

November 27, 2020

To Whom It May Concern:

NTT DOCOMO, INC.
Rep: Kazuhiro Yoshizawa
President and Chief Executive Officer
(Tokyo Stock Exchange (First Section) Code No. 9437)
Attn: General Affairs Department, Securities Group
TEL+81-3-5156-1111

Announcement of Nippon Telegraph and Telephone Corporation's Decision to Make a Demand for a Share Cash-Out of Our Shares, Approval of the Demand for a Share Cash-Out by the Company and Delisting of Our Shares

TOKYO, JAPAN, November 27, 2020 ---As announced in the "Announcement of the Result of the Tender Offer by Nippon Telegraph and Telephone Corporation, the Parent of the Company, for the Shares, etc. of the Company," dated November 17, 2020, Nippon Telegraph and Telephone Corporation ("NTT") conducted a tender offer for NTT DOCOMO, INC.'s (the "**Company**") common stock (the "**Common Stock**") and ADSs (Note 1) beginning September 30, 2020 (the "**Tender Offer**") and, as a result, came to own 2,952,748,244 shares of the Common Stock (Voting Rights Ownership Ratio: 91.46% (Note 2)) as of November 24, 2020 (the commencement date of the settlement for the Tender Offer) and became the Company's special controlling shareholder pursuant to the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same applies) (the "**Special Controlling Shareholder**").

The Company received from NTT a notice, as of the date hereof, since NTT came to own over 90% of the voting rights of all holders of the Common Stock, regarding its demand to all of the holders of the Common Stock (excluding the Company and NTT) (the "**Selling Shareholders**") to sell all of the Common Stock (the "**Selling Shares**") they own to NTT, pursuant to Article 179, paragraph (1) of the Companies Act (the "**Share Cash-Out Demand**"), as a part of a transaction to acquire the Common Stock for the purpose of making the Company a wholly-owned subsidiary of NTT (the "**Transaction**"), as stated in "(5) Policy of Restructuring Etc. After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" under "3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer" of the "Announcement of Opinion in Support of the Tender Offer by Nippon Telegraph and Telephone Corporation, the Parent of the Company for the Stock of the Company, Etc. and Recommendation of Tender," announced by the Company on September 29, 2020 (the "**Opinion Press Release**").

Upon receiving such notice, the Company resolved at the meeting of its board of directors held today to approve the Share Cash-Out Demand, and hereby makes the announcement as follows.

Additionally, as a consequence of the approval of the Share Cash-Out Demand, the Common Stock will meet the delisting criteria prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. ("**Tokyo Stock Exchange**"). Accordingly, the Common Stock will be identified as securities to be delisted as of today and until December 24, 2020, and subsequently delisted on December 25, 2020. Please be advised that you will not be able to trade Common Stock on the Tokyo Stock Exchange once it is delisted.

(Note 1) Since NTT had aimed to acquire all shares of the Common Stock through the Tender Offer, NTT was required to solicit an offer to buy all share certificates, etc. issued by the Company

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pursuant to the provisions of Article 27-2, paragraph (5) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended from time to time) and Article 8, paragraph (5), item (iii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended from time to time).;therefore, the classes of share certificates, etc. to be purchased, etc. included the American depositary shares (the “**ADSs**”) issued in the United States by The Bank of New York Mellon (the “**Depository Bank**”), each of which represented the ownership of one share of the Common Stock deposited with the Depository Bank. However, as the ADSs were securities issued in the United States, it was found practically difficult for NTT, being domiciled in Japan, to acquire the ADSs through the Tender Offer conducted outside Japan. Therefore, NTT accepted only tenders of the shares of the Common Stock, and not tenders of the ADSs themselves, in the Transaction, but rather tenders of shares of the Common Stock represented by ADSs.

(Note 2) The “**Voting Rights Ownership Ratio**” of a person means the percentage (rounded to two decimal places) obtained by dividing the number of voting rights owned by that person by the number of voting rights (3,228,629,292 votes) represented by the shares of Common Stock (3,228,629,208 shares) obtained by subtracting the number of shares of Common Stock held by the Company as treasury shares as of September 30, 2020, as set out in the Second Quarter Report of the 30th Business Term (“**Company’s Quarterly Securities Report**”), filed by the Company on November 5, 2020, (198 shares, which includes the 98 shares constituting less than one share unit that the Company owns; the same shall apply hereinafter), from the total number of shares of Common Stock issued as of September 30, 2020 (3,228,629,406 shares), as set out in the Company’s Quarterly Securities. The same shall apply hereinafter.

1. Overview of the Share Cash-Out Demand

(1) Overview of the Special Controlling Shareholder

(1)	Name	Nippon Telegraph and Telephone Corporation
(2)	Address	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Jun Sawada, President and Representative Director
(4)	Description of business	Mobile Communications Business, Regional Communications Business, Long Distance and International Communications Business, Data Communications Business and other businesses.
(5)	Capital Stock	JPY 937,950 million
(6)	Date of incorporation	April 1, 1985
(7)	Major shareholders and shareholding ratios (as of March 31, 2020)	Minister of Finance 33.93%
		The Master Trust Bank of Japan, Ltd. (Trust Account) 6.09%
		Custody Bank of Japan, Ltd. (Trust Account) 4.41%
		Toyota Motor Corporation 2.17%
		JP Morgan Chase Bank 385632 (Standing proxy: Mizuho Bank, Ltd.) 1.92%

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		Custody Bank of Japan, Ltd. (Trust Account 5)	1.47%
		Custody Bank of Japan, Ltd. (Trust Account 7)	1.05%
		Custody Bank of Japan, Ltd. (Trust Account 9)	0.90%
		Moxley and Co LLC (Standing proxy: MUFG Bank, Ltd.)	0.89%
		Custody Bank of Japan, Ltd. (Trust Account 6)	0.79%
(8)	Relationship between the Company and NTT		
	Capital relationship	As of today, NTT holds 2,952,748,244 shares of the Common Stock (Voting Rights Ownership Ratio of 91.46%), and the Company is a consolidated subsidiary of NTT.	
	Personal relationship	As of today, 1 of the 15 directors of the Company concurrently holds a position as an employee of NTT, and 8 used to work for NTT.	
	Business relationship	The Company has dealings with NTT Group (Note 1) other than the Company Group (Note 2) for purchases of fixed-line telecommunications services necessary for the Company Group's offices and sales offices, etc., usage of various telecommunications services and sales of different types of the Company Group's mobile telecommunications services, among other things. Also, the Company receives services and benefits related to basic R&D and group management operations conducted by NTT, for which the Company pays consideration to NTT. In addition, the Company and NTT Finance Corporation ("NTT Finance"), of which NTT is the parent company, have entered into a basic agreement for billing, collection, etc. of the Company's service fees and the like, as well as an agreement for, among other things, the assignment of receivables under such agreement. In accordance with these, the Company assigns its receivables for telecommunications services, etc., to NTT Finance. Further, NTT Finance and the Company Group have entered into a cash loan agreement, under which the Company Group deposits funds with NTT Finance and NTT Finance manages the funds on behalf of the Company Group.	
	Status as related parties	NTT is the parent company of the Company, and each of the Company and NTT constitutes a related party of the other.	

(Note 1) The "**Company Group**" means the Company, its consolidated subsidiaries and equity-method affiliates. The same shall apply hereinafter. As of September 30, 2020, the Company Group consists of the Company, 86 consolidated subsidiaries and 27 equity-method affiliates.

(Note 2) The "**NTT Group**" means NTT, its consolidated subsidiaries, including each of the companies within the Company Group, and its affiliates. The same shall apply hereinafter. The Company has been informed that NTT Group consists of NTT, its 979 consolidated subsidiaries, including the companies within the Company Group, and its 132 affiliates, as of March 31, 2020.

(2) Schedule regarding the Share Cash-Out Demand

Share Cash-Out Demand Date	Friday, November 27, 2020
Board Resolution Date	Friday, November 27, 2020

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Final Sales and Purchase Date	Thursday, December 24, 2020
Delisting Date	Friday, December 25, 2020
Acquisition Date	Tuesday, December 29, 2020

(3) Consideration for Sale of shares subject to Share Cash-Out Demand

JPY 3,900 per share of Common Stock

2. Details of the Share Cash-Out Demand

The Company received from NTT a notice, as of the date hereof, to the effect that it will make a Share Cash-Out Demand. The details of such demand are as set forth below.

(1) When choosing not to make a Share Cash-Out Demand to a wholly-owned subsidiary of the Special Controlling Shareholder, a statement to that effect and the name of such wholly-owned subsidiary (Article 179-2, paragraph (1), item (i) of the Companies Act)

Not applicable.

(2) The amount of money to be delivered to the Selling Shareholder as consideration for the Selling Shares, and matters related to the allotment of money, arising from the Share Cash-Out Demand (Article 179-2, paragraph(1), item (ii), and (iii) of the Companies Act)

NTT will allot and deliver money equal to JPY 3,900 to the Selling Shareholders for each share of the Selling Shares that they hold, as consideration for the Selling Shares (the “**Consideration**”)

(3) Matters related to the Demand for Share Option Cash-Out (Article 179-2, paragraph (1), item (iv) of the Companies Act)

Not applicable

(4) The day when the Special Controlling Shareholder acquires the Selling Share (the “**Acquisition Date**”) (Article 179-2, paragraph (1), item (v) of the Companies Act)

December 29, 2020

(5) The means of securing funds for the payment of Consideration (Article 179-2, paragraph (1), item(vi) of the Companies Act, Article 33-5, paragraph (1), item (i) of the Regulation for Enforcement of the Companies Act)

NTT plans to use borrowings from NTT Finance, made pursuant to the CMS Basic Agreement entered into between NTT and NTT Finance, as of September 10, 2015, to fund the payment of the Consideration. NTT Finance plans to use cash equivalents held by NTT Finance, funds raised by issuance of corporate bonds or commercial paper, and/or the borrowings from financial institutions (borrowings from (i) MUFG Bank, Ltd. made pursuant to the Term Loan Agreement , entered into as of November 17, 2020, (ii) Sumitomo Mitsui Banking Corporation made pursuant to the Term Loan Agreement, entered into as of November 17, 2020, (iii) Mizuho Bank, Ltd. made pursuant to the Term Loan Agreement, entered into as of November 17, 2020, (iv) The Norinchukin Bank made pursuant to the Term Loan Agreement, entered into as of November 17, 2020, (v) Sumitomo Mitsui Trust Bank, Limited made pursuant to the Term Loan Agreement, entered into as of November

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17, 2020, and (vi) Development Bank of Japan Inc. made pursuant to the Term Loan Agreement, entered into as of November 17, 2020) to fund the above mentioned loan to be made to NTT.

(6) Other Trade Terms relating to the Share Cash-Out Demand (Article 179-2, paragraph (1), item (vi) of the Companies Act, Article 33-5, paragraph (1), item (ii) of the Regulation for Enforcement of the Companies Act)

The Consideration will be delivered within a reasonable time after the Acquisition Date to each Selling Shareholder's address entered or recorded in the Company's latest shareholder registry on the day preceding the Acquisition Date, or to the place the Selling Shareholder notifies to the Company, and in accordance with the method used by the Company to deliver dividend assets. If a delivery cannot be made through such method, the Consideration will be paid to the Selling Shareholder through such method as determined by the Company at the location of the head office of the Company (if NTT has determined a different place and payment method for the delivery of the Consideration, delivery will be made at that place and through such payment method).

3. Basis and Reasons for the Decision to Approve the Share Cash-Out Demand

(1) Basis and Reasons for the Decision

The Share Cash-Out demand is being made as a part of the Transaction, and the Consideration is set at an amount equal to the price per share of the Company's common stock offered in the Tender Offer (the "**Tender Offer Price**").

As described in "d. Process Leading to and Reasons for the Company's Decision to Support the Tender Offer" under "(2) Basis and Reasons for the Opinion Regarding the Tender Offer" in "3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer," of the Opinion Press Release, the Company has concluded that it can anticipate the creation of synergies by becoming a wholly-owned subsidiary of NTT and that this will serve to increase the corporate value of the Company, based on the process and reasons set forth below.

The Company Group is engaged in telecommunications businesses (mobile phone services, optical broadband services, satellite phone services, international services, sales of devices for each service, etc.), smart life businesses (streaming services such as video, music and e-books, finance and payments services, shopping services, lifestyle-related services, etc.) and other businesses (mobile phone compensation services, B-to-B IoT, system development, sales and maintenance outsourcing, etc.).

In the market environment surrounding the Company, competition is further intensifying due to, among other things, revisions to the Telecommunications Business Act, the spread of low-cost smartphone services by MVNOs (Mobile Virtual Network Operators) (Note 1), as well as by sub-brands operated by MNOs (Mobile Network Operators) (Note 2) that offer low-cost plans, and the entry of a new MNO carrier from a different industry. In addition, every company is promoting various initiatives for future growth even outside the telecommunications business, centered around the provision of point services and strengthening of finance and payments businesses. As a result of this expansion of business areas, competition beyond the boundary of the traditional telecommunications market is accelerating, with players in e-commerce and other industries becoming competitors, among other things. In addition, each of the carriers started offering 5G services, and competition for new services has begun.

