

Fujitsu Limited

April 28, 2016

Notice of Commencement of Tender Offer for Shares of NIFTY Corporation (Code No: 3828)

Tokyo, April 28, 2016 - Fujitsu Limited (hereinafter referred to as “Tender Offeror” or “Company”) has announced the decision, adopted at the meeting of Board of Directors held on April, 28, 2016, to acquire the common shares (hereinafter referred to as “Target Company Shares”) of NIFTY Corporation (Code No: 3828, the Second Section of the Tokyo Stock Exchange, hereinafter referred to as “Target Company”) through a tender offer (hereinafter referred to as “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948; as amended, hereinafter referred to as “Act”), as stated below.

1 Purposes of Tender Offer, etc.

(1) Overview of Tender Offer

As of today the Company holds 15,170,000 shares of Target Company (the holding ratio (Note) is 66.59%) and Target Company is a consolidated subsidiary of the Company. The Company, at the meeting of Board of Directors held on April 28, 2016, adopted a resolution to conduct Tender Offer as part of a transaction (hereinafter referred to as “Transaction”) in which the Company would acquire all Target Company Shares (excluding the treasury shares of Target Company) listed on the Second Section the Tokyo Stock Exchange, Inc. (hereinafter referred to as “Tokyo Stock Exchange”) and make Target Company a wholly owned subsidiary of the Company.

(Note) The holding ratio means the ratio (any fraction to be rounded to two decimal places) to the number of outstanding Target Company Shares (22,779,965 shares), which is the aggregate number of issued common shares (22,780,000 shares) as of March 31, 2016 stated in “Summary of Financial Results ending in March 2016 [Japanese standards] (consolidated) (hereinafter referred to as “Summary of Financial Results of Target Company) announced by Target Company on April 28, 2016 minus the number of treasury shares as of March 31, 2016 (25 shares) stated in Summary of Financial Results of Target Company, hereinafter the same.

In Tender Offer, the Company does not determine the maximum or minimum number of shares to be purchased and will acquire all the share certificates, etc. tendered, etc. in response to Tender Offer (hereinafter referred to as “Share Certificates, etc.

Tendered”).

If the Company fails to acquire all Target Company Shares (excluding Target Company Shares owned by the Company and treasury shares owned by Target Company) through Tender Offer, the Company will implement each procedure in “(3) Policy of Restructuring, etc. for Post-Tender Offer” described below and make Target Company a wholly owned subsidiary of the Company.

According to “Notice of Expressing Opinion for Approval and Recommendation to tender shares regarding Tender Offer of Our Company’s Shares by Fujitsu Limited, the controlling shareholder” (hereinafter referred to as “Target Company’s Press Release”) announced by Target Company on April 28, 2016, Target Company, at the meeting of Board of Directors held on April 28, 2016, where a resolution was adopted expressing its affirmative opinion on Tender Offer and also recommending that shareholders of Target Company tender their shares for Tender Offer.

(2) Background Leading up to the Implementation of a Decision, Purposes of and Decision-making Process for Tender Offer, and Management Directions for Post-Tender Offer

The Company was established in 1935 as a company contributing to the development of highly public infrastructure by using advanced technologies. Since then, the Company has been doing business intended to address the various social issues and to contribute to the development of a sustainable networked society through the practice of its philosophy and spirit.

Currently, one of the major issues companies is how to innovate by using digital technologies in order to gain competitive advantage in an environment where not only people but also various things, information and processes connect to the network which is producing new values. In this environment, the Company aims, as its Corporate Vision, “Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world”. Particularly in the area of information and communication technology (ICT), the Company is engaging in total solution businesses: offering various services and also offering comprehensively, in order to support those services, development, production, sales as well as maintenance of advanced, high-end and high-quality products.

Traditionally, the Company has promoted vertical integration businesses based on three kinds of solutions: “Technology Solutions (Note 1)”, “Ubiquitous Solutions (Note 2)” and “Device Solutions (Note 3)”. In October 2015, the Company announced a new

management direction aiming to enhance its global competitiveness in the market where “internet of things” (Note 4) has been developing and now the Company, in order to offer its services that “integrate everything” to the market, endeavors to focus its management resources on “Technology Solutions” in which the Company has competitive advantage.

(Note 1) “Technology Solutions” are offering the best form of comprehensive services unifying products, software and service mainly to corporate customers, which are consisted of Services and System Platforms.

