perform financial analyses of the Target Company's common shares, and received from J.P. Morgan a share price valuation report 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 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, while also comprehensively taking into consideration

the result of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with the examples of the 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 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 "(4) Basis, etc. of the Financial Analyses Regarding the Price for the Purchase, etc." in "2. Outline of the Purchase, etc."

In addition, KDDI has been provided with a fairness opinion by J.P. Morgan, 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, or Sumitomo, 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 J.P. Morgan's fairness opinion.

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 110,000 yen in cash per common share represents a premium of approximately 33.0% (rounded off to two decimal places; 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 37.8% 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 39.3% 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 35.8% 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 a discount of approximately 2.4% on 112,700 yen, the closing price on October 23, 2012, the business day immediately prior to the business day which Sumitomo and KDDI determined the Tender Offer Price.

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

According to the Target Company, 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 members with expertise, such as attorneys and certified public accountants, who are highly independent of the Target Company, Sumitomo, and KDDI;
- (b) to consult with the third-party committee on the following matters (the "Delegated Matters"): (I) to deliberate whether or not the Target Company's

board of directors should express its opinion in favor of the Tender Offer, and if it should, whether the Target Company should express its opinion to recommend the acceptance of the Tender Offer, and advise the Target Company's board of directors, and (II) to consider whether it is disadvantageous for the Target Company's minority shareholders, even if the Target Company's board of directors decides to express its opinion in favor of the Tender Offer and recommend the acceptance of the Tender Offer and to decide the implementation of the procedures for the acquisition by the Tender Offerors, Etc. of all of the issued shares of the Target Company after the Tender Offer.

- (c) 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 directors of the Target Company, excluding Mr. Ryosuke Yamazoe and Mr. Yoshiki Nakai (who had been officers or employees of Sumitomo or KDDI until relatively recently), on condition that the number of members of the third-party committee should be three and the members are to be appointed from among persons with expertise, such as attorneys and certified public accountants, who are highly independent from the Target Company, Sumitomo, and KDDI,

Pursuant to the resolution, Mr. Aoki, Mr. Fukuda, and Mr. Kato established the third-party committee by appointing, as the members thereof, Mr. Shiro Kuniya, an attorney at Oh-Ebashi LPC & Partners, Mr. Nobumichi Hattori, a visiting professor of the 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.

After receiving the October 15, 2012 Proposal, the third-party committee held its first meeting on October 15, 2012, and since then, five meetings were held in total until October 23, in which the Delegated Matters were discussed and examined. For the discussion and examination by the third-party committee, information regarding the Transactions was collected through the following methods: (a) the Target Company was asked to explain its business plan, the impact of the Transactions on the corporate value of the Target Company and the like, and question-and-answer sessions about these matters were conducted; (b) the Target Company was also asked to explain the result of the share price valuation conducted by Mitsubishi UFJ Morgan Stanley Securities, and question-and-answer sessions about it were conducted; (c) questionnaires were sent to Sumitomo and KDDI three times, and Sumitomo and KDDI answered them; (d) the Target Company and Mitsubishi UFJ Morgan Stanley Securities reported the process of the negotiation regarding the Tender Offer Price with Sumitomo and KDDI, and question-and-answer sessions about it were conducted; (e) Mori Hamada & Matsumoto explained the decision-making process of the Target Company and other matters regarding the Transactions, and question-and-answer sessions about these matters were conducted; and (f) in addition to the foregoing, relevant materials regarding the Transactions were submitted.

The third-party committee discussed and examined the Delegated Matters, and at the meeting held on October 23, 2012, by an unanimous resolution of all the members, the 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 its opinion in favor of the Tender Offer and to express its opinion to recommend the acceptance of the Tender Offer, and (b) that it is not disadvantageous for the Target Company's minority shareholders, even if the Target

Company's board of directors decides to express its opinion in favor of the Tender Offer and recommend the acceptance of the Tender Offer and to decide the implementation of the procedures for the acquisition by the Tender Offerors, Etc. of all of the issued shares of the Target Company after the Tender Offer. The 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 independent of the Target Company, Sumitomo, and KDDI; the Target Company has determined that each member of the third-party committee does not have any conflicts of interest with the Target Company's shareholders in connection with the Transactions.