According to NTT, the telecommunications market surrounding the NTT Group, including the Company Group, has shifted from networks focused mainly on fixed-line telephones using switching equipment that were used until the mid-1990s to IP networks, and the main form of Internet connection has shifted from personal computers to smartphones. With the evolution of network formation through the coordination of fixed-line and mobile communications and increasing speed and sophistication, the barriers between the fixed-line and mobile communications fields are disappearing and market competition is intensifying due to the entry into the market

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not only of telecommunications carriers but also various other companies. In addition, amidst changing lifestyles and a variety of technological innovations, the industry structure is undergoing major structural changes, such as the development of global-level competition associated with the spread of services including content distribution and financial and payment services provided by OTT (Note 3) operators and the development of multifaceted and multilayered market competition that transcends the boundaries of traditional business domains.

In addition, as it is expected that a new “glocalism” (Note 4) will emerge as a result of restrictions on the free movement of people, goods and money throughout the world due to the spread of the novel coronavirus (COVID-19) infections, it is necessary to respond to dynamic changes in the environment at the global level.

- (Note 1) A telecommunications service provider that provides mobile telecommunications services by using or connecting to the network of an MNO and does not own or manage wireless stations for hosting and managing the mobile communications services it offers.
- (Note 2) A telecommunications service provider that provides mobile telecommunications services as its telecommunications service and owns or manages wireless stations for hosting and managing the mobile communications services it offers.
- (Note 3) Abbreviation for “Over the Top”. A service that distributes content, etc. using the communications infrastructure of other companies without requiring a company to have its own communications infrastructure necessary for the distribution, etc. of services.
- (Note 4) A new global social trend in which supply chains are reorganized to emphasize localization, with the return of globally dispersed supply chains to their respective countries.

According to NTT, under such business environment, NTT believes that it is essential to, by making the Company a wholly-owned subsidiary of NTT, establish a system in which the Company Group assumes a central position in the entire NTT Group, while strengthening cooperation between the Company Group and the NTT Group, and thereby transform the Company Group into a new comprehensive ICT company that continuously creates and provides a variety of high-value-added services that integrate fixed-line and mobile services, combining services in a variety of domains, not only in the domain of communication services, but extending to the domain of devices and application services, and further strengthen its competitiveness and growth. Furthermore, it is necessary that the NTT Group, including the Company Group, not only utilize their respective areas of expertise, but also optimize the allocation of business resources across the group and strategically combine and utilize the resources and assets of each company across the group, and in doing so, NTT came to believe that expediting the decision-making process of the NTT Group, including the Company Group, with respect to group-wide initiatives is the most appropriate choice for the sustained increase of the corporate value of the Company Group and the NTT Group, including the Company Group.

Based on such circumstances, NTT, in mid-April 2020, NTT came to believe that the optimal course of action is to make the Company a wholly-owned subsidiary of NTT. At that time, the impact of the spread of COVID-19 infections was increasing, as the declaration of a state of emergency was effected on April 7, 2020. However, as stated above, the Company Group’s business environment is becoming increasingly difficult due to factors such as the rolling out of 5G services and the launch of commercial services by a new mobile carrier, and therefore NTT recognized the increasing importance of strengthening competitiveness and promoting growth of the Company Group as well as promoting growth of the entire NTT Group by realizing the transformation of the business model as soon as possible through the Transaction, and commenced consideration of the Transaction from mid-April 2020. [Based on the view that it is desirable to make the Company a wholly-owned subsidiary of NTT by using not shares but cash as the consideration from the perspective of the impact of a dilution of the ownership of NTT’s existing shareholders and the benefits for the Company’s minority shareholders, and taking into consideration the tax treatment of the Transaction (since as of today, NTT does not own a number of shares of the Common Stock equivalent to two-thirds of the total number of issued shares (excluding treasury shares)

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of the Company, in the case of making the Company a wholly-owned subsidiary of NTT through a share exchange or the share consolidation using cash as the consideration, the Company is subject to fair market value taxation), NTT considered taking a two-step acquisition through the Tender Offer and subsequent procedures to make the Company a wholly-owned subsidiary of NTT as the structure of the Transaction.] After that, NTT made an initial notice to the effect that NTT had commenced consideration of the Transaction to the Company in late April 2020 and made a proposal to the effect that NTT would like to commence consideration of, and discussions regarding, the Transaction in early June 2020 (the “**Preliminary Proposal**”), and then commenced discussions regarding the strategic significance of the Transaction. Subsequently, NTT conducted due diligence of the Company from late July 2020 after obtaining the approval of the Company, and the due diligence was completed in late August 2020.

On the other hand, the Company received the Preliminary Proposal from NTT in early June 2020, and retained Nakamura, Tsunoda & Matsumoto as its legal advisor in the middle of June and Nomura Securities Co., Ltd. (“**Nomura Securities**”) as its financial advisor at the end of June. Subsequently, since the Company is a consolidated subsidiary of NTT and the Transaction is of a kind in which structural conflict of interest and asymmetry of information problems are typically present, the Company, with the advice from Nakamura, Tsunoda & Matsumoto, in order to address these issues and to ensure the fairness of the Transaction, immediately began establishing a structure to review, negotiate and make decisions on the Transaction independently of NTT, in terms of maximizing its corporate value and protecting the interests of its ordinary shareholders.

In particular, as described in “a. Establishment of a Special Committee Independent of the Company” under “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” below, the Company started preparing for the establishment of a Special Committee consisting of the Company’s independent outside directors from the middle of June 2020. Thereafter, pursuant to the resolution at the meeting of the board of directors held on July 13, 2020, the Company established a Special Committee consisting of the following three individuals: Mr. Masaaki Shintaku (Independent Outside Director of the Company, Outside Director of FAST RETAILING CO., LTD., Counselor of Special Olympics Nippon Foundation), Mr. Shin Kikuchi (Independent Outside Director of the Company, Partner of Gaien Partners) and Ms. Eiko Tsujiyama (Independent Outside Director (Audit & Supervisory Committee Member) of the Company, Professor Emeritus and Auditor of Waseda University, Outside Corporate Auditor of Lawson, Inc.) (please refer to “a. Establishment of a Special Committee Independent of the Company” under “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” below, for the circumstances of the establishment, the process of review and the decisions of the Special Committee). The Company consulted with the Special Committee on the following matters: (i) whether the purpose of the Transaction is reasonable (including whether the Transaction contributes to the increase of corporate value of the Company), (ii) whether the fairness of the terms of the Transaction (including the consideration in the Transaction) is ensured, (iii) whether due consideration is given through fair proceedings to the interests of the Company’s minority shareholders in the Transaction, (iv) whether it is appropriate for the board of directors of the Company to make a decision to carry out the Transaction (to express an opinion in support of the Tender Offer and recommend that the holders of the Common Stock tender in the Tender Offer and to carry out the procedures that are required to make the Company a wholly-owned subsidiary of NTT, as described in “(5) Policy of Restructuring, Etc. After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” under “3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer” of the Opinion Press Release) based on items (i) to (iii) above and other matters, and whether that is not detrimental to the Company’s minority shareholders, and (v) other matters regarding the Transaction on which the board of directors or the representative director deemed necessary to consult, in light of the purpose of establishing the Special Committee (under this item (v), after the establishment of the Special Committee, the question of “whether it is appropriate for the board of directors of the Company to make a decision to recommend that the holders of ADSs tender in the Tender Offer” has been added to the consulted matters) (these matters, collectively, the “**Consulted Matters**”).

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Additionally, in establishing the Special Committee, the board of directors of the Company resolved that the Special Committee be positioned as a body independent of the Company's board of directors in such a way that it should give full weight to the opinion of the Special Committee in making decisions regarding the Transaction, that it should not make the decision to carry out the Transaction if the Special Committee decides that the Transaction was not appropriate and that the board of directors would report on the situation to the Special Committee in a timely manner when engaging in negotiations with NTT on the terms of the Transaction and accept its opinion, directions and requests with respect to important aspects of the Transaction. The board of directors further resolved, among other things, that the Special Committee be empowered to retain, as it deems necessary, its own advisors including attorneys, valuation agencies and certified public accountants, at the Company's expense, and conduct research related to their roles (which shall include making inquiries and seeking explanations or advice from the Company's officers and employees involved in the Transaction, as well as the Company's advisors for the Transaction), also at the Company's expense (please refer to "a. Establishment of a Special Committee Independent of the Company" under "(4) Measures to Ensure Fairness and Avoid Conflicts of Interest" below, for the manner in which the board of directors made these resolutions). As described in "a. Establishment of a Special Committee Independent of the Company" under "(4) Measures to Ensure Fairness and Avoid Conflicts of Interest" below, the Special Committee, based on the aforesaid authorization, retained Nishimura & Asahi as its own legal advisor on July 30, 2020, Plutus Consulting Co., Ltd. ("**Plutus**") as its own financial advisor and third-party valuation agency, on August 5, 2020, and Mr. Teruyasu Murakami (Director of Research Institute for Industrial Strategy, the Company's former independent outside director) as its own advisor for the purpose of seeking profound knowledge regarding the telecommunications industry to which the Company and NTT belong, the knowledge acquired through work as the Company's independent outside director and advice based on this knowledge, on July 28, 2020.

In addition, as described in to "a. Establishment of a Special Committee Independent of the Company" under "(4) Measures to Ensure Fairness and Avoid Conflicts of Interest" below, the Company obtained the Special Committee's approval for the Company's retention of Nomura Securities as its financial advisor and third-party valuation agency, and of Nakamura, Tsunoda & Matsumoto as its legal advisor, following confirmation that there are no issues regarding Nomura Securities' and Nakamura, Tsunoda & Matsumoto's independence or expertise.

Further, as described in "f. Establishment of a Structure for the Independent Review by the Company" under "(4) Measures to Ensure Fairness and Avoid Conflicts of Interest" below, the Company established a structure within the Company to review, negotiate and to make decisions on the Transaction independently of NTT (including the Company's officers and employees to be involved in the review, negotiations and decision-making on the Transaction and their roles) and obtained the Special Committee's acknowledgement that there are no issues with such structure in terms of its independence and fairness.

In furtherance of the above, the Company received advice from a financial perspective from Nomura Securities, including reports regarding the valuation of the Common Stock and strategies for negotiating with NTT, as well as legal advice from Nakamura, Tsunoda & Matsumoto, including guidance regarding the measures to be implemented to ensure fairness in the process of the Transaction. Based on their advice, the Company carefully evaluated the merits of the Transaction, as well as the appropriateness of its terms.

Since August 11, 2020, when the Company received the initial offer from NTT of a Tender Offer Price of JPY 3,400 per share, the Company has continuously held discussions and negotiations with NTT regarding the terms of the Transaction, including the Tender Offer Price. In particular, the Company received an offer from NTT of a Tender Offer Price of JPY 3,600 per share, on August 25, 2020, JPY 3,750 per share, on September 9, 2020, and JPY 3,800 per share, on September 17, 2020. On each occasion, the Company conducted a review based on the opinions of the Special Committee (in the formation of which opinions the Special Committee received advice from its advisors Plutus, Nishimura & Asahi and Mr. Teruyasu Murakami) as well as the opinions of Nomura Securities and Nakamura, Tsunoda & Matsumoto, and requested that NTT reconsider the Tender

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Offer Price, as it was less than the fair value. The Company continued discussions and negotiations with NTT through its financial advisor, following such request, and, as a result, the Company received a final offer of JPY 3,900 per share as the Tender Offer Price on September 25, 2020.

During the course of the review and negotiations described above, the Special Committee has, as appropriate, been given reports from the Company and its advisors and confirmed or stated its opinion, etc., thereon. In particular concerning the business forecast (covering the four fiscal years between the fiscal year ending March 31, 2021 and the fiscal year ending March 31, 2024; the “**Business Forecast**”) that serves as the basis of the valuation of the Common Stock by NTT, Nomura Securities and Plutus, based on the Special Committee’s opinion that, in view of its importance, the content of the Business Forecast should be deliberated upon by, and finalized according to a resolution of all disinterested directors, before presenting it to NTT, Nomura Securities and Plutus, the Company resolved to adopt the content of the Business Forecast at the meeting of the board of directors held on August 3, 2020, according to which the Business Forecast was presented to NTT and Nomura Securities on the same day and to Plutus on August 5, 2020. In light of the fact that, among the 15 directors on the Company’s board, Mr. Motoyuki Ii and Mr. Takashi Hiroi have served as directors of NTT, Mr. Hironobu Sagae and Mr. Katsumi Nakata have served as directors of companies within the NTT Group that are not in the Company Group and Mr. Katsumi Kuroda concurrently serves as an employee of NTT, and in order to eliminate the risk of the deliberation and resolution at the meeting of the board of directors being tainted by issues arising from a structural conflict of interest or asymmetry of information inherent in the Transaction, the deliberation at the aforesaid meeting of the board of directors was conducted without these 5 directors, and among the remaining 10 directors of the Company (including the Audit and Supervisory Committee members), the aforesaid resolution received unanimous consent. In addition, in negotiating with NTT, the Company’s financial advisor had internal discussions with the Company in advance, and followed the negotiation strategies that were developed by taking into consideration the opinion of the Special Committee, and every time it received an offer of a Tender Offer Price from NTT, it was promptly reported to the Special Committee, whose advice was reviewed by the Company and dealt with accordingly.