(Note 2) “Ubiquitous Solutions” are consisted of, Personal Computers with functional enhancement, such as smartphone compatibility, energy efficiency and fast boot-up, and Mobile Phones including conventional feature phones, smartphones and tablet devices developed under “ARROWS” and “STYLISTIC” brands as well as car audio and navigation systems, mobile communications equipment and automotive electronic devices.

(Note 3) “Device Solutions” are leading-edge technology, consisted of LSI loaded on digital appliances, automobiles, mobile phones and servers, as well as Electronic Components including semiconductor packages and batteries.

(Note 4) Abbreviation for “Internet of Things”. It means the system for exchanging information where various things, in addition to personal computers and servers, are connected to the Internet.

Under this new management direction, the Company is working on shifting to “Connected Services (Note 5)” as well as on “Business Model Transformation” toward consistent growth, positioning the growth in the areas of “Digital Innovation (Note 6)” and “Strengthen Global Presence” by which the Company conducts these services globally as a key issue. Specifically, the Company will continue to develop advanced IoT technology which is indispensable for stronger customer engagement and consistent growth, and also lines of business that demand more agility, such as “Ubiquitous Solutions” and “Device Solutions,” will become group companies, where they will have the independence to develop more competitive products and build their businesses.

(Note 5) Connected Services mean integrated and more sophisticated “one stop service” by using know-how accumulated by Solution/SI and IT infrastructure services, various software of cloud and middleware, transformation of core hard, such as server, storage or network to software (Note 7).

(Note 6) Digital Innovation means “business innovation” where the scope for utilizing ICT expands from the area of traditional business efficiency to the area of management to outperform in the

business competition, “social innovation” to resolve social issues, and other innovations.

(Note 7) “Transformation of core hard to software” means the control and offer of formation and functions of hardware by using software, enabling more rapid and flexible support for services and systems according to environmental changes.

Furthermore, regarding the global structure, in an environment where business chances are expanding globally, the Company is working to enhance on-site sales capabilities by promoting “new global matrix system” (Note 8) launched in April 2014. Particularly, the Company increases its efforts to conduct industry-specific sales with knowledge and technology obtained from many global demonstration projects, to share global know-how and skills through the experience of practical projects, and to realize highly reliable and qualified supports.

The Company has already practiced such efforts in the areas of manufacturing, healthcare and agriculture, and from now on, the Company will try to offer value-added services also in areas of automatic driving, Fintech (Note 9) and digital marketing which are expected to expand with development of IoT.

(Note 8) “New global matrix system” is a framework of the Company Group to timely offer the global and consistent governance management system as well as global and homogeneous services by organizing the world into five divided regions and integrating corporate functions and marketing functions into the structure of headquarters.

(Note 9) Fintech is a word coined from Finance and Technology, meaning an activity to resolve inefficiency of traditional financial services by utilizing the technology of smart devices such as smartphones and tablets and big data and to offer innovative financial services.

The Target Company was established in February, 1986 as a joint venture of the Company and Nissho Iwai Corporation (currently, Sojitz Corporation), expecting deregulation of domestic communications and expansion of demand for PC communication services toward individuals, and started offering PC communication services after entering into licensing agreement pertaining to services in Japanese language with CompuServe, Inc. (currently, CompuServe Interactive Services, Inc.), the biggest PC communication service company in the United States.

Subsequently, after Target Company began to offer internet connect service in 1996, the Company acquired in March 1999 all Target Company Shares held by Nissho Iwai Corporation (currently, Sojitz Corporation), and became the parent company which owns 100% of issued shares of Target Company.

Target Company has developed broadband connect services such as ADSL (Note 10), CATV (Note 11) and FTTH (Note 12) aiming to be a next generation of internet providers, and from then on, has endeavored to expand its operations in the areas of e-commerce and marketing by offering internet search service and other additional services. In December, 2006, Target Company listed on the Second Section of the Tokyo Stock Exchange aiming at funding and securement of corporate creditworthiness as well as improvement of corporate awareness and recruitment. By the public offering at the time of listing, Target Company Shares owned by the Company declined to 151,700 shares (the holding ratio is 66.59%, which was increased to 15,170,000 shares due to the share split (1:100) conducted by Target Company as of the effective date of October 1, 2013). After the listing, Target Company remains to be a consolidated subsidiary of the Company because the Company continues to own the majority of voting rights of Target Company, while the Company maintains close business relationship with Target Company as one of the Group Companies, emphasizing independence and autonomy of Target Company's management.

