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Nippon New Market – “Hercules”

May 25, 2006

6-25-3 Minami Ohi, Shinagawa-ku, Tokyo  
Japan Communications Inc.  
Frank Seiji Sanda  
Representative Director-President  
(Code No.: 9424)  
For enquiry: Naohisa Fukuda, Director-CFO  
TEL: 03-5767-9100 (Main Number)

### **Notification of the Partial Amendment of the Articles of Incorporation**

Japan Communications Inc. (hereafter “JCI”) announced today that, the partial amendment proposal of the Articles of Incorporation of JCI was resolved at the Board of Directors Meeting held on May 25, 2006. The partial amendment proposal will be an agenda item at the 10<sup>th</sup> Ordinary General Shareholders Meeting to be held on June 29, 2006.

#### 1. Major purposes of the amendment

- (1) The agenda item for the proposed amendment of the Articles of Incorporation is for the following reasons pursuant to the enforcement of the Company Code (2006 Law No.86) and the legal ministerial ordinances for the Company Code (2006 legal ministerial ordinances No.12) as of May 1, 2006.
  - ① After amendment, Article 13 (Document for reference, etc. of General Shareholders Meeting disclosed and distributed by Internet) shall be newly established for more complete disclosure of General Shareholders Meetings.
  - ② After amendment, Article 25 (Omission of Board of Directors Meeting Resolution) shall be newly established to enable the Board of Directors to approve resolutions in writing or in electric data format to allow for flexible operation of the Board of Directors.
  - ③ The item to enable the execution of the agreement with outside Statutory Auditors to restrict their liabilities shall be newly established in Article 40 (Restriction of liability of Outside Statutory Auditors) in order to attract highly capable people for the role of outside Statutory Auditor.
  - ④ Change of wording from the old Commercial Code to the Company Code, including partial amendments and changes of the wording and changes of the articles referenced in the Articles of Incorporation to the appropriate articles of the Company Code.
  - ⑤ Other than the above, any necessary amendment, for example, postponement of article numbers.
- (2) The item to enable the execution of the agreement with outside Directors to restrict their liabilities shall be newly established in Article 29 (Restriction of liability of Outside Directors) in order to attract highly capable people for the role of outside Director. Each Auditor has agreed to submit this agenda item to the Ordinary General Shareholders Meeting

2. Content of the amendment

The content of the amendment is as attached.

3. Schedule

General Shareholders Meeting for amendment of the Articles of Incorporation: June 29, 2006

Effective date of amendment of the Articles of Incorporation: June 29, 2006

## **About JCI**

Japan Communications 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.