On September 29, 2020, the Company received a recommendation from the Special Committee to the effect that it believes: i. that the Transaction does serve to increase the Company’s corporate value and that the purpose of the Transaction is reasonable; ii. that the fairness of the terms of the Transaction (including the consideration paid for the Transaction) has been ensured; iii. due consideration has been given to the benefit of the Company’s minority shareholders by employing a fair process in the Transaction; iv. it is appropriate and not detrimental to the Company’s minority shareholders for the Company’s board of directors to make the decision to express an opinion in support of the Tender Offer, as well as to recommend that the holders of the Common Stock tender in the Tender Offer and that the holders of ADSs tender in the Tender Offer upon surrendering their ADSs to the Depository Bank and withdrawing the shares of the Common Stock represented by the ADS, so as to go through a process to make the Company a wholly-owned subsidiary, following the Tender Offer. (the “**Recommendation**”; please refer to “a. Establishment of a Special Committee Independent of the Company,” under “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” for the summary of the Recommendation). In addition to the Recommendation, the Company received from the Special Committee a share valuation report regarding the result of the valuation of the Common Stock and a fairness opinion stating that the Tender Offer Price of JPY 3,900 per share is a fair price for the holders of the Common Stock (excluding NTT and its affiliated companies) and the holders of ADSs from a financial prospective, both of which Plutus provided to the Special Committee on September 29, 2020 (the “**Share Valuation Report (Plutus)**” and the “**Fairness Opinion (Plutus)**,” respectively. (Please refer to “c. Procurement by the Special Committee of Share Valuation Report and Fairness Opinion From Independent Third-Party Valuation Agency” under (4) Measures to Ensure Fairness and Avoid Conflicts of Interest” below for the details of the Share Valuation Report (Plutus) and the Fairness Opinion (Plutus)).

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Based on the circumstances described above, the Company carefully discussed and considered, at the meeting of the board of directors held on September 29, 2020, whether the Transaction, including the Tender Offer, contributes to the increase of corporate value, and whether the terms of the Transaction, including the Tender Offer Price, are appropriate, based on legal advice from Nakamura, Tsunoda & Matsumoto, Nomura Securities' advice from a financial prospective, the share valuation report regarding the result of the valuation of the Common Stock and a fairness opinion stating that the Tender Offer Price of JPY 3,900 per share is a fair price for the holders of the Common Stock (excluding NTT) from a financial perspective, both of which Nomura Securities provided to the Company on September 29, 2020 (the "**Share Valuation Report (Nomura Securities)**") and the "**Fairness Opinion (Nomura Securities)**," as well as the Share Valuation Report (Plutus) and the Fairness Opinion (Plutus) provided by Plutus through the Special Committee, giving full weight to the Special Committee's decision presented in the Recommendation.

As a result, the Company concluded that by becoming a wholly-owned subsidiary of NTT, the Company can expect to create synergies and contribute to improving the corporate value of the Company, as discussed below.

In the market environment surrounding the Company, competition is intensifying due, among other things, to revisions to the Telecommunications Business Act, the spread of low-cost smartphone services by MVNOs as well as by sub-brands operated by MNOs that offer low-cost plans, and the entry of a new MNO carrier from a different industry. In addition, every company is promoting various initiatives for future growth even outside the telecommunications business, centered around the provision of point services and strengthening of finance and payments businesses. As a result of this expansion of business areas, competition beyond the boundary of the traditional telecommunications market is accelerating, with players in e-commerce and other industries becoming competitors, among other things. In addition, telecommunications carriers have begun offering 5G services, and competition for new services has begun.

In addition, under the influence of the spread of the novel coronavirus disease (COVID-19) since the beginning of this year, social and industrial structures are rapidly shifting to "remote-style." This has accelerated the movement towards "Digital Transformation (DX)" for companies, and has also greatly changed the way individuals work and communicate. Mobile communication services, including the 5G provided by the Company, are widely used in industrial activities and social life, including remote work, remote operation support and remote education. However, customer needs are becoming more sophisticated and complex, and in some cases, they go beyond what the Company's existing business domain can accommodate. The Company believes that, while 5G is expanding and society is transitioning to a new shape, remote-style, it is time for the Company to further expand its business domains centered on mobile telecommunications and innovate itself into an existence that can accommodate customers' needs in a comprehensive manner.

Amidst these developments, the Company will seek not only to quickly provide more convenient and user-friendly services but also to contribute to the resolution of social issues through the digitization and "smartification" of society and industry. Furthermore, the Company believes that it is the Company's mission to step up its efforts toward the realization of next-generation service infrastructure with an eye towards the 2030s, such as 6G and IOWN, and contribute to the further development of the ICT industry and the improvement of international competitiveness of Japan.

In order to achieve these missions, the Company will establish a structure in which the Company plays a pivotal role within the entire NTT Group through the Transaction and is poised to transform to an existence that will accommodate, as a "front for all customers," the diversifying needs of customers whether consumers or corporations, through the provision of total services, including not only mobile networks but also applications and solutions. To this end, the Company needs to thoroughly strengthen its "capability to create and provide services" and further enhance the "competitiveness of its telecommunications networks." The Company recognizes that the fastest and most certain way to accomplish this is to become a wholly-owned subsidiary of NTT through the Transaction and strengthen the foundation of the Company's business by strategically and

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agilely utilizing NTT Group's resources and assets, such as by utilizing NTT Communications Corporation and NTT Comware Corporation's capabilities.

The specific synergies that the Company believes are feasible are as follows:

(a) Strengthen Competitiveness in the Telecommunications Business Through the Utilization of the Group's Business Resources

Competition among companies in the telecommunications business, which is the core business of the Company, is intensifying as the market becomes saturated and new businesses enter in the market, creating a heightened importance of achieving a safe and highly cost-competitive network. Additionally, the Company is expected to flexibly deal with not only mobile but also various other services and network systems, including fixed-line and Wi-Fi, and the sophistication of networks such as 6G and IOWN. The Company believes that coordination with NTT and the utilization of NTT's business resources will enable the Company to meet these expectations. Specifically, the Company believes that utilization of the telecommunications infrastructures of the companies within the NTT Group and optimization of the telecommunications infrastructures by network virtualization technologies, network slicing technologies, etc. will enable the enhancement of cost competitiveness. Further, the Company will achieve integrated mobile, fixed-line, Wi-Fi, etc. networks and services by enhancing coordination with the networks of the companies within the NTT Group, as well as seek the sophistication of networks by improving credibility through total optimization of NTT Group's nationwide backbone network. Moreover, the Company will shift its resources to businesses with higher added value by enhancing coordination of the engineering resources among companies within the NTT Group, including the Company, among other things, so as to strengthen its engineering capabilities and achieve efficient management at the same time. Through these initiatives, the Company will offer new communication services and accessible prices to meet the diversified customer needs.

(b) Strengthen Corporate Business and Smart Life Business Through the Enhancement of Coordination Within the Group

In the corporate business and smart life business, which are the key pillars in the Company's growth, total solutions that respond to the sophistication of the industry resulting from the structural shift to a remote style society and that help resolve social issues are in demand. As new business opportunities are arising from the change in lifestyle and technological innovation, business creation seizing such opportunities represents a source of competitive advantage. In order to accomplish further growth in these businesses, the Company believes that it is necessary to enhance its capabilities to create services and solutions that respond to a wider range of customer needs and new businesses domains, as well as its capabilities to support customers. The Company believes that the consolidation or coordination of the resources and assets of the NTT Group and the Company will enable an early and steady achievement of these. In particular, in the corporate business, the Company will expand the range of offered solutions to include mobile and fixed-line telecommunications and services in the upper level domains by linking the products and services of the Company and the NTT Group and creating new services by integrating the Company's platform for mobile network services and the NTT Group's platform and solutions for fixed network services, among other things. Additionally, the Company will strengthen its customer support capabilities in its corporate business by consolidating or appropriately coordinating the NTT Group's assets, such as its sales resource and customer base. In the smart life business, the Company will deepen its customers' understanding and further expand its ecosystem using the membership base by enhancing the coordination between the Company's marketing platform and the solutions owned by NTT. In addition, the Company will expedite the creation of new businesses in growth areas, such as video streaming and healthcare, by utilizing the assets of the NTT Group, and it aims to enhance its capabilities to create services in these growth areas by making

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effective use of the software development resources, etc. owned by the NTT Group so as to achieve evolution into a marketing solution company and a service creation company. Further, the Company will expand its domestically-developed corporate business and smart life business overseas by enhancing the coordination with NTT's global base and its domestic and overseas partners.

(c) Strengthen R&D Organization by Utilizing the Resources of the Entire Group

In order to increase the medium-to-long-term corporate value of the NTT Group, the Company believes it is necessary to strengthen its R&D activities to accomplish an innovation in its telecommunications technology and to create a next generation network, including 6G and IOWN. The Company believes that enhanced coordination between the NTT Group and the Company's R&D divisions and the establishment of a mobile R&D organization will enable early and steady achievement of these. Specifically, the Company will, in addition to establishing a more mobile R&D organization by enhancing the coordination between the NTT Group and the Company's R&D divisions, establish an organization that will enable prompt creation of high-quality services, by employing the NTT Group's achievements in its basic research activities in a timely manner, focusing the resources to develop technologies for practical application, and strengthening the collaboration among the development resources of the companies within the NTT Group.

As a listed company, the Company has taken into account the interests of the Company's minority shareholders and endeavored to ensure the independence of the Company. Due to concerns over conflicts of interest between the NTT Group and the Company's minority shareholders, and the need to ensure the Company's independence, it has been difficult for the Company to swiftly and smoothly promote a shared utilization of NTT Group's business infrastructures. After the Transaction, the Company believes that becoming a wholly-owned subsidiary of NTT will enable the swift and smooth implementation of cooperation with the NTT Group that is necessary for medium-to-long-term growth and efficient utilization of business resources, contributing to the improvement of the medium-to-long-term corporate value of the NTT Group, including the Company, while avoiding the restrictions stemming from these concerns over conflicts of interest between the NTT Group and the Company's minority shareholders and the need to ensure the independence of the Company.

In addition, the Company decided that the Tender Offer Price of JPY 3,900 per share is an adequate price that ensures the that the Company's ordinary shareholders receive the benefits to which they are entitled and that the Tender Offer provides the Company's ordinary shareholders with a reasonable opportunity to sell the Common Stock at a price with a proper premium, for the following reasons, among others.

- (i) The Tender Offer Price is the price that was agreed upon as the result of thorough negotiations with NTT with the substantial involvement of the Special Committee, while such measures to ensure the fairness of the terms of the Transaction including, the Tender Offer Price, as described in "(4) Measures to Ensure Fairness and Avoid Conflicts of Interest" below were being adequately implemented by the Company.
- (ii) The Tender Offer price is above the range of valuations based on the average market price method and comparable company method, and within the range of valuation based on the Discount Cash Flow Method (the "**DCF Method**") according to the results of valuation of the Common Stock by Nomura Securities, which is in the Share Valuation Report (Nomura Securities) as described in "e. Procurement by the Company of Share Valuation Report and Fairness Opinion From Independent Third-Party Valuation Agency" under "(4) Measures to Ensure Fairness and Avoid Conflicts of Interest" below. Additionally, as described in "e. Procurement by the Company of Share Valuation Report and Fairness Opinion From Independent Third-Party Valuation Agency" under "(4) Measures

to Ensure Fairness and Avoid Conflicts of Interest” below, Nomura Securities issued the Fairness Opinion (Nomura Securities) to the effect that the Tender Offer Price of JPY 3,900 per share is adequate for the owners of the Common Stock (excluding NTT) from a financial perspective.