(Note 10) Abbreviation for Asymmetric Digital Subscriber Line. It means the technology enabling high-speed data communication by using analog telephone lines.

(Note 11) Abbreviation for Cable TeleVision or Community Antenna TeleVision. It means closed-circuit television broadcasting service by using dedicated cables. In addition to the traditional meaning, recently it also means specialized operator or broadcasting services which offers pay broadcasting through cables installed from switching station to individual subscriber. It is offering internet connect service as one of additional services.

(Note 12) Abbreviation for "Fiber To The Home". It means the service enabling high-speed data communication by using optical fibers.

Currently Target Company, together with five consolidated subsidiaries and three affiliated companies, holds its corporate philosophy, "In order to fulfill the dreams of our customers, shareholders, employees, partner companies, communities and others, we always do customer-focused businesses, develop services as a challenger and continue to work on the creation of new values as helpful company for the society", and expresses its corporate message, "With Us, You Can." , while it is offering mainly three business segments: "ISP Business" which offers internet service and relevant associated services, "Web Service Business" which operates various Web sites, offers services regarding blogs and SNS, etc., and offers contents, etc., and "Cloud Business" which offers public cloud computing service,.

Meanwhile, business environment surrounding Target Company has been changing rapidly due to improvement of digital technology of recent years along with individual lives and companies' requirements.

Regarding ISP Business, while Target Company has promoted businesses to expand customer base by focusing on expansion of immobile broadband connect service such as ADSL, CATV and FTTH before and after the listing, Target Company faced some changes of external business environment: change of customer needs, which is shifting to location-independent use of internet because of expansion of smart devices, and commencement of "Hikari" (optical fiber) collaboration model by NTT East and West. Furthermore, for immobile broadband connect services, the issue is to prevent declining of and to expand the number of members of these services among competition with rival companies, because of the homogenizing of the services and slowdown of the growth rate for the entire market. In addition, among these environment changes and intensified competitions, Target Company has come to recognize that the urgent issue is the implementation of radical measures toward maintenance and expansion of customer base, such as further expansion of mobile ultrahigh-speed broadband connect service including "NifMo", enhancement of various value-added services, improvement of customer convenience by cooperation between various services provided by external partners, and offering of new values in accordance with customers' life styles by solutions utilizing IoT.

Regarding Web Service Business, due to the commoditization of additional values for a framework of user support about purchase of products and services which have become available through expansion of broadband services, profitability of advertising, searching and charging services in traditional portal site businesses is on a downward tendency. Target Company aims to enhance its customer services and to improve its ability to attract customers and produced some results from affiliate programs in marketplace business such as "Shufumo", search engine of free flyers and recipes for homemakers, and "@nifty real estate" as well as display advertising in portal site businesses. Regarding Cloud Business, although Target Company has steadily expanded operations after entering into the public cloud market and currently positions this business as a growth area for Target Company, it is required to push forward investment for business expansion and promote further efficiency of management in order to endure cost competition because the competition has intensified among foreign IT companies in terms of market share acquisition and cost.

Under each change of such environment in ISP Business, Web Service Business and

Cloud Business, the Company has come to recognize that, in order to pursue the growth by seeing such change as a big chance of business, it is important to conduct measures ahead of competitors in each business, having speedy business-decisions as well as utilizing its expertise. As mentioned above, the Company announced a new management direction in October 2015, launching measures for a framework of businesses and measures to outperform in the business competition in accordance with each business characteristic, and as for Target Company, it is also important to prepare the best strategy for acquiring customers in accordance with its business characteristics and to allocate business resources efficiently. To make this happen, the Company has come to conclude that the effective measures for both of the Company and Target Company are to organize current business frameworks and to restructure the systems and management strategies as soon as possible.