Exhibit

Content of the amendment of the Articles of Incorporation

Present	After amendment
<p>(Means of Public Notice)</p> <p>Article 4. Public notice of the Company shall be made electronically; provided however, if any accident preventing electronic public notice occurs or any other unavoidable circumstances arises, public notice of the Company shall be made in the Nihon Keizai Shimbun.</p> <p style="text-align: center;">Chapter 2. Shares and Fractional Shares</p>	<p>(Means of Public Notice)</p> <p>Article 4. &lt; same as present &gt;</p> <p style="text-align: center;">Chapter 2. Shares and Fractional Shares</p>
<p><u>(Total Number of Authorized Shares and Paying Back of Own Shares)</u></p> <p>Article 5. The total number of shares <u>authorized</u> to be issued by the Company shall be 870,000.</p> <p>2. The Company may pay back its own shares by the resolution of the Board of Directors pursuant to the Section 1-2, Article 211-3 of the Commercial Code.</p> <p style="text-align: center;">&lt; moved from the Section 2 of the Article 5 &gt;</p> <p style="text-align: center;">&lt; new establishment &gt;</p>	<p><u>(Total Number of Shares Possible to be Issued)</u></p> <p>Article 5. The total number of shares <u>possible</u> to be issued by the Company shall be 870,000.</p> <p style="text-align: center;">&lt; moved from the Section 2 of the Article 6 &gt;</p> <p><u>(Acquisition of own shares )</u></p> <p>Article 6. The Company may pay back its own shares <u>with market trade, etc.</u> by the resolution of the Board of Directors.</p> <p><u>(Issuance of share certificates )</u></p> <p>Article 7. <u>The Company shall issue the share certificates of stock.</u></p>
<p>(Share Handling Rules)</p> <p>Article 6. Kinds of share certificates issued by the Company, <u>transfer of shares, receipt of the notice of actual shareholders,</u> treatment of application for purchasing fractional shares and other procedures and fees in connection with shares and fractional shares of the Company shall be in compliance with the share handling rules adopted by the Board of Directors.</p>	<p>(Share Handling Rules)</p> <p>Article 8. Kinds of share certificates issued by the Company, <u>registration in the list of shareholders, the list of registration of lost share certificates and the list of share purchase warrant,</u> treatment of application for purchasing fractional shares and other procedures and fees in connection with shares and fractional shares of the Company shall be in compliance with the share handling rules adopted by the Board of Directors, <u>unless otherwise stipulated by laws and ordinances or the Articles of Incorporation</u>.</p>
<p><u>(Transfer Agent )</u></p> <p>Article 7. 1. The Company shall appoint a <u>transfer agent for shares and fractional shares</u>.</p> <p>2. The <u>transfer agent</u> and its business offices shall be determined by a resolution of the Board of Directors.</p> <p>3. The list of shareholders, the list of actual shareholders, the list of holders of fractional shares and the list of registration of lost share certificates of the Company shall be retained by the transfer agent at its offices to engage in <u>transfer agent business</u>, receipt of the notice of actual shareholders, and all administrative affairs in connection with shares and fractional shares including, but not limited to, transfer of shares, acceptance of various submissions and treatment of application for purchasing fractional shares, shall be carried out by the transfer agent, not by the Company.</p>	<p><u>(Administrator of Shareholders' List )</u></p> <p>Article 9. 1. The Company shall appoint an <u>Administrator of Shareholders' List</u>.</p> <p>2. The <u>Administrator of Shareholders' List</u> and its business offices shall be determined by a resolution of the Board of Directors.</p> <p>3. The list of shareholders, the list of actual shareholders, the list of holders of fractional shares, the list of registration of lost share certificates and the list of share purchase warrant <u>of the Company shall be retained by the Administrator of Shareholders' List</u> at its offices to engage in <u>its business, registration in the list of shareholders, the list of actual shareholders, the list of holders of fractional shares, the list of registration of lost share certificates and the list of share purchase warrant,</u> receipt of the notice of actual shareholders, and all administrative affairs in connection with shares, fractional shares and share purchase warrant including, but not limited to, transfer of shares, acceptance of various submissions and treatment of application for purchasing fractional shares, shall be carried out by the <u>Administrator of Shareholders' List</u>, not by the Company.</p>
<p>(Record Date)</p> <p>Article 8. 1. The shareholders registered on the list of shareholders <u>(including the shareholders registered in the actual shareholders list, same as hereinafter.)</u> as of the last day of each fiscal year shall be <u>entitled</u> to exercise their rights at the Ordinary General Shareholders' Meeting pertaining to such fiscal year.</p> <p>2. In additions to the foregoing, a record date may be set if necessary for the purpose of determining persons capable to exercise rights as shareholders, registered pledges and/or holders of fractional shares, upon prior public notice thereof.</p> <p style="text-align: center;">Chapter 3. General Shareholders' Meeting</p>	<p>(Record Date)</p> <p>Article 10. 1. The shareholders registered on the list of shareholders as of the last day of each fiscal year shall be <u>capable</u> to exercise their rights at the Ordinary General Shareholders' Meeting pertaining to such fiscal year.</p> <p>2. In additions to the foregoing, a record date may be set <u>by the resolution of Board of Directors,</u> if necessary for the purpose of determining persons capable to exercise rights as shareholders, registered <u>shares</u> pledges and/or holders of fractional shares, upon prior public notice thereof.</p> <p style="text-align: center;">Chapter 3. General Shareholders' Meeting</p>
<p>(Convocation)</p> <p>Article 9. The Ordinary General Shareholders' Meeting of the Company shall be convened within three (3) months after the day following the last day of each fiscal year, and an Extraordinary General Shareholders' Meetings may be convened as necessary.</p>	<p>(Convocation)</p> <p>Article 11. &lt; same as present in English &gt;</p>
<p>(Venue)</p> <p>Article 10. <u>The General Shareholders' Meeting of the Company shall be held within 23 wards in Tokyo.</u></p>	<p style="text-align: center;">&lt; deleted &gt;</p>

