



Nippon New Market – “Hercules”

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Japan Communications Inc.

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Breakthrough to Secure Internet Banking and E-Commerce.

Japan Communications Inc. (JCI) announced today in Tokyo the introduction of a new service, which makes affordable, a Lease-Line for individuals to make E-Commerce transactions on the Internet finally secure.

This service, “PWLL” (Personal Wireless Leased Line), enabled by JCI’s proprietary technology, is the world’s first and most secure electronic financial transaction network for individuals. This service will finally enable banks and other E-commerce financial settlement transaction to be taken off the Internet. Electronic financial transactions for individuals now can be executed utilizing a closed private network, as is the case with all current banking and security industry practice. The cost of this system, which is provided through a wireless network, is expected to be between 1/50th to 1/100th of current Lease-Line service provided by many wire-line operators. Furthermore this cost level is expected to be less than the necessary expense for companies utilizing Internet banking and E-commerce who are seriously engaged in Internet fraud protection.

Background

The standard protocol for connecting an ATM to a bank, a trading terminal to a security firm, or inter-bank transactions such as the “Swift” system, to insure security and thus the integrity of the transaction, is to use a leased line service. The expansion of the Internet has enabled the consumer to access their accounts electronically through their PC’s from their home or other locations. This has given birth to the massive expectation for E-Commerce and its growth.

The Internet network is open and accessible to all from anywhere. This positive attribute has been utilized not only by hackers but more recently by organized criminals to gain access to information and accounts to perpetrate fraudulent activity. There is a “leap-frog” game being played by developers of Internet security solutions and the criminal element to develop technology to circumvent them. This process is increasing the costs of providing security for sensitive transaction on the Internet, such as Internet banking and E-Commerce.

In a 2005 survey conducted of 2000 corporations, by the U.S. Federal Bureau of Investigation (FBI), 90% of these companies had experienced security incidents and 64% of these incidences suffered financial loss. The US Treasury advisor just recently reported that in 2004, Cyber crime represented \$105 billion and had outgrown the illegal drug trade. In Japan, the National Police Agency reported that arrests related to Internet crime rose 52% from 2004 to 2005.

Most companies conducting E-commerce are aware of the security risks, but because the high cost of Leased-Line, they cannot justify the necessary standard protocol. Furthermore some of these companies have taken the position that the losses incurred in conducting E-commerce are the responsibility of the user. Positions such as this will lead to the loss of confidence in E-commerce by the market and may lead to the diminishing the value of the Internet as a whole.

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This simple solution is activated when a data card, which acts as the terminal device connecting the user to one of many wireless network provider, is inserted into the note PC. This will activate JCI’s proprietary technology to trigger automatic connection between individual and enterprise through PWLL. The signal is routed through the JCI’s network control center and connected directly with the server holding the E-commerce application. Since PWLL can operate on any of various wireless network technologies around the world, user experiences ubiquitous secure E-commerce transaction within the network footprint accessed through the data card. In fact since the network is a cellular mobile network, the user is not restricted to a fixed operation as in a wired Lease-Line service.

Dr. Frank Seiji Sanda, Founder and CEO of JCI, commented. “We believe that sensitive transactions involving money or personal information, between individuals and companies should be conducted on the leased line as in the past. By finding a way to bring this same secure environment at an acceptable cost will enable these transactions to return to the necessary secure environment outside of the Internet. Hopefully, this will provide a path for the elimination of the criminal incentive on the Internet and insure the continued growth of the Internet as the powerful communication tool for this and future generations.” Sanda also added “I hope the 3G operators will look upon this solution as the opportunity to finally fully utilize the capacity and the technology of 3G wireless telecommunications. There is no single killer application to underwrite 3G investment, but a massive volume of small applications which require execution by solutions like PWLL .”

About JCI.

Japan Communication Inc. (JCI) was the first to introduce the Mobile Virtual Network Provider (MVNO) business model to the world in 1996. JCI, a publicly listed company in Japan (JPN-9424), is the first and the largest data MVNO in the world. It has pioneered wireless data solutions, which address particular needs of specific customers both in consumer and enterprise markets. Operating as an integrator of wireless and fixed network services with information technology, it is the leading provider of end to end wireless data solutions.