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

In assessing the Tender Offer Price, the Target Company has requested Mitsubishi UFJ Morgan Stanley Securities, a financial advisor independent of the Company and the Tender Offerors, Etc., to evaluate the share value of the Company's common shares, and received the Share Price Valuation Report on October 23, 2012. The results of the analyses 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 had a news report speculating regarding the purchase, etc. 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 (1) month (79,824 Yen), the average closing prices for the last three (3) month (78,961 Yen), and the average closing prices for the last six (6) month (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 the 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 a range of discount rates, based on the interview with the Target Company's management, the trend of the operating results of the Target Company right up through to date, and the future profit forecast of the Target Company. No significant increase or decrease in profit is expected in the business plans and financial forecasts, on which the DCF analysis was based.

In addition, the Target Company has received the Fairness Opinion by Mitsubishi UFJ Morgan Stanley Securities that states that the Tender Offer Price, which is employed for the Transactions, is fair for the Target Company's shareholders (excluding the Tender Offerors, Etc. 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 of the purchase price of the Share Options by Mitsubishi UFJ Morgan Stanley Securities.

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.

(Note)

As for (iii) above, the Target Company has received, from Mitsubishi UFJ Morgan Stanley Securities, a supplemental explanation regarding the disclosure and disclaimers of the Share Price Valuation Report and fairness opinion (the "Target Company 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 Share Price Valuation Report and stating the opinion contained in the Fairness Opinion and conducting the financial analyses underlying the opinion, Mitsubishi UFJ Morgan Stanley Securities has relied upon the assumptions whereunder 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 publicly available information, was accurate and complete, and that there are no facts that could materially affect the analyses and valuation of the Target Company's common shares; 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). 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 estimates and judgment available at present. 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 Target Company Valuation Report, Etc. and analyses by Mitsubishi UFJ Morgan Stanley Securities have been provided solely for the information of the board of directors of the Target Company and they are prepared solely for the use by the board of directors of the Target Company in connection with the Transactions. Therefore, they must not be relied upon or used by any other persons for any other purposes. Mitsubishi UFJ Morgan Stanley Securities expresses no opinion or recommendation to the Target Company's shareholders regarding whether to accept the Tender Offer or not.

The Target Company Valuation Report, Etc. and analyses by Mitsubishi UFJ Morgan Stanley Securities are based on economic, currency exchange, market, and other conditions and trends as of the Target Company Valuation Report, Etc., and on the information available to Mitsubishi UFJ Morgan Stanley Securities as of the said date. It should be understood that developments after the base date may affect the content of the analyses, or there may be factors the impact of which cannot be measured as of the said 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 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 a financial advisor and relating to finance to the Target Company, Sumitomo, and KDDI and their respective related companies within two years before October 23, 2012, and have received fees as consideration for these services. Moreover, Mitsubishi UFJ Morgan Stanley Securities or its related companies may provide these services to the Target Company, Sumitomo, and the Tender Offerors and their respective related companies in the future, and may receive fees as consideration for these services in the future.

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

The Target Company has received advice on the procedure's legality regarding the Tender Offer and the method and fairness of the decision-making process of the Target Company's board of directors meeting by Mori Hamada & Matsumoto, the Target Company's legal advisor independent of the Tender Offerors, and carefully examined the terms for the Target Company to accept the Transactions proposed by Sumitomo and KDDI, the specific terms and procedures for the Tender Offer, and various terms such as the time of implementation thereof.

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

Based on the explanation on the Transactions from Sumitomo and KDDI, the Share Price Valuation Report and the Fairness Opinion received from Mitsubishi UFJ Morgan Stanley Securities, legal advice from Mori Hamada & Matsumoto, the content of the report of the third-party committee, etc., the Target Company has carefully discussed and deliberated the various terms regarding the Tender Offer.

As a result, at the Target Company's board of directors meeting held on October 24, 2012, the Target Company has resolved by the unanimous vote of all directors present, excluding Mr. Ryosuke Yamazoe, and Mr. Yoshiki Nakai, directors who waived voting on the resolution from the viewpoint of maintaining fairness. Out of the five (5) directors present at the Target Company's board of directors meeting, excluding Mr. Yoshio Osawa, Mr. Hirofumi Morozumi, Mr. Makoto Takahashi, Mr. Daisuke Mikogami, Mr. Shuichi Mori, and Mr. Shunsuke Oyama, it resolved, as the Target Company's current opinion, 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, if the Tender Offer has commenced with the details set forth in the press release regarding the Tender Offer.