Present	After amendment
<p>(Person to Convene and Chairman)</p> <p>Article 11. The General Shareholders' Meeting of the Company shall be convened by the Director-President, who shall act as chairman at the meeting. In the event of the Director-President being unable to so act, another Director shall take the role of the Director-President pursuant to the order predetermined by the Board of Directors.</p> <p style="text-align: center;">&lt; divided to the Section 2 &gt;</p>	<p>(Person <u>entitled</u> to Convene and Chairman)</p> <p>Article 12. 1. The General Shareholders' Meeting of the Company shall be convened by the Director-President <u>pursuant to the resolution of Board of Directors, unless otherwise stipulated by laws and ordinances.</u> In the event of the Director-President being unable to so act, another Director shall take the role of the Director-President pursuant to the order predetermined by the Board of Directors.</p> <p>2. <u>The Director-President shall act as chairman at the General Shareholders' Meeting of the Company. In the event of the Director-President being unable to so act, another Director shall take the role of the Director-President pursuant to the order predetermined by the Board of Directors.</u></p>
<p>(Requirements for Shareholders' Meeting Resolution)</p> <p>Article 12. A resolution of the General Shareholders' Meeting shall be adopted by a majority of attending shareholders' votes unless otherwise provided by laws and <u>rules</u> or the Articles of Incorporation.</p> <p>2. A resolution of the General Shareholders' Meeting pursuant to <u>the Article 343, Section 1</u> of the Commercial Code shall be adopted by no less than two third of attending shareholders, provided that no less than one third of all the shareholders' votes shall be attended.</p>	<p style="text-align: center;">&lt; moved to the Article 15 &gt;</p>
<p style="text-align: center;">&lt; new establishment &gt;</p>	<p>(Document for reference, etc. of General Shareholders Meeting disclosed and distributed by Internet)</p> <p>Article 13. <u>Regarding the convocation of the General Shareholders' Meeting, the Company can deem the information recorded in the document for reference of General Shareholders Meeting, Business Report, Financial Statements and Consolidated Financial Statements to be provided to the shareholders by disclosing them on the Internet according to the legal ministerial ordinances.</u></p>
<p>(Exercise of Voting Right by Proxy)</p> <p>Article 13. A shareholder may exercise his/her voting right by proxy of other shareholders with voting rights. In such cases, a shareholder or agent is required to submit the proxy in writing to the Company.</p> <p style="text-align: center;">&lt; moved from the Article 12 &gt;</p>	<p>(Exercise of Voting Right by Proxy)</p> <p>Article 14. A shareholder may exercise his/her voting right by proxy of other <u>one (1)</u> shareholder with voting rights. In such cases, a shareholder or agent is required to submit the proxy in writing to the Company <u>at every General Shareholders' Meeting</u>.</p>
<p>(Minutes)</p> <p>Article 14. The outline of proceedings and results of the General Shareholders' Meeting shall be recorded in the minutes <u>and affixed or electrically signed thereto</u> shall be the names and seals of the chairman and Directors present at the meeting.</p>	<p>(Requirements for Shareholders' Meeting Resolution)</p> <p>Article 15. A resolution of the General Shareholders' Meeting shall be adopted by a majority of attending <u>voting</u> shareholders' votes unless otherwise provided by laws and <u>ordinances</u> or the Articles of Incorporation.</p> <p>2. A resolution of the General Shareholders' Meeting pursuant to <u>the Article 309, Section 2 of the Company Code</u> shall be adopted by no less than two third of attending shareholders, provided that no less than one third of all the <u>voting</u> shareholders' votes shall be attended.</p>
<p>(Minutes)</p> <p>Article 14. The outline of proceedings and results of the General Shareholders' Meeting shall be recorded in the minutes <u>and affixed or electrically signed thereto</u> shall be the names and seals of the chairman and Directors present at the meeting.</p>	<p>(Minutes)</p> <p>Article 16. The outline of proceedings and results of the General Shareholders' Meeting and other items required by laws and ordinances shall be recorded in the minutes <u>according to the legal ministerial ordinances</u>.</p>
<p style="text-align: center;">Chapter 4. Directors and Board of Directors</p> <p style="text-align: center;">&lt; new establishment &gt;</p>	<p style="text-align: center;">Chapter 4. Directors and Board of Directors</p> <p>(Establishment of Board of Directors)</p> <p>Article 17. <u>The Company shall establish the Board of Directors.</u></p>
<p>(Election)</p> <p>Article 16. 1. The Directors of the Company shall be elected at the General Shareholders' Meeting.</p> <p>2. The resolution to elect Directors shall be adopted, at the General Shareholders' Meeting by a majority of voting right of attending shareholders at the shareholders' meeting where shareholders holding one third or more of the voting right of all the shareholders are attended.</p> <p>3. The resolution to elect Directors shall not be based on cumulative voting.</p>	<p>(Election)</p> <p>Article 19. 1. The Directors of the Company shall be elected <u>by the resolution</u> at the General Shareholders' Meeting.</p> <p>2. The resolution to elect Directors shall be adopted, at the General Shareholders' Meeting by a majority of voting right of attending shareholders at the shareholders' meeting where shareholders holding one third or more of the voting right of all the <u>voting</u> shareholders are attended.</p> <p style="text-align: center;">&lt; same as present &gt;</p>
<p>(Term of Office)</p> <p>Article 17. The term of office of Directors shall expire at the close of the Ordinary General Shareholder's Meeting for the last fiscal year ending within two (2) years after their assumption of office.</p>	<p>(Term of Office)</p> <p>Article 20. <u>&lt; same as present in English &gt;</u></p>
<p>(Representative Director and Directors with Specific Titles)</p> <p>Article 18. 1. The Board of Directors shall elect by its resolution a certain number of Directors to represent the Company.</p> <p>2. The Board of Directors may elect a Director-Chairman and a Director-President, and a certain number of vice Presidents, senior executive Directors and executive Directors.</p>	<p>(Representative Director and Directors with Specific Titles)</p> <p>Article 21. 1. &lt; same as present in English &gt;</p> <p>2. &lt; same as present in English &gt;</p>

