



March 26, 2008

6-25-3 Minami Ohi, Shinagawa-ku, Tokyo
Japan Communications Inc.
Frank Seiji Sanda
President-CEO
(Code No.: 9424)

For enquiries: Naohisa Fukuda, Managing Director-CFO
Tel: 03-5767-9100 (Main Number)

**JCI submits new interconnection application to DoCoMo to ensure early delivery
of 3G MVNO services**

On March 25, Japan Communications Inc. (JCI) submitted a Layer 3 interconnection application to NTT DoCoMo, Inc. (DoCoMo). As Layer 3 interconnections can be achieved in a relatively short timeframe, this ensures JCI delivery of 3G MVNO services to the market sooner.

In November 2006, in order to provide 3G MVNO services, JCI submitted a request to DoCoMo for interconnection at Layer 2, the interconnection layer which allows the MVNO the greatest freedom to innovate (see Interconnection Request Table, 1). On November 30, 2007, the Minister for Internal Affairs and Communication ruled on this request and on February 14, 2008, JCI and DoCoMo reached agreement. When this interconnection is achieved, in addition to existing terminals such as mobile phones and data communication cards, JCI will be able to provide service for so-called “ubiquitous terminals”, e.g. e-books and Stock Trading Terminals. However, development will be required to achieve this interconnection. JCI estimates that it will be able to provide MVNO services over a Layer 2 connection in the fiscal year commencing April 2009.

Meanwhile, there is great need among JCI’s enterprise and individual customers and from its sales partners for MVNO services over DoCoMo’s 3G network. Therefore, to expedite delivery of 3G MVNO service, JCI has applied for a new interconnection with DoCoMo at Layer 3 (See Interconnection Table, 4), while continuing preparations for the Layer 2 interconnection. Over a Layer 3 interconnection, it will be possible to deliver service to terminals such as data communication cards and smartphones. JCI estimates that it will be able to provide MVNO services over this Layer 3 interconnection during the second quarter of the fiscal year commencing April 2008.

This Layer 3 interconnection is the fourth interconnection application that JCI has submitted to DoCoMo. Details of each application submitted thus far are provided in the below Interconnection Table.

Interconnection Table

No.	Connection Point	Connection Type	Fee Structure	Date of Application	Progress Status
1.	Packet Switch (for general connection)	Layer 2 Interconnection	End-to-end tariff based on bandwidth	November 29, 2006	Agreement reached on February 14, 2008
2.	Packet Switch for connection to i-mode terminals	Layer 3 Interconnection	Butsugiri (Piecemeal) tariff	July 31, 2007	Interconnection executed on December 7, 2007. Service provision underway.
3.	Packet Switch for connection to i-mode terminals	Layer 3 Interconnection	End-to-end tariff based on bandwidth	March 6, 2008	Negotiations ongoing
4.	Packet Switch (for general connection)	Layer 3 Interconnection	End-to-end tariff based on bandwidth	March 25, 2008	Current application

* In this usage, "Layer" refers to the hierarchical stages of the Open Systems Interconnection Basic Reference Model (OSI Model). Layer 2 is the Data-link Layer and Layer 3 the Network Layer. For MVNO interconnections, the lower the interconnection layer, the greater the freedom the MVNO has over its network and the services it provides.

(1), above, is the interconnection application that received arbitration from the Minister of Internal Affairs and Communications, and (4), above, is the current interconnection request. An explanation of (2) and (3), above, is provided below.

To provide services for DoCoMo's i-mode mobile phones, JCI submitted an application for interconnection to DoCoMo's i-mode connection switch in July, 2007 (2, above). This interconnection was completed and executed on December 7, 2007. The MVNO services currently offered over this interconnection are the *KeitaiPC Service*, which allows corporate e-mail can be sent/received over mobile phones, *ConnectMail*, a service enabling e-mail services such as @nifty Mail and Gmail® to be used on mobile phones in the exact same manner as consumers currently use i-mode mail and *Gakumail*, which allows University e-mail domains to be used on phones as an alternative to i-mode mail.

However, the interconnection described in (2), above, requires JCI to bill the customer for use of the service, while DoCoMo separately charge the customer their communication charges (butsugiri, or piecemeal, charging). Under this type of connection, JCI cannot set its own pricing structure for the packet communication charges and therefore cannot base the service use charges and the packet communication charges on the customers own usage requirements. To the end-customer, this results in a very complicated pricing structure for the product. Accordingly, on March 6, 2008, JCI requested a connection (3, above) whereby JCI can set pricing for packet communication charges and can thus deliver products that combine the service charge and communication charges (End-to-End charging).

About JCI

Japan Communications Inc. (JCI) was the first to introduce the Mobile Virtual Network Operator (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.

b-mobile® and INFINITY CARE® are registered trademarks of Japan Communications Inc.

Trademark registration for ConnectMail is pending.

Gmail® is a registered trademark of Google Inc.

All company names and product names used in this release are trademarks or registered trademarks.