Two (2) company auditors of Mr. Kunio Fujimoto, a full-time company auditor, and Mr. Katsuyuki Yamaguchi, a company auditor, who were present at the relevant board of directors meeting, have stated their opinions that they do not object to the resolution above.

Among eleven (11) directors of the Target Company, three (3) directors, Mr. Yoshio Osawa, Mr. Hirofumi Morozumi, and Mr. Makoto Takahashi who concurrently serve as representatives of Sumitomo or KDDI, did not attend, nor were counted in the quorum of any board of directors meeting regarding the Transactions, including the board of directors meeting held today, as being persons with special interests in the resolution at the board of directors meeting regarding the Transactions. None of the three (3) directors above have participated in the examination of the Transactions or the discussions or negotiations with Sumitomo and KDDI regarding the Transactions on behalf of the Target Company. Also, Mr. Daisuke Mikogami, a director, who concurrently serves as an officer or employee of Sumitomo and Mr. Shuichi Mori, a director and Mr. Shunsuke Oyama, a director, who had been officers or employees of Sumitomo or KDDI until relatively recently, did not attend any board of directors meeting regarding the Transactions, including the board of directors meeting held today, nor have they participated in the examination of the Transactions or the discussions or negotiations with Sumitomo and KDDI regarding the Transactions on behalf of the Target Company, given the possibility of conflicts of interest.

Out of five (5) other directors, Mr. Ryosuke Yamazoe, a director and Mr. Yoshiki Nakai, a director, who have been officers or employees of Sumitomo or KDDI until relatively recently, have attended the board of directors meetings on the Transactions, including the board of directors' meeting held today from the viewpoint of ensuring that the quorums of the board of directors meetings are met. However, from the viewpoint of maintaining the resolution's fairness, they did not speak at the board of directors meetings regarding the Transactions, nor did they participate in any examination of the Transactions or the discussions or negotiations with Sumitomo and KDDI regarding the Transactions on behalf of the Target Company.

Out of four (4) Company auditors, Mr. Toshifumi Shibuya and Mr. Kenichiro Takagi, who concurrently serve as employees of Sumitomo or KDDI, have not attended any board of directors meetings regarding the Transactions, including the board of directors' meeting held today, from the viewpoint of maintaining the resolution's fairness and neutrality. Mr. Katsuyuki Yamaguchi, a company auditor, is an attorney who belongs to Nishimura & Asahi, a legal advisor of KDDI for the Transactions. However, according to Mr. Yamaguchi, measures to block the flow of information between the attorneys who are engaged in the instant case at Nishimura & Asahi have been implemented.

(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" and "(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 purports to delist the Target Company and to make the ratio of voting rights held by

each of Sumitomo and KDDI in the Target Company to be 50%. 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 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 KDDI 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, 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), 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 the 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 the Tender Offerors, Etc. in the Target Company after the Tender Offer, and the status of the shareholding of the Target Company's shareholders other than the Tender Offerors, Etc. 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 on the basis of the 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.

The Tender Offerors, Etc. 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, Etc. 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 on So-Called Two-Tiered Acquisition)" above, the Tender Offerors, Etc. 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 on 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.

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 June 30, 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.) Mizuho Trust & Banking Co., Ltd. Securities Custodian Trust 0700117</td> <td>2.20%</td> </tr> <tr> <td>Trust & 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 & CO, LLC (Standing proxy agent: Morgan Stanley MUFG Securities Co., Ltd.)</td> <td>0.75%</td> </tr> <tr> <td>National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy agent: The Master Trust Bank of Japan, Ltd.)</td> <td>0.70%</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%	National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy agent: The Master Trust Bank of Japan, Ltd.)	0.70%
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National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy agent: The Master Trust Bank of Japan, Ltd.)	0.70%																				
(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 June 30, 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.																				

(Note 1) As of today, NJ is not yet established. Therefore, there is no statement regarding the relationship with NJ in (viii) "Relationship between the Tender Offerors and the Target Company" above.

(Note 2) Major relationships between Sumitomo that will take a 50% stake in NJ and the Target Company are as follows:

- Sumitomo owns 39.98% (2,777,912 shares) of the total issued common shares of the Target Company (as of June 30, 2012: 6,947,813 shares).
- Sumitomo seconds to the Target Company its officers, Yoshio Osawa and Daisuke Mikogami, as part-time directors, and Toshifumi Shibuya as an outside company auditor. Sumitomo also seconds its employees to the Target Company.
- Sumitomo receives reimbursements from the Target Company for secondment of its employees.
- The Target Company is Sumitomo's affiliate accounted for by using the equity method, thereby falling under the category of a related party.