Present	After amendment
<p>(Board of Directors)</p> <p>Article 19.</p> <p>1. The Board of Directors' Meeting shall be convened by the Director-President, who shall act as chairman at the meeting. In the event of the Director-President being unable to so act, another Director shall take the role of the Director-President pursuant to the order predetermined by the Board of Directors.</p> <p>2. Notice to convene a meeting of the Board of Directors shall be given to each Director and Statutory Auditor at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, the above period may be shortened.</p> <p>3. Operations and other matters in connection with the Board of Directors shall be in compliance with the Rules of the Board of Directors adopted by the Board of Director' Meeting.</p> <p style="text-align: center;">&lt; moved from the Section 2 of the Article 19 &gt;</p> <p style="text-align: center;">&lt; new establishment &gt;</p> <p style="text-align: center;">&lt; new establishment &gt;</p> <p style="text-align: center;">&lt; new establishment &gt;</p> <p style="text-align: center;">&lt; new establishment &gt;</p> <p style="text-align: center;">&lt; moved from the Section 3 of the Article 19 &gt;</p>	<p>(Person entitled to Convene the Board of Directors and its Chairman)</p> <p>Article 22.</p> <p>The Board of Directors Meeting shall be convened by the Director-President, who shall act as chairman at the meeting <u>unless otherwise stipulated in laws and ordinances</u>. In the event of the Director-President being unable to so act, another Director shall take the role of the Director-President pursuant to the order predetermined by the Board of Directors.</p> <p style="text-align: right;">&lt; 2. moved to the Article 23 &gt;</p> <p style="text-align: right;">&lt; 2. moved to the Article 27 &gt;</p> <p>(Notice of the Board of Directors )</p> <p>Article 23.</p> <p>1. Notice to convene a meeting of the Board of Directors shall be given to each Director and Statutory Auditor at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, the above period may be shortened.</p> <p>2. Notwithstanding the above section, Board of Directors meeting can be held without proceeding of convocation when all the Directors and Statutory Auditors agreed.</p> <p>(Requirements for Board of Directors Meeting Resolution)</p> <p>Article 24.</p> <p>A resolution of the Board of Directors Meeting shall be adopted by a majority of attending Directors, provided that majority of all the Directors shall be attended.</p> <p>(Omission of Board of Directors Meeting Resolution )</p> <p>Article 25.</p> <p>When all the Directors agree with the items to be resolved at the Board of Directors in writing or in electric data, they shall be deemed to be resolved at the Board of Directors to approve them, unless the Statutory Auditors express an objection.</p> <p>(Minutes of Board of Directors)</p> <p>Article 26.</p> <p>The outline of proceedings, results of the Board of Directors Meeting and other items required by laws and ordinances shall be recorded in the minutes according to the legal ministerial ordinances, affixed seal or signed by the Directors and Statutory Auditors attending to the meeting.</p> <p>(Rules of Board of Directors )</p> <p>Article 27.</p> <p>Operations and other matters in connection with the Board of Directors shall be in compliance with the Rules of the Board of Directors adopted by the Board of Director' Meeting unless otherwise stipulated in laws and ordinances.</p>
<p>(Remuneration)</p> <p>Article 20.</p> <p>Remuneration and retirement allowance of Directors shall be determined by a resolution of the General Shareholders' Meeting.</p> <p style="text-align: center;">&lt; new establishment &gt;</p> <p style="text-align: center;">Chapter 5. Statutory Auditors and Board of Statutory Auditors</p> <p style="text-align: center;">&lt; new establishment &gt;</p>	<p>(Remuneration , etc. of Directors )</p> <p>Article 28.</p> <p>Remuneration , etc. of Directors shall be determined by a resolution of the General Shareholders' Meeting.</p> <p>(Restriction of liability of Outside Directors )</p> <p>Article 29.</p> <p>The Company can execute the agreement with the outside Directors to restrict their liabilities in case of falling under the legal requirement regarding the liabilities of Section 1 of Article 423 of the Company Code. Provided that, the limit of liabilities of the agreement shall be the minimum amount stipulated in the law and ordinances.</p> <p style="text-align: center;">Chapter 5. Statutory Auditors and Board of Statutory Auditors</p>
<p>(Election)</p> <p>Article 22.</p> <p>1. The Statutory Auditors of the Company shall be elected at the General Shareholder' Meeting.</p> <p>2. The resolution to elect Statutory Auditors shall be adopted, at the General Shareholders' Meeting by a majority of voting right of attending shareholders at the shareholders' meeting where shareholders holding one third or more of the voting right of all the shareholders attend.</p>	<p>(Establishment of Statutory Auditors and Board of Auditors )</p> <p>Article 30.</p> <p>The Company shall establish the Statutory Auditors and Board of Statutory Auditors.</p> <p>(Election)</p> <p>Article 32.</p> <p>1. &lt; same as present in English &gt;</p> <p>2. The resolution to elect Statutory Auditors shall be adopted, at the General Shareholders' Meeting by a majority of voting right of attending shareholders at the shareholders' meeting where shareholders holding one third or more of the voting right of all the voting shareholders attend.</p>
<p>(Term of Office)</p> <p>Article 23.</p> <p>1. The term of office of Statutory Auditors shall expire at the close of the Ordinary General Shareholders' Meeting for the last fiscal year ending within four (4) years after their assumption of office.</p> <p>2. The term of office of a Statutory Auditor elected to fill a vacancy shall be the remaining term of office of his/her predecessor.</p>	<p>(Term of Office)</p> <p>Article 33.</p> <p>1. &lt; same as present in English &gt;</p> <p>2. &lt; same as present &gt;</p>



