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4-1-28 Toranomon, Minato-ku, Tokyo
Japan Communications Inc.
Naohisa Fukuda
Representative Director-President
(Code No.: 9424)
For enquiries: Miki Katayama
Representative Managing Director
Tel: 03-5776-1700

SoftBank agrees to network Interconnection with JCI
Service to be initiated on March 22, 2017

Japan Communications Inc. (JCI) announced today that JCI and SoftBank Corp. (SoftBank) executed an Interconnection agreement on January 31, 2017. JCI's new SoftBank MVNO service will launch on March 22, 2017. JCI will be the first Interconnection based MVNO to provide service using the SoftBank network. With this connection, JCI now has Japan's broadest network coverage through the networks of both NTT docomo and SoftBank.

At launch, JCI will provide service to iPhone and iPad users that are SIM-locked to the SoftBank network. These devices represent the largest installed base of SoftBank subscribers and are the users most in need of new, innovative services. Services for other terminals will follow.

JCI requested Interconnection to SoftBank's mobile network on August 7, 2015. Following little progress in negotiations after one year, on September 29, 2016, JCI submitted to the Ministry of Internal Affairs and Communications (MIC) a request for a Ministerial Order to be issued to SoftBank to interconnect. In considering this matter, the Minister of Internal Affairs and Communications convened the Telecommunications Dispute Resolution Committee to review and provide opinion on the request. On January 27, 2017, the Committee informed the Minister of its full support of the JCI Interconnection request. A key area of dispute between JCI and SoftBank were the rights of the interconnecting party to connect devices to the network. Following this review, MIC has clarified that under Japanese law Interconnection refers not only to the connection between two networks, but also that under Interconnection end-user devices must be allowed to connect to the network without impediment or hindrance. Following this clarification in favor of consumer choice on this critical point of dispute, JCI and SoftBank successfully concluded their negotiations.

JCI invented and introduced the MVNO business model to the global industry in 1996, enabling customers to purchase service from non-carrier operators. In 2008 JCI laid the groundwork for the Japanese MVNO industry through Interconnection with NTT docomo. Following JCI's leadership, Japan now has a robust MVNO industry using the NTT docomo network. JCI will now create the same strong

competitive environment on the SoftBank network. To date, SoftBank's iPhone, iPad and other users have been left out of the kakuyasu SIM (low cost SIM) revolution that MVNOs have brought to NTT docomo users. From March 22, JCI will deliver new, competitive services for SoftBank users that provide real value to consumers through cost savings and product differentiation.

Japan is the only major mobile market to have totally deregulated its telecommunications marketplace. The Interconnection announced today refers to Interconnection at layer 2 identical to Interconnection between wireline carriers in other markets. An Interconnected MVNO is able to utilize the facilities of the of the carrier network at a cost-plus rate and is able to provide independent services and pricing at the discretion of the MVNO. Mobile interconnected services are a vital element of the success of the Internet of Things (IoT), where coverage is more important than mobility. With the ability to provide seamless connectivity amongst carrier networks in Japan, JCI will be uniquely able to provide a network that maximizes the benefits of IoT.

About Japan Communications Inc.
Japan Communications Inc. (JCI) was established on May 24, 1996 as the company to fulfill the objective of the Ministry of Communications and Internal Affairs (MIC) that next-generation Internet, driven by mobile communications, should form the foundation of Japan's future economic growth. JCI's business model later became to be called MVNO. In March 2009, JCI achieved interconnection with NTT docomo under MIC's policies to liberalize the mobile market. This interconnection meant that consumers could purchase mobile connectivity (SIMs) from sources other than the mobile carriers for the first time and led to the creation of the "kakuyasu SIM" market. Now it is time for companies from all industries, not just cellular companies, to embed mobile connectivity in to their devices. As the MVNO pioneer and the world's first mobile solutions enabler, we are using our strong technological vision and know-how in implementation to build the next generation platforms required to support the next phase of global economic growth, which will originate in Japan. Offices are located in Tokyo, Japan, and Denver (Colorado) and Ponte Vedra (Florida) in the United States. JCI is listed on the Tokyo Stock Exchange. (Securities Code: 9424). As JCI's Corporate governance policy, outside directors comprise the majority of the Board of Director and all outside directors are independent directors.