(2) Schedule, etc.

The Tender Offerors plan to conduct the Tender Offer as soon as practicably possible after completing the procedures and responses required under domestic and foreign competition laws. As of today, Tender Offerors expect to commence the Tender Offer by around early February 2013, and to complete the account settlement by the end of March 2013. It is anticipated that it will take some time to take procedures involving domestic and foreign competition authorities. Given that, as of today, it is difficult to accurately estimate the period required for such procedures, the progress of these procedures will be announced around early February 2013 at the latest.

The Tender Offer period will be scheduled to be 30 business days, in principle.

(3) Price for the Purchase, etc.

110,000 yen per one (1) common share

109,999 yen per one (1) 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 Sumitomo

Upon the consummation of the Tender Offer and the Going Private Transaction by KDDI and NJ, an entity in which Sumitomo and KDDI are each expected to own 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 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 conducted by Goldman Sachs, a financial advisor independent from Sumitomo, the Target Company and KDDI, and taking into consideration 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 business plans and financial forecasts for the Target Company and its subsidiaries and affiliated companies from the beginning of October 2012 to late October 2012, based on information presented to Sumitomo by the Target Company's management (the "Forecasts"), while assessing the strategic rationale for the proposed transactions in connection with the Tender Offer, and examining, with the Target Company's management, the past and current business operations, financial condition and future prospects of the Target Company.

Goldman Sachs, in preparing the Goldman Sachs Report referred to above, conducted its financial analyses of the Target Company's common shares using an average market share price analysis, a comparable companies analysis, and a discounted cash flow ("DCF") analysis. 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 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 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 and over the one-month, three-month, and six-month 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.

Goldman Sachs did not attribute any particular weight to any factor or analysis. Goldman Sachs' financial analyses 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, and Goldman Sachs assumes no responsibility for updating, revising, or reaffirming its financial analyses or the Goldman Sachs Report based on circumstances, developments, or events occurring after the date thereof. Goldman Sachs assumed with Sumitomo's consent that the Forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Sumitomo. Except as otherwise noted, the quantitative information used in Goldman Sachs' financial analyses and the Goldman Sachs Report, to the extent it is based on market data, is based on market data as it existed on or before October 17, 2012 and is not necessarily indicative of current market conditions. Please refer to (Note) of "(ii) Financial Analyses Process" 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 as a related party of Sumitomo, the Target Company or KDDI, 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 Report.

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, and taking into consideration 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.

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

KDDI determined the Tender Offer Price of 110,000 yen per share of common shares 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, while also comprehensively taking into consideration the result of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer and the prospect of a successful completion of the

Tender Offer, together with the examples of the premiums implied in precedent tender offers by persons other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company. KDDI has also been provided with a fairness opinion by J.P. Morgan, 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, or Sumitomo, 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 J.P. Morgan's fairness opinion.

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 comparable companies analysis and the DCF analysis were based on relevant factors such as the business plans and financial forecasts, approved for J.P. Morgan's use by KDDI, the profit and capital expenditure forecast in the Target Company's business plan, the result of the interview with the Target Company's management and due diligence, and other publicly available information. The J.P. Morgan Report has been provided solely for the information and assistance of the board of directors of KDDI in connection with its consideration of the Tender Offer Price. J.P. Morgan has not recommended any specific purchase price to KDDI or its board of directors, nor has J.P. Morgan recommended that any specific purchase price constituted the only appropriate purchase price.

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

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

In performing the average market share price analysis based on publicly available information, J.P. Morgan used October 19, 2012, as the base date, and reviewed the closing price of Target Company common shares on the base date and average prices over the one-month, three-month, and six-month periods ending on the base date.

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

In performing the comparable companies analysis, J.P. Morgan used October 19, 2012, as the base date and evaluated the share value by selecting listed companies that, while not totally comparable to the Target Company, are

engaged in businesses that for purposes of analysis may be considered similar to the Target Company, based on the comparison of financial indicators such as market share price, growth rate, and profitability.