The Company decided that it is necessary to establish decision-making structures in order to respond to rapid business changes for implementation of fundamental structural reforms and also for Target Company it is required to conduct restructuring flexibly regardless of stock price fluctuations due to temporal deterioration of business income. In this context, the Company gave Target Company a proposal on December 1, 2015, to collectively work on the measures pertaining to integrated business management of the Company and Target Company. Specifically, by (i) making Target Company a wholly owned subsidiary of the Company, and consequently (ii) dividing Target Company into two independent companies: the entity in charge of businesses for enterprises centered around Cloud Business and the entity in charge of businesses for consumers centered around ISP Business (hereinafter referred to as “Business Separation”), both Companies will conduct speedy strategies in accordance with each entity’s characteristic.

Consequently the Company and Target Company launched discussions about measures pertaining to business management of Target Company and from January 2016, launched full-scale negotiations about the Transaction. As a result, both Companies have confirmed that it is required to divide businesses of Target Company and to practice rapid strategy in accordance with each characteristics leading to the growth of both Companies not only for improvement of corporate values of both Companies but also for maximization of values for all stakeholders including customers, clients and employees. Concretely, both Companies confirmed to consider the following strategies.

A) In Business for Enterprises (mainly Cloud Business), pursuing further expansion of business base by close cooperation of the Company and Target Company through

sharing of know-how and customer base of Cloud Business held by the Company and expansion of product lines by combining know-how built by Target Company and infrastructure service of the Company. Particularly, regarding “Nifty Cloud”, which has achieved significant sales growth, pursuing sales expansion by maximizing the ability to offer integrated solutions made by combination of products of the Company Group and sales ability of the Company Group through adding the services to the cloud service lines in “MetaArc”, digital business platform which is the focused business of the Company, and full use of the characteristics of “Nifty Cloud,” enabling rapid response to launch of new businesses of companies and venture capitals.

- B) In Business for Consumers (mainly ISP Business), pursuing profitability and service improvement by considering business restructuring through effective utilization of specific know-how and management resources built by Target Company and implementation of radical measures including cooperation and/or alliance with external partners with expertise about such business.

Based on the result of the discussions, the Company submitted a conclusive letter of intent to Target Company on April 1, 2016 which proposed the above strategies as well as a purchase price of 1,400 yen per share (hereinafter referred to as “Initial Proposed Price”).

After submitting the conclusive letter of intent, the Company and Target Company once again confirmed the above strategies and agreed that, for implementation of strategies mentioned above, it is required for both Companies to work in unison to conduct each measure as well as to accelerate the decision-making by both of them. Particularly, given the business characteristics of Target Company, (i) regarding business for Enterprises (mainly Cloud Business), it is necessary to establish stronger alliance beyond the relationship as parent company and subsidiary in order to improve corporate values of both Companies by efficient sharing and using of management resources such as know-how, customer base and others of the Company and Target Company and (ii) regarding business for Consumers (mainly ISP Business), in order to overcome the past situation which could not improve the termination rate while investing vast amount of expenses to gain members, flexible implementation of radical measures toward profitability and service improvement of Target Company is being considered, including reorganization and integration of service operating platforms of both companies, and alliance with third parties. Therefore both Companies have decided that it is indispensable for Target Company to be a wholly owned subsidiary of

the Company through the Transaction in order to implement these measures effectively, it is required to establish decision-making structures in order to respond to rapid business changes regardless of stock price fluctuations due to temporal deterioration of business income. On the other hand, Target Company asked the Company to reconsider the Initial Proposed Price. As a result, on April 13, 2016, the Company proposed the purchase price of 1,495 yen per share (Tender Offer Price) to Target Company.

In addition, currently, one Director and one Audit & Supervisory Board Member out of four Directors and three Audit & Supervisory Board Members of Target Company concurrently serve as Director or employee of the Company, and the Company has no concrete plan to change managements after making Target Company a wholly owned subsidiary. Although the Company will, together with Target Company, consider the best management system for the implementation of measures mentioned above and further enhancement of management system, the Company basically suppose that corporate executive officers who are currently responsible for each business would continue to serve to the same duties in order to preserve the continuity of business strategy of each business. Further, the Company will consider Business Separation of Target Company as early as possible once making Target Company a wholly owned subsidiary, however, the details and the schedule of such Business Separation are still undecided.

