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JCI and Baicells agree on a strategic partnership for IoT leveraging unique competence in unlicensed LTE

Japan Communications Inc. ("JCI") announced today that it has agreed with Baicells Technologies Co., Ltd. ("Baicells"), an innovative LTE solution maker headquartered in Beijing, China, on the strategic partnership regarding joint business development of unlicensed LTE network which will serve as the foundation for the IoT solutions for the Japanese market. A comprehensive and detailed agreement will be reached by the end of this calendar year. The strategic partnership includes building networks, specific IoT solutions which will be supported by a new revenue sharing business model which will include the two Companies as well as other partner companies.

Integration of Baicells' innovative global LTE solutions and JCI's platform brings integrated use of unlicensed LTE network and multi mobile carrier networks. Furthermore, integrated secure and reliable telecommunication service can be provided by leveraging JCI's patented security technologies for financial services when highest level of security is required. As this new service will bring significant cost reduction in network installation and operations when compared to the traditional mobile carriers, the revenues from this new service will be shared by strategic partners and vendor in a fair and equitable way based on participation.

This platform will be initially provided to MVNO operators, enterprise corporations, and small and mid-size businesses for the use of specific applications for their IoT solutions. This strategic partnership will build win-win-win relationship among the three end-users, service operators, and vendors, by building a new business and technology model which will greatly simplify the MVNO business process encompassing the necessary technology requirements.

About Baicells
Baicells is a fast growing high-tech company which provides innovative and affordable LTE solutions. Baicells' micro cell solutions have been adopted by China Mobile, and Baicells's fixed-LTE solutions are widely deployed in USA since its establishment in March 2014, Baicells has been growing its market share in OEM and ODM market of LTE solutions.

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, Denver (Colorado) and Ponte Vedra (Florida) in the United States, and Dublin, Ireland. 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.