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

J.P. Morgan performed the DCF analysis based on relevant factors such as the business plans and financial forecasts, approved for J.P. Morgan's use by KDDI, the profit and capital expenditure forecast in the Target Company's business plan, the result 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 result of the due diligence on the Target Company, the market trend of the share price of the Target Company's common shares, the likelihood of obtaining the support from the Target Company for the Tender Offer, and the prospect of a successful completion of the Tender Offer, together with the examples of the premiums implied in precedent tender offers by persons other than the issuers at the time of the announcement of their tender offer prices, as well as through consultation and negotiation with Sumitomo and the Target Company, 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.

(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 it substantially incorporates the occurrence of the Tender Offer. The Tender Offer Price of 110,000 yen in cash per common share represents a premium of approximately 33.0% (rounded off to two decimal places; 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 37.8% 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 39.3% 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 35.8% 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 a discount of approximately 2.4% on 112,700 yen, the closing price on October 23, 2012, the business day immediately prior to the business day which Sumitomo and KDDI determined the Tender Offer Price.

(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, they are exercisable after a certain period prescribed in the terms and conditions of each issuance has elapsed before or after the relevant Officers’ retirement. Thus, Sumitomo and KDDI determined the purchase price for the Share Options to be 109,999 yen in cash per Share Option, the difference between the Tender Offer Price of 110,000 yen and the Share Option’s exercise price of one yen per share of the Target Company underlying the Share Option.

(ii) Financial Analyses process

(a) Process Resulting in the Determination of the Tender Offer Price

Using as a reference the results of the financial analyses of the Target Company's common shares conducted by Goldman Sachs, and taking into consideration the market trend of the share price of the Target Company’s common shares, the likelihood of obtaining the support of the Target Company for the Tender Offer, and the likelihood of a successful completion of the Tender Offer, together with examples of the premiums implied in precedent tender offers for share certificates etc. by entities other than the issuers at the time of the announcement of their tender offer prices, all considered as a whole, as well as taking into account the consultations and negotiations with KDDI and the Target Company, Sumitomo 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.

(Note)

The following is a supplemental explanation of the assumptions made, matters considered, and limitations on the review undertaken in connection with performing Goldman Sachs’ financial analyses of the Target Company's equity with October 17, 2012 as the base date:

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

participated in certain of the negotiations leading to, the Agreement Transactions. Goldman Sachs expects to receive fees for its services in connection with the Agreement Transactions, a principal portion of which is contingent upon consummation of the Tender Offer, and Sumitomo and its affiliates have agreed to reimburse Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. The Goldman Sachs Group has provided from time to time and are currently providing certain investment banking services to Sumitomo and its affiliates for which the Investment Banking Division of the Goldman Sachs Group has received, and may receive, compensation, including having acted as joint bookrunner with respect to a public offering 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 Report, 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; 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 Report, 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 currently available estimates and judgments of the management of Sumitomo. 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 Report 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 Report 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' analyses and the Goldman Sachs Report are necessarily based on economic, monetary, market, and other conditions as in effect on, and the information made available to Goldman Sachs as of, the base date and Goldman Sachs assumes no responsibility for updating, revising, or reaffirming these analyses based on circumstances, developments, or events occurring after the base date. 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 Report are not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or the Goldman Sachs Report 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 Report. Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed.

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

As mentioned above, KDDI has been provided with the fairness opinion by J.P. Morgan, 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, or Sumitomo, 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 J.P. Morgan's fairness opinion.

(Note)

The following is a supplemental explanation of the assumptions made, matters considered and limitations on the review undertaken in connection with performing J.P. Morgan's fairness opinion and evaluating the Target Company's share value underlying the opinion:

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 Agreement, and that the definitive version of 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. 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.

(b) Measures to Ensure the Fairness of the Purchase Price

Sumitomo and KDDI hold in the aggregate a majority of the voting rights regarding the common shares of the Target Company as of October 24, 2012. 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 and KDDI and the Target Company have taken the measures set forth in “(4) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflict of Interests” in “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 and measures to avoid conflicts of interest. Please refer to “(4) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflict of Interests” in “1. Purpose etc., of the Purchase, etc.” for the details.

(iii) Relationship with the Financial Advisors

Goldman Sachs, which conducted financial analyses of the Target Company’s common shares at Sumitomo’s request, does not constitute as a related party of Sumitomo, the Target Company or KDDI, nor does it have any material interests that should be noted in connection with the Tender Offer.

J.P. Morgan, which conducted financial analyses at KDDI’s request, is not a related party of KDDI, Sumitomo or the Target Company.

