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<Submitted Document>	Extraordinary Report
<Submit to>	Director of Kanto Financial Bureau
<Submitting Date>	July 27, 2006
<Corporate Name>	Nihon Tsushin Kabushiki Kaisha
<English Name>	Japan Communications Inc.
<Name of Representative Person>	Representative Director-President: Frank Seiji Sanda
<Location of Head Office>	6-25-3 Minami Ohi, Shinagawa-ku, Tokyo
<Phone No.>	03-5767-9100 (Main Number)
<Name of the Administrative Coordinator>	Managing Director-CFO: Naohisa Fukuda
<Nearest Coordinating Channel>	6-25-3 Minami Ohi, Shinagawa-ku, Tokyo
<Phone No.>	03-5767-9100 (Main Number)
<Name of the Administrative Coordinator>	Managing Director-CFO: Naohisa Fukuda
<Location for Publishment>	Osaka Securities Exchange Co., Ltd. (1-8-16 Kitahama, Chuo-ku, Osaka)

1 <Reason for Submission>

A resolution to issue stock options was passed by the Board of Directors at their meeting of May 25, 2006, and the total amount of remuneration by stock options for Directors and Auditors was subsequently approved at the 10th Ordinary General Shareholders Meeting of June 29, 2006. This Extraordinary Report is thus hereby submitted in accordance with in Article 24-5, Paragraph 4 of the Securities Transaction Law and Article 19, Paragraph 2, Item 2-2 of the Ordinance of Cabinet Office concerning the Disclosure of Corporate Information.

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- (1) Name of the securities
The 9th share purchase warrant of Japan Communications Inc. (hereafter “the Company”)
- (2) Number of securities to issue
Maximum of 2,000
- (3) Issue price
Without compensation
- (4) Total amount of shares to issue
Undetermined(to be determined on the day before day of issuance)
- (5) Kind and number of the shares to be issued upon the exercise of share purchase warrants

Kind:	Common shares of the Company
Number:	Maximum of 2,000 shares

After the share purchase warrants are issued, if the Company splits or annexes its shares, the shares to be issued upon the exercise of share purchase warrants shall be adjusted by the formula below.

The adjustment is only for the number of shares for which share purchase warrants have not been exercised before the time of adjustment. Adjustments resulting in fractional shares shall be rounded down.

Number of shares after adjustment = Number of shares before adjustment \times split/annex ratio

(6) The amount to be paid upon the exercise of share purchase warrants

The amount or a formula to be paid upon the exercise of the share purchase warrants shall be the amount based on the issue price per share (“Exercise Price”) multiplied by the number of exercised share purchase warrants.

The Exercise Price shall be the Closing Price (including the quotation) of the common shares of the Company on the Hercules Market of Osaka Securities Exchange on the day before the Issue Date of share purchase warrants (excluding a day when no trading occurs).

After share purchase warrants are issued, if the Company splits or annexes its shares, the Exercise Price shall be adjusted by the following formula rounded up to the nearest yen.

$$\frac{\text{The Exercise Price after adjustment}}{\text{The Exercise Price before adjustment}} = \frac{1}{\text{split/annex ratio}}$$

(7) The exercise term for share purchase warrants

From August 10, 2006 until August 10, 2011

(If the last date of the above term is a bank holiday, the prior business day of the bank shall be the last date.)

(8) Exercise conditions of share purchase warrants

Exercise conditions of share purchase warrants such as; succession, possibility of exercise after resignation, the reason for forfeiture of rights, shall be determined in the “stock option agreement of the Company” to be executed between persons entitled to share purchase warrant and the Company. The content of the agreement shall hereby be entrusted by the Board of Directors to the Representative Director.

(9) Item regarding stated capital in case of the shares are issued upon the exercise of share

purchase warrants

The amount multiplied by 0.5 of the Issue Price (less than 1 JPY shall be rounded up) shall be credited to the stated capital.

- (10) Acquisition of the share purchase warrants by transfer.
Acquisition of the share purchase warrants by transfer requires the approval of the Board of Directors.
- (11) The number of persons and details of counterparty inducing acquisition applications.
8 Directors, 4 Auditors, 3 members of management board, and 10 employees of the Company. 25 persons in total.
- (12) In the case that the party applying for share purchase warrants is a director, accounting advisor, operating officer, auditor or employee of a company with a relationship with the submitting company, the following are details of said relationship as stipulated in each item of Article3-3, Paragraph 2 of the Cabinet Ordinance
Not applicable.
- (13) Contents of the agreement between the counterparty of inducement and the submitting company.
(Issuance date of the share purchase warrant)
August 10, 2006
(No issuance of the securities of the share purchase warrant)
The securities of the share purchase warrant shall be issued only upon a request by the holders of the share purchase warrant.