(3) Policy of Restructuring, etc. for Post-Tender Offer (Matters Regarding So-called Two-step Acquisition)

The Company has a policy to make Target Company a wholly owned subsidiary of the Company as described above in “(1) Overview of Tender Offer”, and in case that the Company fails to acquire all Target Company Shares (excluding Target Company Shares owned by the Company and treasury shares owned by Target Company) by the time of successful closing of Tender Offer, the Company plans to acquire all Target Company Shares after closing through the method described below. If the Company uses the method of demand for cash-out (defined below), the matters stipulated in each item of Article 179-2, paragraph (1) of the Companies Act (Act No. 86 of 2005; as amended, hereinafter the same.) would be noticed around late June 2016 and the effective date thereof would be around late July 2016. If the Company uses the method of consolidation of shares (defined below), an extraordinary shareholders meeting (defined below) would be convened around early August 2016 and the effective date thereof would be around late September 2016.

Specifically, in case that the Company, by successful closing of Tender Offer, gets to own the total of 90% or more voting rights of all shareholders of Target Company, enabling exercise of rights as special controlling shareholder stipulated in Article 179, paragraph (1) of the Companies Act, the Company will demand (hereinafter referred to as "Demand for Cash-Out") all shareholders of Target Company who did not tender their shares for Tender Offer (excluding the Company and Target Company) (hereinafter referred to as "Shareholders Subject to the Cash-Out") to sell all of their Target Company Shares pursuant to chapter 2, section 4-2 of Part II of the Companies Act. In Demand for Cash-Out, it will be defined that the Company delivers Shareholders Subject to the Cash-Out the same amount of cash as Tender Offer Price per share as consideration for Target Company Shares. In this case, the Company would notify Target Company to that effect and seek its approval for Demand for Cash-Out. If Target Company approves, by the resolution of its Board of Directors, such Demand for Cash-Out, the Company, in accordance with procedures stipulated in relevant laws and regulations, shall acquire all Target Company Shares owned by Shareholders Subject to the Cash-Out at the date stated in Demand for Cash-Out without individual approval of Shareholders Subject to the Cash-Out. The Company will deliver Shareholders Subject to the Cash-Out the same amount of cash as Tender Offer Price per share as consideration for Target Company Shares owned by such Shareholders Subject to the Cash-Out. According to Target Company's Press Release, in case that Target Company receives a notice from the Company regarding Demand for Cash-Out stipulated in each item of Article 179-2, paragraph (1) of the Companies Act, Board of Directors of Target Company will approve such Demand for Cash-Out made by the Company once they reached the conclusion that such Demand has considered the interest of minority shareholders of Target Company and the conditions of the Demand are fair.

On the other hand, in case that the Company, by closing of Tender Offer, does not get to own the total of 90% or more voting rights of all shareholders of Target Company, the Company will request Target Company to convene an extraordinary Shareholders Meeting (hereinafter referred to as "Extraordinary Shareholders Meeting") including proposal about consolidation of Target Company Shares (hereinafter referred to as "Consolidation of Shares") and partial amendment of the Articles of Incorporation in which the provision of the share unit number would be abolished on the condition that Consolidation of Shares takes effect. The Company has intention to agree to each proposal stated above at the Extraordinary Shareholders Meeting. If the proposal about Consolidation of Shares is approved in the Extraordinary Shareholders Meeting, shareholders of Target Company shall own Target Company Shares in proportion to

Consolidation of Shares approved in the Extraordinary Shareholders Meeting at the date on which Consolidation of Shares takes effect. If there are any fractions of less than one share resulting from Consolidation of Shares, the shareholders shall be given the amount of cash which would be earned by selling Target Company Shares equivalent to the total sum of the fractions (if the total sum has any fractions less than one share, such fractions shall be rounded down.) to Target Company or the Company. Regarding the sales price of Target Company Shares equivalent to the total sum of the fractions, it is intended to file a petition with the court for voluntary sale permission after calculating the amount delivered to each shareholder of Target Company who did not tender his/her shares for Tender Offer (excluding the Company and Target Company) to be equal to the price obtained by multiplying Tender Offer Price by the number of Target Company Shares owned by such shareholder. Although the proportion of Consolidation of Shares is not decided yet, it is intended that the number of Target Company Shares owned by shareholders of Target Company who did not tender their shares for Tender Offer (excluding the Company and Target Company) should be a fraction less than one share so that the Company possesses all Target Company Shares (excluding treasury shares owned by Target Company).