(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
1,964,002 shares	— shares	— shares

(Note 1) In the Tender Offer, the Tender Offerors will not set the maximum or the minimum number of shares to be purchased, and will purchase all share certificates, etc. tendered for sale. Therefore, in the column “Number of Shares to be Purchased”, 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 (1,964,002 shares) was calculated as follows: the sum of (i) the number of the total issued common shares as of June 30, 2012 (6,947,813 shares) stated in the 19th Fiscal Year, Second Quarterly Securities Report submitted by the Target Company on August 7, 2012 (the “Target Company’s 19th FY 2nd Quarterly Securities Report”), and (ii) the maximum number of the Target Company’s common shares (11,274 shares) which could be issued upon the exercise of all the Target Company’s share options remaining as of June 30, 2012 (including not only the Share Options, but also share options expired as of August 23, 2012 as a matter of convenience; hereinafter the same in (Note 4) of (6))(according to the Target Company’s data); then deducting from the sum of (i) and (ii), (iii) the number of the treasury shares (83,376 shares) held by the Target Company as of June 30, 2012 stated in the Target Company’s 19th FY 2nd Quarterly Securities Report, (iv) the number of the Target Company’s common shares (2,133,797 shares) held by KDDI, the Tender Offeror, as of today, and (v) the number of the Target Company’s common shares (2,777,912 shares) held by Sumitomo as of today, which

are not planned to be tendered for sale in the Tender Offer. As such, the above-mentioned number of share certificates, etc. to be purchased is tentative depending on the data as of June 30, 2012, and the actual number of shares to be purchased in the Tender Offer is subject to change reflecting any change thereafter.

(Note 2) There is no plan to acquire the treasury shares of the Target Company through the Tender Offer.

(Note 3) Out of 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 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.	2,133,797 units	(Holding ratio of the share certificates, etc. prior to the purchase, etc.: 31.08%)
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	1,964,002 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) In the column “No. of voting rights under share certificates, etc. held by the Tender Offerors prior to the purchase, etc.”, the number of voting rights under share certificates, etc. held by KDDI as of today is entered; in calculating the “Holding ratio of the share certificates, etc. prior to the purchase, etc.”, the number of voting rights of all shareholders (6,864,437 units) as of June 30, 2012 stated in the Target Company’s 19th FY 2nd Quarterly Securities Report was used as the denominator.

(Note 2) In the column “No. of voting rights under share certificates, etc. held by persons in a special relationship prior to the purchase, etc.”, the number of voting rights under share certificates, etc. held by Sumitomo as of today out of the share certificates, etc. held by each person in a special relationship (excluding the shares owned by KDDI, the Tender Offeror, and the treasury shares held by the Target Company; the same applies in Note 3) is temporarily entered. In calculating the “Holding ratio of the share certificates, etc. prior to the purchase, etc.”, the number of voting rights of all shareholders (6,864,437 units) as of June 30, 2012 stated in the Target Company’s 19th FY 2nd Quarterly Securities Report was used as the denominator. The number to be entered in the column “No. of voting rights in share certificates, etc. held by persons in a special relationship

located or resident in the United States, or by any person acting for the account or benefit of, a U.S. Person.

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 Matters

(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 today 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, if the Tender Offer has commenced.

However, given that the Tender Offer is planned to commence under certain conditions as stated in “1. (1) Outline of the Tender Offer” above and it is expected to commence around early February 2013 at present, according to the Target Company, it also resolved at the aforementioned board of directors meeting that (a) it plans to ask a third-party committee established by the Target Company as set forth in “1. (4) (ii) Establishment of Independent Third-Party Committee by the Target Company” above to deliberate whether there is any change in its opinion expressed to the Target Company’s board of directors on October 23, 2012, and if it determines that there is no change, to report so or if it determines that there is a change, to opine its changed opinion to the Target Company’s board of directors, and (b) based on such opinion of the third-party committee, it plans to express its opinion on the Tender Offer again at the time of the commencement of the Tender Offer.