- (iii) The Tender Offer price is above the range of valuations based on the market price method and comparable company method, and within the range of valuation based on the DCF Method, according to the results of valuation of the Common Stock by Plutus, which is in the Share Valuation Report (Plutus) as described in “c. Procurement by the Special Committee of Share Valuation Report and Fairness Opinion From Independent Financial Advisor and Third-Party Valuation Agency” under “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” below. Additionally, as described in “c. Procurement by the Special Committee of Share Valuation Report and Fairness Opinion From Independent Financial Advisor and Third-Party Valuation Agency” under “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” below, Plutus issued the Fairness Opinion (Plutus) to the effect that the Tender Offer Price of JPY 3,900 per share is a fair price for the holders of the Common Stock (excluding NTT and its affiliated companies) and the holders of ADSs from a financial perspective.
- (iv) The Tender Offer Price represents a 40.54% premium (this figure is rounded to two decimal places; the same applies to the calculation of premiums below) to the closing price of the Common Stock of JPY 2,775 on the First Section of the Tokyo Stock Exchange on September 28, 2020, which is the business day immediately preceding the date of publication of the Tender Offer; a 38.61% premium to the simple average of the closing prices for the most recent one-month period ending September 28, 2020, of JPY 2,814 (this figure is rounded to the nearest yen; the same applies to the calculation of the simple average closing prices below); a 32.59% premium to the simple average of the closing prices for the most recent three-month period ending the same date of JPY 2,941; and a 29.25% premium to the simple average of the closing prices for the nearest six-month period ending the same date of JPY 3,018; which premiums stand in comparison with the level of premiums in other tender offers conducted for the purpose of making a listed subsidiary a wholly-owned subsidiary of the parent company and are considered a reasonable level (although the market price of the Common Stock went downward right after the announcement of the implementation of the Tender Offer, the premium is judged to be at a reasonable level, because, in evaluating premiums to the market price of the Common Stock, sufficient premiums were given to each of the simple average of the closing prices for the most recent one-month period ending September 28, 2020, the simple average of the closing prices for the most recent three-month period ending the same date and the simple average of the closing prices for the most recent six-month period ending the same date).
- (v) The Tender Offer Price has also been determined to be adequate by the Recommendation obtained from the Special Committee as described in “a. Establishment of a Special Committee Independent of the Company” under “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” below.

Based on the foregoing, the Company has determined that the Transaction will contribute to the improvement of the Company’s corporate value and that the terms of the Transaction, including the Tender Offer Price, are adequate, and accordingly has resolved at the meeting of board of directors of the Company held on September 29, 2020, to express its opinion in support of the Tender Offer and recommend that the holders of the Common Stock tender in the Tender Offer and that the holders of ADSs tender in the Tender Offer upon surrendering their ADSs to the Depository Bank and withdrawing the shares of the Common Stock represented by the ADS.

Please refer to “g. Approval of All Directors (Including the Audit and Supervisory Committee Members) Without an Interest in the Company” under “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” below for the manner in which the resolution at such meeting of the board of directors was made.

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Subsequently, on November 17, 2020, the Company received from NTT a report on the result of the Tender Offer to the effect that 815,015,044 shares of Common Stock were tendered and that it has decided to acquire all of them. Consequently, NTT's Voting Rights Ownership Ratio in the Common Stock became 91.46% as of November 24, 2020 (the commencement date of the settlement for the Tender Offer), and NTT became the Special Controlling Shareholder of the Company.

Through such process, the Company received a notice from NTT dated as of today, as a part of the Transaction and pursuant to Article 179, paragraph (1) of the Companies Act, to the effect that it will make a Share Cash-Out Demand.

Upon receiving such notice, the Company carefully discussed and considered whether to approve the Share Cash-Out Demand.

As a result, the Company resolved at the meeting of the board of directors of the Company held today that because, among other things, (i) the Share Cash-Out Demand is being made as a part of the Transaction, which the Company determined contributes to the improvement of the Company's corporate value, based on the process and reasons discussed above, and no specific circumstances have occurred that require the Company to make a change in its decision, (ii) the Consideration, which is set at an amount equal to the price per share of the Tender Offer Price, is a price agreed upon as the result of a series of negotiations with NTT with substantial involvement of the Special Committee, wherein sufficient measures were put in place to ensure fairness in the terms of the Transaction, as described in "(4) Measures to Ensure Fairness and Avoid Conflicts of Interest," and which the Recommendation obtained from the Special Committee also concludes is adequate, as described in "(4) Measures to Ensure Fairness and Avoid Conflicts of Interest," and, as such, can be deemed appropriate, as it protects the interest that each of the Selling Shareholders are entitled to, (iii) NTT plans to use the borrowings from NTT Finance made pursuant to the CMS Basic Agreement entered into between NTT and NTT Finance, as of September 10, 2015, to fund the payment of the Consideration, and NTT Finance plans to use cash equivalents held by NTT Finance, funds raised by the issuance of corporate bonds or commercial paper, and/or borrowings from financial institutions (borrowings from (i) MUFG Bank, Ltd. made pursuant to the Term Loan Agreement, entered into as of November 17, 2020, (ii) Sumitomo Mitsui Banking Corporation made pursuant to the Term Loan Agreement, entered into as of November 17, 2020, (iii) Mizuho Bank, Ltd. made pursuant to the Term Loan Agreement, entered into as of November 17, 2020, (iv) The Norinchukin Bank made pursuant to the Term Loan Agreement, entered into as of November 17, 2020, (v) Sumitomo Mitsui Trust Bank, Limited made pursuant to the Term Loan Agreement, entered into as of November 17, 2020, and (vi) Development Bank of Japan Inc. made pursuant to the Term Loan Agreement, entered into as of November 17, 2020) to fund the above mentioned loan to be made to NTT, and the Company has also confirmed NTT's funding methods by reviewing each of the relevant agreements, which combined with the fact, according to NTT, that no event has occurred that will hinder the funding necessary to pay the Consideration, and no specific concern of such an event occurring in the future is currently acknowledged, leads the Company to conclude that the preparation for and means to ensure funding for NTT's payment of the Consideration is appropriate, and to anticipate that the delivery of the Consideration will be made, (iv) nothing unreasonable can be identified with respect to the delivery term and payment method of the Consideration, and the terms of the transaction regarding the Share Cash-Out Demand can be deemed adequate, and (v) no material change in the corporate value of the Company has occurred between the beginning of the Tender Offer and today, the board of directors determined that the Share Cash-Out Demand takes into account the benefit of the Selling Shareholders, and that the terms, etc. of the Share Cash-Out Demand are adequate. Consequently, it was resolved at the meeting of the board of directors, by a unanimous vote of the Company's directors who participated in the deliberation and the resolution process, that it would approve the Share Cash-Out Demand as notified by NTT.

In light of the fact that, among the 15 directors on the Company's board, Mr. Motoyuki Ii and Mr. Takashi Hiroi have served as directors of NTT, Mr. Hironobu Sagae and Mr. Katsumi Nakata have served as directors of

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companies within the NTT Group that are not in the Company Group and Mr. Katsumi Kuroda concurrently serves as an employee of NTT, and in order to eliminate the risk of the deliberation and resolution at the meeting of the board of directors being tainted by issues arising from a structural conflict of interest or asymmetry of information inherent in the Transaction, the deliberation at the meeting of the board of directors held today was conducted without these 5 directors, and among the remaining 10 directors of the Company (including the Audit and Supervisory Committee members), the aforesaid resolution received unanimous consent.

Among the directors of the Company, five directors, namely Mr. Motoyuki Ii, Mr. Takashi Hiroi, Mr. Hironobu Sagae, Mr. Katsumi Nakata and Mr. Katsumi Kuroda, have not participated in any of the deliberations or the resolution process undergone by the Company, in relation to the Transaction, at its meeting of the board of directors, including the above mentioned meeting of the board of directors held today, so as to eliminate the risk of being influenced by issues arising from the structural conflict of interest and asymmetry of information inherent in the Transaction, or the discussions or negotiations with NTT regarding the Transaction on behalf of the Company. Further, other than the involvement of Mr. Motoyuki Ii and Mr. Takashi Hiroi discussed in “f. Establishment of a Structure for the Independent Review by the Company,” under “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” below, they have not participated in the review of the Transaction on behalf of the Company.

Additionally, the disposal of important property, burden of major obligations, or any other event that has material impact on the status of Company property after the last day of the most recent business year are as set forth below.

a. Completion of the Tender Offer

As discussed above, NTT has commenced the Tender Offer of the Common Stock and ADSs on September 30, 2020, and as a result it became the owner of 2,952,748,244 shares of the Common Stock (Voting Rights Ownership Ratio: 91.46%), as of November 24, 2020, the commencement day of the settlement.

b. Cancellation of Treasury Shares

The Company resolved to cancel its treasury shares at the meeting of the board of directors held on March 27, 2020, and cancelled 106,601,688 shares of its treasury shares as of April 2, 2020. The number of all the Company’s issued shares after the cancellation is 3,228,629,406.

(2) Calculation-Related Matters

Since the Share Cash-Out Demand is being made as the second step of the process of the two-step merger following the Tender Offer and the amount of Consideration is equal to the Tender Offer Price, the Company has not obtained a valuation report in resolving to approve the Share Cash-Out Demand.

(3) Likelihood of Delisting

Common Stock is listed on the First Section of the Tokyo Stock Exchange as of today, but with the approval of the Share Cash-Out Demand, the Common Stock will meet the delisting standard stipulated in the Securities Listing Regulations of the Tokyo Stock Exchange. Accordingly, the Common Stock will be identified as securities to be delisted as of today and until December 24, 2020, and subsequently delisted on December 25, 2020. Please be advised that you will not be able to trade Common Stock at the Tokyo Stock Exchange once it becomes delisted.

(4) Measures to Ensure Fairness and Avoid Conflicts of Interest

Since the Share Cash-Out Demand is being made as the second step of the process of the two-step merger following the Tender Offer, the Company and NTT will implement the following measures to ensure fairness in the Transaction, considering the issues of structural conflict of interest arising during the process of considering

the Transaction, in light of such facts as NTT being a controlling shareholder of the Company, as discussed in “(6) Measures to Ensure Fairness in the Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” under “3. Basis and Reasons for the Decision to Approve the Share Cash-Out Demand” of Opinion Press Release.

a. Establishment of a Special Committee Independent of the Company

(i) Circumstances Leading to the Establishment of the Special Committee, etc.

As described in “(1) Basis and Reasons for the Decision” above, the Company formed a Special Committee, pursuant to a resolution at the meeting of the board of directors held on July 13, 2020. However, from the middle of June, and prior to forming the Special Committee and for the purpose of establishing a structure to review, negotiate and make decisions on the Transaction, in terms of improving the Company’s corporate value and protecting the interests of the Company’s ordinary shareholders, the Company, with the advice from Nakamura, Tsunoda & Matsumoto, provided all independent outside directors of the Company, as of that time, on an individual basis, an explanation to the effect that the Company had received the Preliminary Proposal from NTT and that it was necessary to implement sufficient measures to ensure the fairness of the terms pertaining to the Transaction, such as the formation of a Special Committee, given that the Transaction is of a kind in which structural conflict of interest and asymmetry of information problems are typically present. Concurrently, and with the advice from Nakamura, Tsunoda & Matsumoto, the Company confirmed the independence, qualification, etc. of the Company’s independent outside directors, who would become candidates for the member of the Special Committee. After confirming they were independent of NTT (the Company has confirmed that none of Mr. Masaaki Shintaku, Mr. Shin Kikuchi and Ms. Eiko Tsujiyama has any material interest in NTT or the Company) and that they did not have material interest in the consummation of the Transaction that did not align with those of ordinary shareholders, the Company selected, with advice from Nakamura, Tsunoda & Matsumoto, three individuals, Mr. Masaaki Shintaku (Independent Outside Director of the Company, Outside Director of FAST RETAILING CO., LTD., and Counselor of Special Olympics Nippon Foundation), who has abundant experience and knowledge, acquired through his long experience managing businesses as the president of a global company, among other roles, and as the outside officer of companies, Mr. Shin Kikuchi (Independent Outside Director of the Company, Partner of Gaien Partners), who has abundant experience and specialized knowledge, acquired through his long experience working on legal matters such as those involving corporate legal affairs, and Ms. Eiko Tsujiyama (Independent Outside Director (Audit & Supervisory Committee Member) of the Company, Professor Emeritus and Auditor of Waseda University, and Outside Corporate Auditor of Lawson, Inc.), who has knowledge of finance and accounting, acquired as a certified public accountant and in her long experience as a university professor as candidates for the membership of the Special Committee to ensure a balance of knowledge, experience and ability within the Special Committee and to adequately size the Special Committee. (The membership of the Special Committee has not changed since its formation.)

Subsequently, the Company formed a Special Committee pursuant to the resolution of a meeting of the board of directors held on July 13, 2020, and consulted with the Special Committee on the Consulted Matters. Additionally, in forming the Special Committee, the board of directors of the Company resolved that the Special Committee be positioned as a body independent of the Company’s board of directors in such a way that it should give full weight to the opinion of the Special Committee in making decisions regarding the Transaction, that it should not make the decision to carry out the Transaction if the Special Committee decides that the Transaction is not appropriate and that the board of directors would report on the situation to the Special Committee in a timely manner, when engaging in negotiations with NTT on the terms of the Transaction and receive its opinion, directions and requests with respect to important aspects of the Transaction. The board of directors further resolved, among other things, that the Special Committee be empowered to retain, as it deems necessary, its own

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advisors including attorneys, valuation agencies and certified public accountants, at the Company's expense, and conduct research related to their duties (which shall include making inquiries and seeking explanations or advice necessary to perform its duties from the Company's officers and employees involved in the Transaction, as well as the Company's advisors for the Transaction), also at the Company's expense.