In case of Demand for Cash-Out, it is stipulated in the Companies Act that Shareholders Subject to the Cash-Out are able to file a petition with the court for determination of the price of Target Company Shares which they own pursuant to Article 179-8 of the Companies Act and other relevant laws and regulations. In case of Consolidation of Shares, if there are any fractions of less than one share, it is stipulated in the Companies Act that shareholders of Target Company are able to request Target Company to purchase all such fractions less than one share out of their shares and to file a petition with the court for determination of the price of Target Company Shares pursuant to Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations.

As for each procedure mentioned above, the method and/or timing of implementation is subject to change, depending on the situation of amendment, enforcement and interpretation by authorities regarding relevant laws and regulations, the shareholding ratio, etc. of the Company after Tender Offer and circumstances regarding holdings of Target Company Shares by shareholders other than the Company. Even in such cases, however, it is intended to adopt eventually the method of delivering cash to each shareholder of Target Company who did not tender his/her shares for Tender Offer and the amount of the cash delivered to such shareholder shall be calculated to be equal to the price obtained by multiplying Tender Offer Price by the

number of Target Company Shares owned by such shareholder. In case where a petition is filed for determination of sales price regarding Demand for Cash-Out or for determination of the price regarding the demand for purchase of shares at Consolidation of Shares, the court shall decide eventually the sales price of Target Company Shares or the price regarding Demand for Cash-Out.

Tender Offer is not intended in any way to solicit the support of shareholders of Target Company at Extraordinary Shareholders Meeting. In addition, please consult your certified tax accountant or other professionals, and make your decision on your own regarding the tax treatments concerning the receipt of cash following Tender Offer or the aforementioned procedures and the purchase, etc. by Demand for Cash-Out.

2. Overview of the Purchases, etc.

(1) Overview of Target Company

① Name	NIFTY Corporation													
② Location	Shinjuku Front Tower 21-1, Kita-shinjuku 2-chome, Shinjuku-ku, Tokyo													
③ Name and Title of Representative	Representative Director and President Kenji Mitake													
④ Line of Business	ISP Business, Web Service Business and Cloud Business													
⑤ Capital	3,746 million yen (as of March 31, 2016)													
⑥ Date of Establishment	February 4, 1986													
⑦ Main Shareholders and Ownership Ratio (as of September 30, 2015)	<table> <tr> <td>Fujitsu Limited</td> <td>66.59%</td> </tr> <tr> <td>GOLDMAN SACHS INTERNATIONAL (Standing Proxy: Goldman Sachs Japan Co., Ltd.)</td> <td>4.93%</td> </tr> <tr> <td>ROYAL BANK OF CANADA TRUST COMPANY(CAYMAN)LIMITED (Standing Proxy: Tachibana Securities Co., Ltd.)</td> <td>3.23%</td> </tr> <tr> <td>BNYM TREATY DTT 15 (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</td> <td>2.3%</td> </tr> <tr> <td>THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD - HONG KONG PRIVATE BANKING DIVISION-CLIENT ACCOUNT (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Ltd.)</td> <td>1.79%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505012 (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Ltd.)</td> <td>1.75%</td> </tr> </table>		Fujitsu Limited	66.59%	GOLDMAN SACHS INTERNATIONAL (Standing Proxy: Goldman Sachs Japan Co., Ltd.)	4.93%	ROYAL BANK OF CANADA TRUST COMPANY(CAYMAN)LIMITED (Standing Proxy: Tachibana Securities Co., Ltd.)	3.23%	BNYM TREATY DTT 15 (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	2.3%	THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD - HONG KONG PRIVATE BANKING DIVISION-CLIENT ACCOUNT (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Ltd.)	1.79%	STATE STREET BANK AND TRUST COMPANY 505012 (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Ltd.)	1.75%
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STATE STREET BANK AND TRUST COMPANY 505012 (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Ltd.)	1.75%													