The aforementioned resolution by the Target Company’s board of directors was resolved in the manner that is stated in “1. (4) (v) ”

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

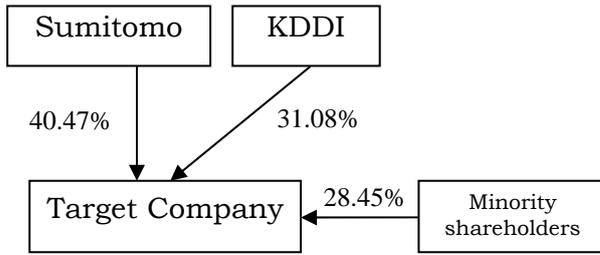
There are no applicable matters. Should there be any applicable matters at the time of the commencement of the Tender Offer, they will be announced before the commencement of the Tender Offer.

End

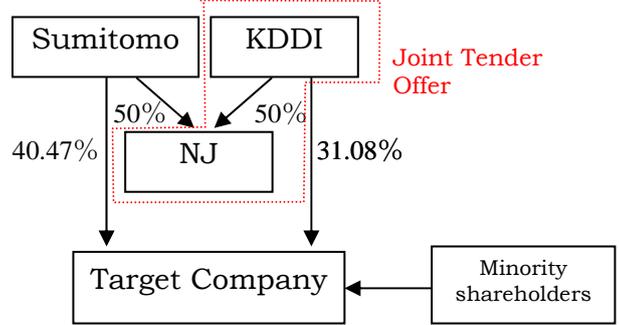
[Exhibit]

<<**Structural Chart**>> (Percentages concerning the Target Company in (i) to (iii) show the percentage based on the total number of voting rights of all shareholders as of the end of June 2012)

(i) Current status

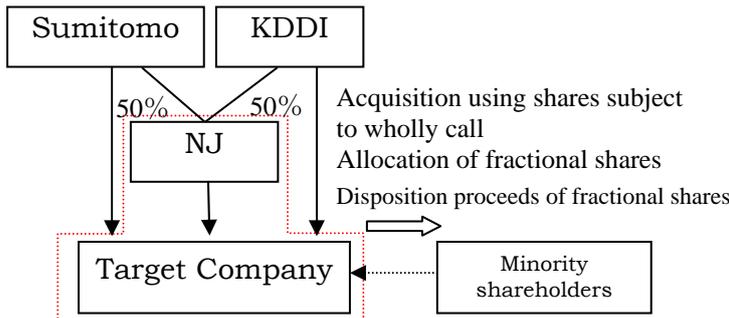


(ii) From establishment of NJ till the Tender Offer



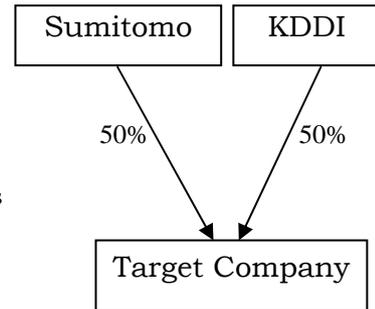
After establishing NJ, KDDI will transfer a half of the total issued shares of NJ to Sumitomo; then Sumitomo and KDDI will own NJ at a ratio of 50:50. NJ finances the necessary funds by borrowing, and NJ and KDDI conduct a joint tender offer. KDDI will purchase all shares until the number of shares owned by Sumitomo and KDDI become equal,¹ and NJ will purchase all shares exceeding such number of shares.

(iii) The Going Private Transaction and the Merger between Target Company and NJ



After Going Private, Target Company will absorb NJ

(iv) After completion of the Going Private Transaction



Conduct the Going Private Transaction using class shares subject to wholly call. Thereafter, the Target Company will absorb NJ.

Sumitomo and KDDI will each own 50% of the Target Company's shares after the merger.

¹ Even where the number of tendered shares is less than the said number of shares, transactions will be conducted so that the same shareholding relationship as in (iv) results after the completion of the transaction in (iv).

[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, October 24, 2012, 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, Etc. 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” as defined in Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Act of 1934. 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, Etc. or their affiliates cannot promise that any predictions explicitly or implicitly indicated as “forward-looking statements” will eventually be accurate. The “forward-looking statements” in this document have been prepared based on the information held by the Tender Offerors, Etc. as of the date of this document, and the Tender Offerors, Etc. and their affiliates shall not be liable to update or revise the descriptions to reflect future events or circumstances except as obligated by laws and regulations.

[United States]

Unless the Tender Offer can be structured to comply with applicable U.S. laws and relevant regulations, the Tender Offerors may not extend the Tender Offer 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). In such case, the Target Company’s share certificates, etc. may not be tendered in the Tender Offer by any use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States, or by any person acting for the account or benefit of, a U.S. Person.

[Other Countries]

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.