In light of the fact that, among the 15 directors on the Company's board, Mr. Motoyuki Ii and Mr. Takashi Hiroi have served as directors of NTT in the past, Mr. Hironobu Sagae and Mr. Katsumi Nakata have served as directors of companies within the NTT Group that are not in the Company Group in the past and Mr. Katsumi Kuroda concurrently serves as an employee of NTT, and, in order to eliminate the risk of the deliberation and resolution at the meeting of the board of directors being tainted by issues arising from a structural conflict of interest or asymmetry of information inherent in the Transaction, the deliberation at the meeting of the board of directors mentioned above was conducted without these five members, and among the remaining 10 directors of the Company (including the Audit and Supervisory Committee members), the resolution received unanimous consent.

Regardless of the contents of the Recommendation, a fixed amount is to be paid to the members of the Special Committee, in consideration of their work.

(ii) Review Process

The Special Committee was convened over 13 times for a meeting, between July 13, 2020, and September 29, 2020, totaling approximately 23 hours. The Special Committee also carried out its duties in connection with the Consulted Matters by way of frequently sharing reports and information through email, web meetings and virtual data rooms and deliberating and making decisions between meetings.

In particular, the Special Committee evaluated the independence, and expertise and achievements, among other things, of multiple candidates to act as its legal advisor, as well as its financial advisor and third-party valuation agency, and consequently retained Nishimura & Asahi as its own legal advisor, independent of NTT and the Company, on July 30, 2020, Plutus as its own financial advisor and third-party valuation agency, on August 5, 2020, and Mr. Teruyasu Murakami, (Director of Research Institute for Industrial Strategy, Company's former independent outside director) as its own advisor to the Special Committee, for the purpose of seeking profound knowledge regarding the telecommunication industry to which the Company and NTT belong, the knowledge acquired through work as the Company's independent outside director and advice based on this knowledge, on July 28, 2020. The Special Committee has confirmed that none of Nishimura & Asahi, Plutus and Mr. Teruyasu Murakami is a related party of NTT or the Company or has a material interest in the Transaction, including the Tender Offer, or any other issues regarding their independence in relation to the Transaction.

In addition, after confirming there were no issues regarding their independence or expertise, the Special Committee approved the Company's appointment of Nomura Securities as its financial advisor and third-party valuation agency, and Nakamura, Tsunoda & Matsumoto as its legal advisor.

Moreover, the Special Committee has confirmed and acknowledged that there are no issues in terms of independence and fairness with the structure the Company established internally to consider the Transaction (including the Company's officers and employees to be involved in the review, negotiations and decision-making on the Transaction and their roles) as described under "f. Establishment of a Structure for the Independent Review by the Company" below.

Based on the above, the Special Committee conducted a review of the measures that must be implemented to ensure fairness in the process of the Transaction, taking into account the legal advice provided by Nishimura & Asahi and the opinion from Nakamura, Tsunoda & Matsumoto.

The Special Committee has sent written questionnaires to NTT regarding the goal and reasons, etc. for implementing the Transaction, the background and purpose of choosing to implement the Transaction at this time, the Company's management policy, governance, etc. following the Transaction, the disadvantages of the

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Transaction, and the process, terms, etc. of the Transaction. The Special Committee received explanations directly from Mr. Ryota Kitamura (Officer, Head of Corporate Strategy Planning Department (then)) on behalf of NTT and had a question-and-answer session.

In addition, the Special Committee asked Mr. Michio Fujiwara (Executive Vice President, General Manager of Corporate Strategy & Planning Division) of the Company to participate in the Special Committee's meeting and conducted a hearing of his views as a member of the management of the Company on the significance, purpose, etc. of the Transaction, the timing and manner of the Transaction, the Company's management policy, governance, etc. following the Transaction, how to think about the value of the Common Stock, and other matters, and other related information, and had a question-and-answer session on these points.

Further, concerning the Business Forecast that serves as the basis of the valuation of the Common Stock conducted by NTT, Nomura Securities and Plutus, based on the Special Committee's opinion that, in view of its importance, the content of the Business Forecast should be deliberated upon by, and finalized according to a resolution of, all disinterested directors, before presenting it to NTT, Nomura Securities, and Plutus, the Company resolved to adopt the content of the Business Forecast at the meeting of the board of directors held on August 3, 2020, according to which the Business Forecast was presented to NTT and Nomura Securities on the same day, and to Plutus on August 5, 2020. In light of the fact that, among the 15 directors on the Company's board, Mr. Motoyuki Ii and Mr. Takashi Hiroi have served as directors of NTT in the past, Mr. Hironobu Sagae and Mr. Katsumi Nakata have served as directors of companies within the NTT Group that are not in the Company Group in the past and Mr. Katsumi Kuroda concurrently serves as an employee of NTT, and in order to eliminate the risk of the deliberation and resolution at the meeting of the board of directors being tainted by issues arising from a structural conflict of interest or asymmetry of information inherent in the Transaction, the deliberation at the meeting of board of directors mentioned above was conducted without these five members, and among the remaining 10 directors of the Company (including the Audit and Supervisory Committee members), the resolution received unanimous consent. Based on that, and as described in "c. Procurement by the Special Committee of Share Valuation Report and Fairness Opinion From Independent Third-Party Valuation Agency" and "e. Procurement by the Company of Share Valuation Report and Fairness Opinion From an Independent Third-Party Valuation Agency" below, Plutus and Nomura Securities valued the Common Stock based on the Business Forecast. The Special Committee received from Plutus and Nomura Securities an explanation on the valuation methods they each employed to value the Common Stock, the reasons for employing such valuation methods, the results of the valuation and important assumptions, and held question-and-answer sessions and confirmed their rationality after deliberation and consideration. In addition, as described in "c. Procurement by the Special Committee of Share Valuation Report and Fairness Opinion From Independent Third-Party Valuation Agency" and "e. Procurement by the Company of Share Valuation Report and Fairness Opinion From an Independent Third-Party Valuation Agency" below, the Special Committee received the Fairness Opinion (Plutus) from Plutus and the Fairness Opinion (Nomura Securities), which Nomura Securities submitted to the Company, on September 29, 2020. In doing so, the Special Committee was given an explanation on the contents and important assumptions of the Fairness Opinion (Plutus) from Plutus and Fairness Opinion (Nomura Securities) from Nomura Securities, which it has subsequently confirmed.

The Special Committee was also given periodic reports from the Company and Nomura Securities on the Company's negotiations with NTT and deliberated and conducted reviews, taking into consideration the advice given by Plutus from a financial perspective, by Nishimura & Asahi from a legal perspective and by Mr. Teruyasu Murakami, and provided opinions as necessary on the Company's negotiation strategies, accordingly. In particular, since August 11, 2020, when the Company received the initial offer from NTT of a Tender Offer Price of JPY 3,400 per share, the Special Committee received a report on the offer of JPY 3,600 per share made on August 25, the offer of JPY 3,750 per share made on September 9, and the offer of JPY 3,800 per share on September 17. Based on those reports, the Special Committee deliberated, taking into consideration the advice

given by Plutus from a financial perspective, by Nishimura & Asahi from a legal perspective, by Mr. Teruyasu Murakami and by Nakamura, Tsunoda & Matsumoto after hearing the opinion of Nomura Securities on its policies, etc. on how to respond to and negotiate with NTT, etc. On all of these occasions, the Special Committee stated an opinion that it did not disagree with the Company's intention to request that NTT reconsider the Tender Offer Price and also stated an opinion regarding the matters that the Company should discuss with NTT in order to accomplish the purpose and goal of the Transaction from the Company's perspective, and as such the Special Committee was involved in all aspects of the Company's discussions and negotiations with NTT on the terms of the Transaction, including the Tender Offer Price. As a consequence, the Company received the proposal from NTT on September 25, 2020, which included a Tender Offer Price of JPY 3,900 per share, resulting in a total of four increases in price, and a 14.71% (rounded to two decimal places) increase from the initial offer. Furthermore, the Special Committee, on multiple occasions, received an explanation from Nakamura, Tsunoda & Matsumoto on the draft press release on the Tender Offer that the Company intends to announce or submit in relation to the Tender Offer and has confirmed, with advice from Nishimura & Asahi, that sufficient information disclosure is intended.

(iii) Decision

In accordance with the process described above, the Special Committee carefully, on multiple occasions, deliberated on and reviewed the Consulted Matters, in light of the advice from Nishimura & Asahi from a legal perspective, advice from Plutus from a financial perspective and advice from Mr. Teruyasu Murakami, as well as the Share Valuation Report (Plutus) and the Fairness Opinion (Plutus) it received on September 29, 2020, and on the same day, submitted to the Company's board of directors, based on unanimous consent, the Recommendation the content of which is summarized below.

I Content of the Recommendation

- i. The Special Committee believes that the Transaction does serve to increase the Company's corporate value and that the purpose of the Transaction is reasonable.
- ii. The Special Committee believes that fairness of the terms of the Transaction (including the consideration paid for the Transaction) has been ensured.
- iii. The Special Committee believes that due consideration has been given to the benefit of the Company's minority shareholders by employing a fair process in the Transaction.
- iv. The Special Committee believes it is appropriate and not detrimental to the Company's minority shareholders for the Company's board of directors to make the decision to express an opinion in support of the Tender Offer, as well as to recommend that the holders of the Common Stock tender in the Tender Offer and that the holders of ADSs tender in the Tender Offer upon surrendering their ADSs to the Depositary Bank and withdrawing the shares of the Common Stock represented by the ADSs, so as to go through a process to make the Company a wholly-owned subsidiary, following the Tender Offer.

II Reason for the Recommendation

- i. Based on the reasons below, it is considered that the Transaction serves to increase the Company's corporate value and that the purpose of the Transaction is reasonable:
 - The purpose of the Transaction recognized by NTT and the Company is based on the outcome of the question-and-answer session the Special Committee had with each of NTT and the Company, as well as the Special Committee's request to

make specific contents, among other things. The contents are to increase the corporate value of the Company, and, further, the NTT Group, through the Company and NTT fully acknowledging the market environment in which both the Company and NTT are situated and making the Company a “front for all customers” of the NTT Group, while at the same time integrating the business resources of the NTT Group and contributing to the further development of the ICT industry and to the increase of international competitiveness. The Special Committee believes that this is reasonable in regard to the purpose of the Transaction.

- Nothing unreasonable is recognized in the Company’s thinking that the synergies will become feasible through the execution of the Transaction, given that NTT intends to implement group-wide initiatives following the implementation of Transaction.
 - The Company and NTT share a common understanding of the market environment surrounding both companies and on the future vision of the NTT Group that it should aim for. Both companies’ understanding of the structure required to realize that is largely the same, as well. Since the aim of the Transaction is to expedite the decision-making process regarding group-wide initiatives, to increase the mid- to long-term corporate value of the NTT Group, including the Company, in a market environment where competition is intensifying, the achievement of a smooth collaboration among the group companies following the Transaction is important for the accomplishment of the goal of the Transaction. According to the explanation provided to the Special Committee by NTT and the Company, among other things, it has been recognized that sufficient review and discussion has been conducted between NTT and the Company on the cooperation among the group companies following the Transaction. Based on these facts, nothing unreasonable is recognized either in the Company’s determination that the Transaction will contribute to the mid- to long-term increase of the NTT Group’s corporate value, including the Company, or in its decision-making process.
 - With respect to the timing of the Transaction, based on the explanation provided by NTT and the Company, it is necessary to respond to the changes in the market environment, such as the launch of 5G services, the social and industrial structures’ shift to a “remote-style,” the start of a mobile telecommunications company’s offering commercial services and the start of the initiatives towards the next generation network (6G and IOWN) as soon as possible, and nothing unreasonable is recognized with the Transaction taking place at this time.
- ii. It can be considered that the terms of the Transaction (including the consideration paid for the Transaction) are fair based on the following:
- Nothing unreasonable has been recognized in the purpose, the drafting process or the contents of the Business Forecast, which served as the basis for the valuation using the DCF Method, adopted in the Share Valuation Report (Plutus) and the Share Valuation Report (Nomura Securities).
 - The Tender Offer Price of JPY 3,900 per share exceeds the price reached under the market price method, as well as the comparable company method, and is

within the range reached under the DCF Method in the Share Valuation Report (Plutus), in which no unreasonableness in the valuation or the valuation methods was recognized, leading the Special Committee to make the determination that the Share Valuation Report (Plutus) is reliable.