Present	After amendment
<p>(Dividends)</p> <p>Article 28. Subject to a resolution of the <u>Ordinary General Shareholders' Meeting</u>, dividends shall be paid to the shareholders and the <u>registered pledges</u> who are recorded on the list of shareholders, and the holders of fractional shares recorded on the list of holders of fractional shares, each as of the last day of the subject fiscal year.</p> <p>2. Subject to a resolution of the Board of Directors Meeting, the Company may pay a certain financial distribution pursuant to the <u>Article 293-5 of the Commercial Code</u> ("interim dividend") to the shareholders and the registered pledges who are recorded on the list of shareholders, and the holders of fractional shares each as of September 30 every year.</p> <p style="text-align: center;"><u>&lt; moved from the Section 2 of the Article 28 &gt;</u></p>	<p><del>(End of term Dividend)</del></p> <p><del>Article 46.</del> Subject to a resolution of the <u>General Shareholders' Meeting</u>, the Company <u>may pay a certain financial distribution ("end of term dividend")</u> to the shareholders and the <u>registered shares pledges</u> who are recorded on the list of shareholders, and the holders of fractional shares recorded on the list of holders of fractional shares, each as of the last day of the subject fiscal year.</p> <p style="text-align: center;"><u>&lt; 2. moved to the Article 47 &gt;</u></p> <p><del>(Interim Dividend)</del></p> <p><del>Article 47.</del> Subject to a resolution of the Board of Directors Meeting, the Company may <u>pay a certain financial distribution pursuant to the Article 454, Section 5 of the Company Code ("interim dividend")</u> to the shareholders and the <u>registered shares pledges who are recorded on the list of shareholders, and the holders of fractional shares recorded on the list of holders of fractional shares, each as of September 30 every year.</u></p>
<p>(Prescription Period of Dividends)</p> <p>Article 29. In the event that dividends <u>of the Article 30</u> are not received within three (3) years after the first day when such dividends are payable, the Company shall be released from its obligation to pay such dividends.</p> <p>2. Unpaid <u>dividends of the Article 30</u> shall bear no interest.</p>	<p><del>(Prescription Period of</del> <u>End of Term Dividend and Interim Dividend</u> <del>)</del></p> <p><del>Article 48.</del> In the event that <u>end of term dividend or interim dividend</u> are not received within three (3) years after the first day when such dividends are payable, the Company shall be released from its obligation to pay such dividends.</p> <p>2. Unpaid <u>end of term dividend or interim dividend</u> shall bear no interest.</p>