	NIFTY Employee Shareholding Association	1.09%
	CBNY-GOVERNMENT OF NORWAY (Standing Proxy: Citibank Japan Ltd.)	0.71%
	Fumiya Shino	0.64%
	DEUTSCHE BANK AG LONDON-PB NONTREATY CLIENTS 613 (Standing Proxy: Deutsche Securities Inc.)	0.59%
⑧ Relationships between Tender Offeror and Target Company		
Capital Relationship	The Company owns 15,170,000 shares of Target Company (ownership ratio [66.59] %).	
Personal Relationship	<p>Of four directors of Target Company (including two external directors), a director is a Corporate Executive Officer of the Company, and an external director serves as an advisor of the Company concurrently. Of three audit & supervisory board members of Target Company (including two external audit & supervisory board members), an external audit & supervisory board member serves as an external audit & supervisory board member of the Company concurrently.</p> <p>In addition, to realize the technological strategy of Target Company, personnel exchanges take place only when both parties need to share know-how and resources. To this end, a total of five members are loaned from the Company to Target Company as of the end of the fiscal year ended March 2016.</p>	
Transaction Relationship	Target Company is procuring part of network lines that are crucial for providing Internet service business from the Company. The Company has rent out its own facilities to Target Company as installation sites of equipment that Target Company needs for rendering its services. In addition, regarding the license usage fee of intellectual properties (patents and know-how) in possession of the Company group, Target Company is paying a certain share of the portion in connection with its business activities.	
State of a Related Party	Due to being a consolidated subsidiary of the Company, Target Company falls under the category of related party.	

(Note) "Main Shareholders and Ownership Ratio" was transcribed from the "State of Main Shareholders" in the Financial Report on the 2nd Quarter of the 31st Term that Target Company submitted on November 12, 2015.

(2) Schedule, etc.

① Schedule

Resolution in Board of Directors' Meeting	April 28, 2016 (Thursday)
Date of Public Notice of Commencement of Tender Offer	May 2, 2016 (Monday)
Name of Newspaper to Announce Public Notice	A public notice will be made electronically, and such notice will be published in the Nikkei Keizai Shimbun. (Electronic Public Notice Address: http://disclosure.edinet-fsa.go.jp/)
Date of Submission of Tender Order Registration	May 2, 2016 (Monday)

② Initial period of purchases, etc. after registration

From May 2, 2016 (Monday) to June 15, 2016 (Wednesday) (30 business days)

③ Possibility of extension based on the request from Target Company

Nothing applicable

(3) Prices of Purchases, etc.

1,495 yen per common share

(4) Number of share certificates, etc., planned to be purchased

Number of shares planned to be purchased	Minimum number of shares planned to be purchased	Maximum number of shares planned to be purchased
7,609,965 shares	- shares	- shares

(5) Date to commence settlement

June 22, 2016 (Wednesday)

3. Further information that is considered to be necessary for investors to make a decision regarding purchases, etc.

Target Company announced “the financial results for the term ended March 2016 [Japanese standards] (Consolidated)” as of April 28, 2016. The profit loss situation, etc. of Target Company based on this announcement is as below. Please note that these financial results are not liable to the auditing procedure based on provisions in Article 193, Paragraph 2, Item 1 of the Companies Act. In addition, with the following summary of the announcement

excerpted from the content that Target Company publicized, please refer to the content of the announcement for details.

(a) Profit Loss Situation

Fiscal Year	Year ended March 2016 (The 31st Term)
Net sales	66,833 million yen
Cost of sales	48,885 million yen
Selling, general and administrative expenses	16,751 million yen
Other income (loss)	57 million yen
Other expenses	262 million yen
Net income (Net loss)	654 million yen

(b) Situation Per Share

Fiscal Year	Year ended March 2016 (The 31st Term)
Net income (loss) per share	28.45 yen
Dividend per share	20.00 yen
Net assets per share	1,359.09 yen

The press release has been prepared solely for the purpose of announcing Tender Offer and not for the purpose of a solicitation for offers to sell. In making an offer to sell, investors are asked to make it certain to read the tender offer prospectus regarding Tender Offer and reach decisions on their own. This press release does not constitute an offer to sell, or a solicitation for offers to sell or purchase any securities or any partial solicitation. The press release (or any part of this) or the fact that this press release has been distributed is not grounds for any contracts regarding Tender Offer or may not be relied upon when executing any contracts.

This press release describes prospects for business development, based on the thinking of management of Tender Offeror, in the case of acquiring shares of Target Company. Actual results may be substantially different from these forecasts due to various factors. This information on the future business of Tender Offeror as well as other companies may includes expressions regarding future prospects such as “expect,” “forecast,” “intend,” “plan,” “believe,” and “assume.” These expressions are based on the business prospects of Tender Offeror as of today and may change depending on future situations, etc. Tender Offeror has no obligation to update expressions regarding future prospects in this information in order to reflect actual performance, changes in various situations, conditions and others.

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