- The Tender Offer Price of JPY 3,900 per share exceeds the price reached under the average market price method, as well as the comparable company method, and is within the range reached under the DCF Method in the Share Valuation Report (Nomura Securities), in which no unreasonableness in the valuation or the valuation methods was recognized, leading the Special Committee to make the determination that the Share Valuation Report (Nomura Securities) is reliable.
 - The Tender Offer Price of JPY 3,900 represents a premium of 40.54% against the closing prices for the business day preceding the day on which the announcement regarding the implementation of the Tender Offer was made, 38.61% against the simple average of the closing prices for the most recent one-month period, 32.59% against the simple average of the closing prices for the most recent three-month period and 29.25% against the simple average of the closing prices for the most recent six-month period. The Tender Offer Price can be acknowledged as being at a reasonable level as it represents a premium that stands in comparison with the level of premiums in cases of other tender offers conducted for the purpose of making a listed subsidiary a wholly-owned subsidiary of a parent company.
 - In response to NTT's offer, the Company conducted negotiations with NTT on the Tender Offer Price based on the interim valuation report prepared by the Company's third-party valuation agency, Nomura Securities, and is taking into consideration the opinions of the Special Committee offered from time to time, which were formed based on advice from Plutus and Nishimura & Asahi. It has been recognized that a fair process, excluding any influence of NTT, was adopted throughout the negotiations.
 - The Fairness Opinion prepared by Plutus concludes that the Tender Offer Price represents a fair price for the holders of the Common Stock (excluding NTT and its affiliated companies) and the holders of ADSs from a financial perspective, and the Fairness Opinion prepared by Nomura Securities concludes that the Tender Offer Price is appropriate for the holders of the Common Stock (excluding NTT) from a financial perspective.
 - Although the Tender Offer is not contingent on a minimum number of shares being purchased that is equivalent to a majority-of-minority condition, the Special Committee acknowledges that the fairness in the process of the Tender Offer is not impaired based on the reasons described in iii. below.
- iii. Based on the reasons below, it can be considered that due consideration has been given to the benefits of the Company's minority shareholders, by adopting a fair process in the Transaction.
- The Company's board of directors has established a Special Committee independent of NTT and the Company. This has functioned effectively, and a system under which the board of directors will give weight to the opinions of the Special Committee in its decision-making regarding the Transaction has been ensured.

- The Special Committee was given necessary legal advice by Nishimura & Asahi, its own and independent and professional legal advisor.
- The Special Committee has procured a share valuation report and a fairness opinion from Plutus, its own independent and professional financial advisor and third-party valuation agency.
- A system under which the Special Committee can be substantially involved in the negotiations with NTT has been ensured, and the Special Committee's substantial involvement in the negotiations between the Company and NTT regarding the terms of the Transaction, including the Tender Offer Price, has been recognized.
- Of all the directors of the Company, Mr. Motoyuki Ii and Mr. Takashi Hiroi were members of the working group formed to consider ways to create synergies in the future, such as the expansion of business, facilitation of R&D and optimization of network, etc. using the NTT Group's resources and assets, and to consider the Company's growth strategy (the "**Future Vision Working Group**"). Although they were each the Senior Executive Vice President and the Head of Finance and Accounting of NTT until June 2020, (i) they were not involved in specific discussions regarding the Transaction when they belonged to NTT; (ii) they do not currently serve in any position at NTT; (iii) they were not involved in the contemplation and the resolution among the Company's board of directors on the Transaction; (iv) they did not participate at all in the working group formed to consider the significance of proceeding with the Transaction, the manner of the Transaction, the terms of the Transaction including the Tender Offer Price, and to negotiate with NTT (the "**Capital Policy Working Group**"). Therefore, it has been recognized that they were excluded from the consideration process on which the issues of structural conflict of interest would have influence on the benefits of the ordinary shareholders of the Company.
- In addition to Mr. Motoyuki Ii and Mr. Takashi Hiroi, given that Mr. Hironobu Sagae and Mr. Katsumi Nakata have served as directors of companies within the NTT Group that are not in the Company Group in the past, and Mr. Katsumi Kuroda concurrently serves as an employee of NTT, the aforementioned five individuals did not participate in the deliberation or the resolution of the Company's meeting of the board of directors in which the Transaction was discussed and have not participated in the discussions or negotiations with NTT regarding the Transaction, on behalf of the Company.
- The Company was given necessary legal advice from Nakamura, Tsunoda & Matsumoto, its own independent and professional legal advisor.
- The Company has procured a share valuation report and a fairness opinion from Nomura Securities, its own independent and professional financial advisor and third-party valuation agency.
- Since NTT already owns 66.21% of the Company's shares, it is unlikely that a serious competing offer will be made for the Transaction and a proactive market search is not expected; however, it cannot be said that these factors create a foundation for an unfair process. Rather, the Tender Offer Period of the Tender Offer is set at 33 business days, which exceeds the statutory minimum of 20 business days, and it has been recognized that an adequate time period has been

ensured for the ordinary shareholders to consider the merits of the Transaction and the adequacy of the transaction terms.

- Although no so-called “majority of minority” condition is planned to be applied to the Tender Offer, it has been recognized that the lack of a majority of minority condition in the Tender Offer does not impair fairness in the process of the Tender Offer for the following reasons: where the Transaction has been considered as serving to increase corporate value and its terms have been recognized as being appropriate, a majority of minority condition would make the completion of the Tender Offer less predictable and rather may not serve as a benefit to the ordinary shareholders who wish to tender in the Tender Offer, and the Company has put in place other sufficient measures to ensure the fairness in the Transaction.
- It has been recognized that an appropriate opportunity is scheduled to be ensured for the ordinary shareholders to make appropriate decision on the Tender Offer based on sufficient information.
- It has been recognized that safeguards have been in place to ensure fairness in the process of the Transaction, so that minority shareholders will not be put in a situation where they anticipate they will be treated unfairly if they do not tender in the Tender Offer, so as to eliminate coercion.

- iv. As discussed above, it is considered that the purpose of the Transaction is reasonable, the terms of the Transaction are fair and due consideration has been paid to the benefit of the minority shareholders by implementing a fair process for the Transaction. Therefore, the Special Committee believes that it is appropriate and not detrimental to the Company’s minority shareholders for the Company’s board of directors to make the decision to express an opinion in support of the Tender Offer, as well as to recommend that the holders of the Common Stock tender in the Tender Offer and that the holders of ADSs tender in the Tender Offer upon surrendering their ADSs to the Depositary Bank and withdrawing the shares of the Common Stock represented by the ADSs, so as to go through a process to make the Company a wholly-owned subsidiary, following the Tender Offer.

b. Procurement by the Special Committee of Advice From Independent Legal Advisor

As discussed in “a. Establishment of a Special Committee Independent of the Company” above, the Special Committee retained Nishimura & Asahi as its own legal advisor, independent of NTT and the Company, and received legal advice on such matters as the measures to be implemented to ensure fairness in the process of the Transaction and on the methods and processes for the Special Committee to conduct deliberations on the Transaction, among other things.

Nishimura & Asahi is not a related party of NTT or the Company and has no material interest in the Transaction, including the Tender Offer. Please refer to “(ii) Review Process” under “a. Establishment of a Special Committee Independent of the Company” above, for further information on Nishimura & Asahi’s independence.

c. Procurement by the Special Committee of Share Valuation Report and Fairness Opinion From Independent Financial Advisor and Third-Party Valuation Agency

- (i) Name of the Valuation Agency and its Relationship With the Company and NTT

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To ensure fairness in the terms of the Transaction, including the Tender Offer Price, in considering the Consulted Matters, the Special Committee asked Plutus, its financial advisor and Third-Party Valuation Agency independent of NTT and the Company, to conduct a valuation of the Common Stock and a financial analysis to accompany it, as well as to present its opinion on the fairness of the Tender Offer Price (Fairness Opinion), and procured the Share Valuation Report (Plutus) and Fairness Opinion (Plutus), dated as of September 29, 2020.

As discussed in subsection “(ii) Review Process” under “(1) Establishment of a Special Committee Independent of the Company” above, the Special Committee submitted the Company’s board of directors the Share Valuation Report (Plutus) and Fairness Opinion (Plutus), along with the Recommendation on September 29, 2020, and based on this information the Company made the resolutions on the matters discussed in subsection “g. Approval of all Directors (Including the Audit and Supervisory Committee Members) Without an Interest in the Company,” below.

Plutus is not a related party of NTT or the Company and has no material interest in the Transaction including the Tender Offer. As discussed in “(1) Establishment of a Special Committee Independent of the Company” above, the Special Committee appointed Plutus as its own financial advisor and Third-Party Valuation Agency, after considering the independence, qualification, experience, etc. of multiple candidates to act as its financial advisor and Third-Party Valuation Agency. Additionally, the compensation to be paid to Plutus in relation to the Transaction is a flat fee, which will be paid regardless of whether the Transaction is consummated, and does not include a contingent fee.

(ii) Summary of Valuation of the Common Stock

As a result of its consideration of the valuation method in the Tender Offer, Plutus valued the Common Stock using the market price method because the Common Stock is listed on the First Section of the Tokyo Stock Exchange, the comparable company method, because there are multiple public companies it can compare the Company to and thereby infer the value of the Common Stock, and the DCF Method to reflect the Company’s anticipated future business situation in the calculation, based on the idea that it is appropriate to determine the value of Common Stock from multiple perspectives after considering valuation methods to be adopted in valuing the Common Stock from among various valuation methods, under the assumption that the Company is a going concern.

According to the Share Valuation Report (Plutus), the per share value range of the Common Stock under each of the methods described above is as set forth below:

Market Price Method	JPY 2,775 – JPY 3,018
Comparable Companies Method	JPY 2,356 – JPY 3,147
DCF Method	JPY 2,735 – JPY 4,335

In adopting the market price method, Plutus set September 28, 2020 as the calculation base date. Then, Plutus calculated the per share value range of the Common Stock to be JPY 2,775 – JPY 3,018, based on the closing price of JPY 2,775 for regular transactions of the Common Stock on the First Section of the Tokyo Stock Exchange on the base date and the simple average of the closing prices for the most recent one-month, three-month and six-month periods, each ending on the base date (JPY 2,814, JPY 2,941 and JPY 3,018, respectively).

In using the comparable companies method, Plutus selected businesses that are considered relatively comparable to that of the Company, and used the EBITDA multiple against the value of the Company’s business to value the Common Stock. The comparable companies selected for this purpose are KDDI Corporation and Softbank Corp. As a result, Plutus calculated the per share value range of the Common Stock to be JPY 2,356 – JPY 3,147.

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In employing the DCF Method, based on the Business Forecast prepared by the Company, and taking into account various factors, including the earnings forecast and investment plans set out in the Business Forecast for the four fiscal years (fiscal years ending March 2021, 2022, 2023 and 2024), as well as publicly-available information, Plutus analyzed the Company's corporate value and share value by discounting the free cash flow expected to be generated by the Company in and after the second quarter of the fiscal year ending March 2021 to the present value at certain discount. Consequently, Plutus arrived at a price range of JPY 2,735 – JPY 4,335 as the per share value of the Common Stock. In calculating the per share value of the Common Stock, Plutus applied a cost of capital of 4.96% – 5.01% and adopted the perpetual growth rate model and the multiple model to calculate the terminal value. The adopted perpetual growth rate is 0%, the multiple rate is EBITDA Multiples and the multiple rate used to value the Common Stock is 5.3x – 6.9x.

The financial forecast used as a premise for the analysis under the DCF Method is as shown below, and a large increase or decrease in the profits is not expected. The expected synergies achieved through the Transaction are not reflected in the financial forecast, given their difficulty to estimate at present. The financial forecast is based on the Business Forecast prepared by the Company, and Plutus has analyzed and studied the contents through multiple interview sessions with the Company. Further, as described in subsection “a. Establishment of a Special Committee Independent of the Company” under “(6) Measures to Ensure Fairness in the Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer,” the Special Committee has confirmed its rationality, including important assumptions and the drafting process.

(JPY 100 million)

	FY ending March 2021 (9 months)	FY ending March 2022	FY ending March 2023	FY ending March 2024
Revenue	34,718	48,000	48,870	49,520
EBIT	5,994	9,200	9,720	9,930
EBITDA	10,614	15,480	16,180	16,540
Free Cash Flow	3,110	5,509	6,487	6,764

(Note) EBITDA is calculated by adding the depreciation expenses to the operating profit, and the free cash flow is calculated based on that EBITDA.

(iii) Summary of the Fairness Opinion (Plutus)

The Special Committee has received from Plutus, as of September 29, 2020, a Fairness Opinion (Plutus) to the effect that a price of JPY 3,900 per share is fair to the holders of the Common Stock (other than NTT, and its affiliates) and the holders of ADSs from a financial perspective. (Note) The Fairness Opinion (Plutus) expresses that the Tender Offer Price of JPY 3,900 per share is fair to the Company's minority shareholders and the holders of ADSs, in light of the valuation, etc. of the Common Stock based on the Business Forecast. The Fairness Opinion (Plutus) was issued based on the results of a valuation of the Common Stock that was conducted by Plutus after receiving disclosure from the Company of, among other things, the current status of the Company Group's business and the Business Forecast, as well as explanations from the Company relating thereto, and following a process consisting of question-and-answer sessions with the Company regarding the overview, background and purpose of the Tender Offer, consideration within the scope deemed necessary by Plutus of the Company Group's business environment and economic, market and financial situation, etc., and a review process conducted by an examination board at Plutus independent of its engagement team.

(Note) In preparing and submitting the Fairness Opinion (Plutus) and evaluating the share value underlying it, Plutus relied on the information and basic materials provided by or discussed

with the Company, as well as publicly-available materials, on the assumption that they were accurate and complete, and that there were no facts that had not been disclosed to Plutus that could materially affect the analysis and evaluation of the value of the Common Stock, and Plutus has not independently investigated or verified such facts, nor is it obligated to investigate or verify them.

Plutus has assumed that the Company's Business Forecast and other materials used as the basis for the Fairness Opinion (Plutus) have been reasonably prepared by the Company's management based on the best currently-available estimates and judgements, and Plutus does not guarantee their feasibility and expresses no view as to the analysis or forecasts on which preparation is based or premises on which they are based.

The Fairness Opinion (Plutus) expresses Plutus' opinion as of the date of preparation as to whether the Tender Offer Price is fair from a financial point of view to the Company's minority shareholders and the holders of ADSs, based on financial and capital markets, economic, conditions and other circumstance as of the date of preparation, and information available to Plutus up to the date of preparation, and while the content of the Fairness Opinion (Plutus) may be affected by subsequent changes in conditions, Plutus has no obligation to amend, change or supplement the content of the Fairness Opinion (Plutus) even in such cases. The Fairness Opinion (Plutus) does not infer or indicate any opinion, other than that expressly stated in the Fairness Opinion (Plutus), with respect to any matter after the date of submission of the Fairness Opinion (Plutus). The Fairness Opinion (Plutus) only expresses the opinion that the Tender Offer Price is fair to the Company's minority shareholders and the holders of ADSs from a financial point of view and is not disadvantageous to them, and does not express opinions or make recommendations concerning the propriety of implementing the Tender Offer, nor the tendering, or other actions with respect to the Tender Offer, and does not express any opinion to the holders of securities issued by the Company, creditors or other related parties.

The Fairness Opinion (Plutus) was provided by Plutus for the purpose of being used as a basis for decisions made by the Company's board of directors and the Special Committee regarding the Tender Offer Price and is not to be relied upon by any other party.

d. Procurement by the Company of Advice From an Independent Legal Advisor

As discussed in "a. Establishment of a Special Committee Independent of the Company," the Company retained Nakamura, Tsunoda & Matsumoto as its legal advisor independent of NTT and the Company, and received legal advice on such matters as the measures to be implemented to ensure fairness in the process of the Transaction, the various processes of the Transaction and on the methods and processes, etc. for the Company to make its decision on the Transaction.

Nakamura, Tsunoda & Matsumoto is not a related party of NTT or the Company and has no material interest in the Transaction, including the Tender Offer.

e. Procurement by the Company of Share Valuation Report and Fairness Opinion From an Independent Third-Party Valuation Agency

- (i) Name of the Valuation Agency and its Relationship With the Company and NTT

To ensure fairness in the decision-making regarding the Tender Offer Price presented by NTT, in relation to the announcement of its opinion on the Tender Offer Price, the Company asked Nomura Securities, a financial

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advisor and third-party valuation agency independent of NTT and the Company, to calculate the value of the Common Stock and present its opinion on the adequacy of the Tender Offer Price (a fairness opinion) and obtained the Share Valuation Report (Nomura Securities) and the Fairness Opinion (Nomura Securities), dated as of September 29, 2020.

Nomura Securities is not a related party of the Company or NTT and does not have a material interest in the Transaction, including the Tender Offer. The compensation to be paid to Nomura Securities in relation to the Transaction includes fees to be paid contingent upon the consummation, etc. of the Transaction.

In addition, according to NTT, in order to secure the funds necessary for the Transaction, NTT has borrowed from NTT Finance, its financing subsidiary, the funds necessary for the Transaction, and in this connection, NTT Finance has announced an issuance of bonds as described in “Amended Shelf Registration Statement” dated November 17, 2020. Nomura Securities is involved in underwriting a part of that bond issuance as one of the four co-leading underwriters, but in light of the fact, among other things, that consideration of that underwriting by the four co-leading underwriters (including Nomura Securities) was entirely conducted after the commencement of the Tender Offer and that proper measures are in place to block the flow of information between the department involved in the underwriting and the department involved in the Transaction at Nomura Securities, the Company has determined that this does not affect Nomura Securities’ independence or the fairness of the Transaction.

(ii) Summary of Valuation of the Common Stock

Nomura Securities valued the Common Stock using the average market price method, because the Common Stock is listed on the First Section of the Tokyo Stock Exchange, the comparable company method, because there are multiple public companies it can use to compare the Company to and thereby infer the value of the Common Stock, and the DCF Method to reflect the Company’s anticipated future business situation in the calculation based on the idea that, in the Tender Offer, it is appropriate to determine the value of Common Stock from multiple perspectives after considering valuation methods to be adopted in valuing the Common Stock from among various valuation methods, under the assumption that the Company is a going concern. The Company obtained the Share Valuation Report (Nomura Securities), dated as of September 29, 2020.

According to the Share Valuation Report (Nomura Securities), the per share value range of the Common Stock under each of the methods described above is as set forth below:

Average Market Price Method	:	JPY 2,723 – JPY 3,018
Comparable Companies Method	:	JPY 2,132 – JPY 2,886
DCF Method	:	JPY 2,929 – JPY 5,016

In adopting the average market price method, Nomura Securities set September 28, 2020, as the calculation base date and calculated the per share value range of the Common Stock to be JPY 2,723 – JPY 3,018, based on the closing price of JPY 2,775 for regular transactions of the Common Stock on the First Section of the Tokyo Stock Exchange on the base date and the simple average of the closing prices for the most recent five-business-day, one-month, three-month and six-month periods, each ending on the base date (JPY 2,723, JPY 2,814, JPY 2,941 and JPY 3,018, respectively).

In using the comparable companies method, Nomura Securities selected KDDI Corporation and Softbank Corp. as listed companies, whose businesses are considered relatively but not perfectly comparable to that of the Company. Then, Nomura Securities calculated the per share value range of the Common Stock to be JPY 2,132 – JPY 2,886 by employing the multiples of the earnings before interest and tax (“**EBIT**”), and multiples of the earnings before interest, taxes, depreciation and amortization (“**EBITDA Multiples**”) against the corporate value of those companies, and multiples of net value against the market capitalization of those companies, and by

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making certain financial adjustments, including the addition of the value of the entire cash equivalents held by the Company.

In employing the DCF Method, based on the Business Forecast prepared by the Company, and taking into account various factors, including the earnings forecast and investment plans set out in the Business Forecast for the four fiscal years (fiscal years ending March 2021, 2022, 2023 and 2024), as well as such information as those publicly available, Nomura Securities analyzed the Company's corporate value and share value by discounting the free cash flow expected to be generated by the Company in and after the second quarter of the fiscal year ending March 2021 to the present value at certain discount rates, and making certain financial adjustments, including the addition of the value of all cash equivalents held by the Company. Consequently, Nomura Securities arrived at a price range of JPY 2,929 – 5,016 as the per share value of the Common Stock. In calculating the per share value of the Common Stock, Nomura Securities applied the discount rate of 4.0% – 4.5%, and adopted the perpetual growth rate model and the multiple model to calculate the terminal value, with the perpetual growth rate of -0.25% – 0.25% and EBITDA Multiples of 6.0x-7.0x.

The Business Forecast the Company prepared, and that Nomura Securities used to conduct the valuation under the DCF Method does not include information on any fiscal year in which a significant increase or decrease in profit is anticipated. Further, the following financial forecasts do not take into consideration the expected synergies achieved through the Transaction, given their difficulty to estimate at present.

The financial forecasts used to conduct the analysis using the DCF Method are as described below.

(JPY 100 million)

	FY ending March 2021 (9 months)	FY ending March 2022	FY ending March 2023	FY ending March 2024
Revenue	34,718	48,000	48,870	49,520
EBIT	5,995	9,200	9,720	9,930
EBITDA	10,057	14,740	15,440	15,800
Free Cash Flow	5,410	4,618	5,445	5,704

(Note) In calculating the value of the Common Stock, Nomura Securities assumed the accuracy and completeness of the publicly-available information and all the information provided by Offeror and the Company and did not independently verify the accuracy or completeness of such information. Nomura Securities did not conduct an independent assessment, valuation or appraisal of any assets or liabilities (including derivatives, off-balance sheet assets and liabilities and other contingent liabilities) of the Company or its affiliates, including any analysis or evaluation of individual assets and liabilities, nor did Nomura Securities make any request to a third-party valuation agency for any such valuation or appraisal. Nomura Securities assumed that the Company's Business Forecast was reasonably considered or prepared based on the best projections and judgement made in good faith that were then available to the management of the Company. The calculation by Nomura Securities reflects the information available to it and the economic conditions as of September 28, 2020. The sole purpose of the calculation by Nomura is for the board of directors of the Company to use the calculation results as a reference for considering the value of the Common Stock.

(iii) Summary of the Fairness Opinion (Nomura Securities)

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The Company obtained the Fairness Opinion (Nomura Securities) from Nomura Securities, dated as of September 29, 2020, to the effect that the Tender Offer Price of JPY 3,900 per share is adequate for the owners of the Common Stock (excluding NTT) from a financial perspective. The Fairness Opinion (Nomura Securities) was issued after analyzing the results of the valuation of the Common Stock conducted by Nomura Securities, which was reached after analyzing and reviewing the financial information, including the Business Forecast and after having question-and-answer sessions with the Company and the Special Committee, as well as question-and-answer sessions with the Company and the Special Committee regarding the circumstances and background leading to the Company's support of the Tender Offer, and the approval of a committee at Nomura Securities consisting of professionals independent of the engagement team.

f. Establishment of a Structure for Independent Review by the Company

The Company established an internal structure to review, negotiate and make decisions on the Transaction independently of NTT. In particular, continuously, and since being presented with the Preliminary Proposal from NTT in early June 2020, indicating that NTT wanted to begin considering making the Company a wholly-owned subsidiary of NTT, the Company has excluded not only the Company's officers and employees who now hold, but also those who until recently held, positions as officers or employees of a company in the NTT Group other than the Company Group, from the negotiation process on the terms of the Transaction between the Company and Offeror, including the Tender Offer Price, and the drafting of the Business Forecast, which is used as a basis for the valuation of the Common Stock, in order to eliminate the structural conflict of interest.

Specifically, in reviewing the Transaction, the Company formed the Capital Policy Working Group and Future Vision Working Group within the Company.

With respect to the Capital Policy Working Group, both the Company's officers and employees who now hold or held until recently positions as officers or employees of a company in the NTT Group other than the Company Group, including Mr. Motoyuki Ii and Mr. Takashi Hiroi mentioned below, have been excluded from involvement.

On the other hand, Mr. Motoyuki Ii and Mr. Takashi Hiroi who are directors of the Company were involved in the Future Vision Working Group. Mr. Motoyuki Ii belonged to either NTT or companies within the NTT Group other than the Company Group between 1983, when he joined NTT, and June 2020, and Mr. Takashi Hiroi belonged to NTT between 1986, when he joined NTT, and June 2020. As of now, they hold positions in the Company as Senior Executive Vice President and General Manager of Accounts and Finance Department, respectively, and each is indispensable and irreplaceable for the Company to consider such matters as the business strategies of the Company if the Transaction is carried out, the synergies the Transaction is expected to create and other matters to be reviewed by the Company. In addition to these reasons, since the matters considered by the Future Vision Working Group fall within the categories in which the risk that the issue of structural conflict will have on the ordinary shareholders is limited, among other reasons, the Company made the decision to have them involved in the Future Vision Working Group. In order to ensure fairness despite their involvement, the Company made it its policy to require the provision of a timely and appropriate report on their involvement to the Special Committee, by such means as reporting the progress of discussions in the Future Vision Working Group, and if the Special Committee determines that their participation has raised an issue of fairness, etc., or the risk thereof, the Special Committee shall admonish the Company to suspend their involvement, take corrective actions, etc. The Company has provided timely and appropriate reports, and the Special Committee has not made any admonishments to suspend their involvement, take corrective actions, etc.

Although the Business Forecast, which serves as the basis of the valuation of the Common Stock, has been approved at the meeting of the board of directors held on August 3, 2020, following a review by the Capital Policy

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Working Group, not only officers and employees who now hold, but also those who held until recently, positions as officers or employees of a company in NTT Group other than the Company Group, including, Mr. Motoyuki Ii and Mr. Takashi Hiroi, were completely uninvolved in the Capital Policy Working Group as discussed above, and Mr. Motoyuki Ii and Mr. Takashi Hiroi did not participate in the deliberation and resolution regarding the Business Forecast at the meeting of the board of directors mentioned above. At the same time, however, Mr. Motoyuki Ii and Mr. Takashi Hiroi, among the directors of the Company, were involved in the consideration process of the forecast of consolidated financial results for the fiscal year ending March 31, 2021 (published on the Earnings Release for the three months ended June 30, 2020, which the Company announced on August 3, 2020; such forecast is referred to as the “**Business Plan (for the Fiscal Year Ending March 2021)**” hereafter), a part of whose figures are included in the Business Forecast. As described above, each belonged to either NTT or a company within in NTT Group other than the Company Group until June 2020, but they currently hold positions as the Company’s Senior Executive Vice President and General Manager of Accounts and Finance Department, respectively, and in light of the fact that they are indispensable and irreplaceable for the Company to consider the Business Plan (for the Fiscal Year Ending March 2021), etc., the Company decided to involve them in the consideration process, on the condition that they did not participate in the contemplation of the resolution at the meeting of the board of directors (held on August 3, 2020), in which the Business Plan (for the Fiscal Year Ending March 2021) was made final. Of the 15 members of the Company’s board of directors, Mr. Motoyuki Ii and Mr. Takashi Hiroi were excluded from the deliberation and resolution process, pursuant to the conditions described above. Further, in order to eliminate the risk of the deliberation and resolution at the meeting of the board of directors being tainted by issues arising from the structural conflict of interest and asymmetry of information inherent in the Transaction, Mr. Hironobu Sagae and Mr. Katsumi Nakata, who have served as directors of companies within NTT Group that are not in the Company Group in the past, and Mr. Katsumi Kuroda, who concurrently serves as an employee of NTT, were also excluded, and deliberations were made among the 10 directors of the Company, without these three directors as well, following which a unanimous resolution to approve of the Business Plan (for the Fiscal Year Ending March 2021) was made.

The Special Committee has acknowledged that there are no issues with the structure the Company established internally, including the arrangements described above, following the advice from Nakamura, Tsunoda & Matsumoto, to consider the Transaction (including the Company’s officers and employees to be involved in the review, negotiations and decision-making on the Transaction and their roles), in terms of independence and fairness.

g. Approval of All Directors (Including the Audit and Supervisory Committee Members) Without an Interest in the Company

As discussed in “(1) Basis and Reasons for the Decision” above, the Company’s board of directors carefully discussed and considered whether the Transaction, including the Tender Offer, contributes to the increase of corporate value, and whether the terms of the Transaction, including the Tender Offer Price, are appropriate, based on the legal advice from Nakamura, Tsunoda & Matsumoto, Nomura Securities’ advice from a financial perspective as well as its Share Valuation Report (Nomura Securities) and Fairness Opinion (Nomura Securities), the Share Valuation Report (Plutus) and the Fairness Opinion (Plutus) provided by Plutus through the Special Committee, giving full weight to the Special Committee’s decision presented in the Recommendation.

As a result, the Company concluded that (i) the Transaction, including the Tender Offer, contributes to the increase of corporate value and (ii) the terms of the Transaction, including the Tender Offer Price, are appropriate and ensures that the Company’s ordinary shareholders receive the benefits to which they are entitled, and the Tender Offer provides the ordinary shareholders of the Company with a reasonable opportunity to sell the Common Stock at a price with an appropriate premium, as discussed in “(1) Basis and Reasons for the Decision” above. Consequently, it was resolved at the meeting of the board of directors held on September 29, 2020, by a

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unanimous vote of the Company's directors who participated in the deliberation and the resolution process that it would express an opinion in support of the Tender Offer and recommend that the holders of the Common Stock tender in the Tender Offer and that the holders of ADSs tender in the Tender Offer upon surrendering their ADSs to the Depositary Bank and withdrawing shares of the Common Stock represented by the ADSs.

In light of the fact that, among the 15 of the Company's board members, Mr. Motoyuki Ii and Mr. Takashi Hiroi have served as directors of NTT in the past, Mr. Hironobu Sagae and Mr. Katsumi Nakata have served as directors of the companies within NTT Group that are not the Company Group in the past and Mr. Katsumi Kuroda concurrently serves as NTT's employee, and, in order to eliminate the risk of the deliberation and resolution at the meeting of the board of directors being tainted by issues arising from a structural conflict of interest and asymmetry of information inherent in the Transaction, the deliberation at the meeting of board of directors mentioned above was conducted without these five members, and among the remaining 10 directors of the Company (including the Audit and Supervisory Committee members), who passed the resolution on unanimous consent.

Among the directors of the Company, five directors, namely Mr. Motoyuki Ii, Mr. Takashi Hiroi, Mr. Hironobu Sagae, Mr. Katsumi Nakata and Mr. Katsumi Kuroda, have not participated in any of the deliberations or the resolution process undergone by the Company, in relation to the Transaction, at its meeting of the board of directors, including the above mentioned meeting of the board of directors held on September 29, 2020, so as to eliminate the risk of being influenced by issues arising from the structural conflict of interest and asymmetry of information inherent in the Transaction, or the discussions or negotiations with NTT regarding the Transaction on behalf of the Company. Further, other than the involvement of Mr. Motoyuki Ii and Mr. Takashi Hiroi discussed in "f. Establishment of a Structure for the Independent Review by the Company," they have not participated in the review of the Transaction on behalf of the Company.

h. Absence of Deal Protection Provision

There are no agreements between NTT and the Company restricting the Company from contacting competing offerors, etc., including anything in the nature of deal protective provisions prohibiting the Company from contacting competing offerors, and due consideration has been paid to ensure fairness in the Tender Offer by not preventing any opportunity for a competing offer.

i. Measures to Ensure That the Company's Shareholders Have the Opportunity to Make Appropriate Judgments as to Whether or not to Tender in the Tender Offer

According to NTT, NTT has made due consideration so as not to create coercion, as of the time of the announcement of the Tender Offer, by employing measures to ensure the Company's shareholders an opportunity to make an appropriate decision on whether they should tender in the Tender Offer by (i) planning to ask the Company, immediately after the completion of the settlement of the Tender Offer, to convene an extraordinary shareholders meeting that will include as its agenda, depending on the number of shares NTT acquires through the Tender Offer, either the making of a Share Cash-Out Demand of all Common Stock (excluding the Common Stock owned by NTT and the treasury stock owned by the Company) or consolidation of the shares of the Common Stock pursuant to Article 180 of the Companies Act (the "**Share Consolidation**") and a partial amendment to the Articles of Incorporation to abolish the provision on share units provided that the Share Consolidation occurs and takes effect, and by not instead adopting measures that will not ensure the Company's shareholders' right to request purchase of shares, or right to petition for determination of the price of shares, and (ii) clarifying that the amount of consideration to be paid to the Company's shareholders (other than NTT and the Company), in the event of a Share Cash-Out Demand or a Share Consolidation, shall be equal to the amount calculated by multiplying the Tender Offer Price by the number of shares the respective shareholder owns.

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In addition, according to NTT, NTT has set the Tender Offer Period at 33 business days, while the statutory requirement of such period is a minimum of 20 business days. By setting a relatively long Tender Offer Period, NTT intends to provide the Company's shareholders with the time to give adequate consideration as to whether they should tender in the Tender Offer.

4. Future Prospects

According to NTT, after the Transaction, NTT intends to continue management to further increase the corporate value of the Company and enhance its business by fully leveraging the business characteristics and strengths of the Company.

After the completion of the Transaction, NTT intends to promptly take the necessary measures and establish structures to implement them upon consultation with the Company through utilizing the business resources of the group for the purpose of realizing the expected strengthening of the competitiveness and growth of the Company Group, and the mid- to long-term growth of the entire Offeror Group as early as possible.

The Company will also continue to manage its business by fully utilizing its business features and strengths with the aim of strengthening its business and to further increase its corporate value, while at the same time establishing a structure in which the Company plays a pivotal role within the entire NTT Group, and transform to an existence that will accommodate, as a "front for all customers," the diversifying needs of customers, whether consumers or corporations, through the provision of total services, including not only mobile networks but also applications and solutions. Further, the Company intends to establish a management structure to maximize, and promptly obtain, the synergies from strategic and agile utilization of the resources and assets owned by the NTT Group through the Transaction. As a part of this, and with the aim of making further contributions to society by rapidly working on the planning and implementation of management strategies that serve to further increase the corporate value of the Company Group after NTT makes the Company its wholly-owned subsidiary, the board of directors of the Company passed a resolution at the meeting of the board of directors held today to change its directors and executives, etc., including its representative directors expected as of December 1, 2020. Please refer to the "Announcement of Changes in Representative Directors and Executives, Etc." announced by the Company as of the date hereof for the specifics.

As of today, the Company's board of directors consists of 15 directors, including seven directors who concurrently serve as outside directors and five directors who concurrently serve as Audit and Supervisory Committee members; among the 15 directors, one director (Mr. Katsumi Kuroda) holds a position as an employee of NTT. Five of the 10 directors (excluding directors who concurrently serve as Audit and Supervisory Committee members) of the Company (Mr. Kazuhiro Yoshizawa, Mr. Motoyuki Ii, Mr. Seiji Maruyama, Mr. Michio Fujiwara and Mr. Takashi Hiroi) and three of the five directors who concurrently serve as Audit and Supervisory Committee members (Mr. Shoji Suto, Mr. Hironobu Sagae, and Mr. Katsumi Nakata) have worked at NTT. Matters regarding the management system of the Company after completion of the Transaction have not been determined at this point in time, other than the changes to its directors and executives, etc., including the change of the representative directors mentioned above. However, NTT intends to consider strengthening the coordination among the NTT Group including the Company Group, through measures such as transferring NTT Communications Corporation and NTT Comware Corporation to the Company Group, and plans to consider the establishment of the optimal structure for implementing the various measures stated in "(1) Basis and Reasons for the Decision" above and to further strengthen the management foundation through prospective discussions with the Company.

5. Details of Transactions, etc. With Controlling Shareholder

(1) Applicability of the Transactions, etc. With the Controlling Shareholder and Status of Compliance With the Policy on Measures to Protect Minority Shareholders

Since NTT is a controlling shareholder (the parent company) of the Company, the Transaction, including expressing an opinion regarding the Tender Offer, constitutes a transaction, etc. with a controlling shareholder. The “Policy Concerning the Measure to Protect Minority Shareholders in Transactions with Controlling Shareholder” included in the Corporate Governance Report disclosed on June 23, 2020, states “when the Company engages in business transactions, it makes its decisions on the transactions and the terms of the transactions through a fair and adequate procedure, and the same applies to NTT and the NTT Group. As for the material contracts to be entered into with NTT, the Company conducts a legal review through its legal division, as well as an audit by the Audit & Supervisory Board. Further, the Company will only execute contracts that are of particular significance after obtaining a resolution at a meeting of the board of directors, at which the outside directors appointed as an independent director as present, as determined by the rules of the Tokyo Stock Exchange, are present.”

As discussed in “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” under “3. Basis and Reasons for the Decision to Approve the Share Cash-Out Demand” above, the Company has implemented measures to ensure the fairness of the terms of the Transaction, including the Tender Offer Price, in order to respond to the issue of the structural conflict of interest and asymmetry of information, and the Company believes that these measures conform with the policy described above.

(2) Matters Concerning Measures to Ensure the Fairness and Avoid Conflicts of Interest

Since the Transaction, including the Tender Offer, constitutes a transaction, etc. with a controlling shareholder, as discussed in “(1) Applicability of the Transactions, etc. With the Controlling Shareholder and Status of Compliance With the Policy on Measures to Protect Minority Shareholders” above, the Company concluded that it should implement measures to ensure the fairness and avoid a conflict of interest. By putting in place such measures as described in “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” under “3. Basis and Reasons for the Decision to Approve the Share Cash-Out Demand” above the Company has made decisions in circumstances ensuring fairness and avoiding a conflict of interest.

(3) Summary of Opinion That the Transaction Is not Disadvantageous to the Company’s Minority Shareholders Obtained From Parties Having no Conflicts of Interest With the Controlling Shareholder

On September 29, 2020, the Company obtained the Recommendation from the Special Committee that includes a statement to the effect that it believes it is not detrimental to the Company’s minority shareholders for the Company’s board of directors’ to pass a resolution to express an opinion in support of the Tender Offer and recommending that the holders of the Common Stock tender in the Tender Offer and that the holders of ADSs tender in the Tender Offer upon surrendering their ADSs to the Depository Bank and withdrawing the shares of the Common Stock represented by the ADSs. Please refer to “(iii) Decision” in subsection “a. Establishment of a Special Committee Independent of the Company,” under “(4) Measures to Ensure Fairness and Avoid Conflicts of Interest” in “3. Basis and Reasons for the Decision to Approve the Share Cash-Out Demand” for details. The Recommendation also includes the Special Committee’s opinion that making the Company a wholly-owned subsidiary of NTT is not detrimental to the Company’s minority shareholders.

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About NTT DOCOMO

NTT DOCOMO, Japan's leading mobile operator with over 80 million subscriptions, is one of the world's foremost contributors to 3G, 4G and 5G mobile network technologies. Beyond core communications services, DOCOMO is challenging new frontiers in collaboration with a growing number of entities ("+d" partners), creating exciting and convenient value-added services that change the way people live and work. Under a medium-term plan toward 2020 and beyond, DOCOMO is pioneering a leading-edge 5G network to facilitate innovative services that will amaze and inspire customers beyond their expectations. DOCOMO is listed on the Tokyo Stock Exchange (9437). www.nttdocomo.co.jp/english.