

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

April 30, 2015

JAPAN POST HOLDINGS Co., Ltd.,

JAPAN POST INFORMATION TECHNOLOGY Co., Ltd.,

Lawsuit filed against the SoftBank Mobile Corporation and  
Nomura Research Institute, Ltd.

JAPAN POST INFORMATION TECHNOLOGY Co., Ltd. (Minato-ku, Tokyo; Hidetaka Saito, President and CEO) hereinafter referred to as "JPiT", a subsidiary of Japan Post Holdings Co., Ltd. (Chiyoda-ku, Tokyo; Taizo Nisimuro, President and CEO) has filed a lawsuit in the Tokyo District Court on April 30, 2015 against the SoftBank Mobile Corporation (hereinafter referred to as "SBM") and Nomura Research Institute, Ltd. (hereinafter referred to as "NRI"). The suit claims damages, which amount to 16.15 billion yen, that were caused by the delay in the implementation and the delivery of services that JPiT ordered from SBM and NRI.

The renewal of the Postal advanced NETwork system (PNET), a nationwide communication network covering 27,000 business locations including post offices, is now undergoing its 5th generation (5th-PNET) upgrade. For this project, JPiT ordered the construction of the communication network and other services from SBM, and the transitional management of the network and administration of the project was assigned to NRI. However, the transition to the 5th-PNET has been delayed. JPiT was forced to accept the delay of delivery from March 31, 2015 to June 30, 2015, upon the request of SBM. However, the delay has caused damages to the Japan Post Group.

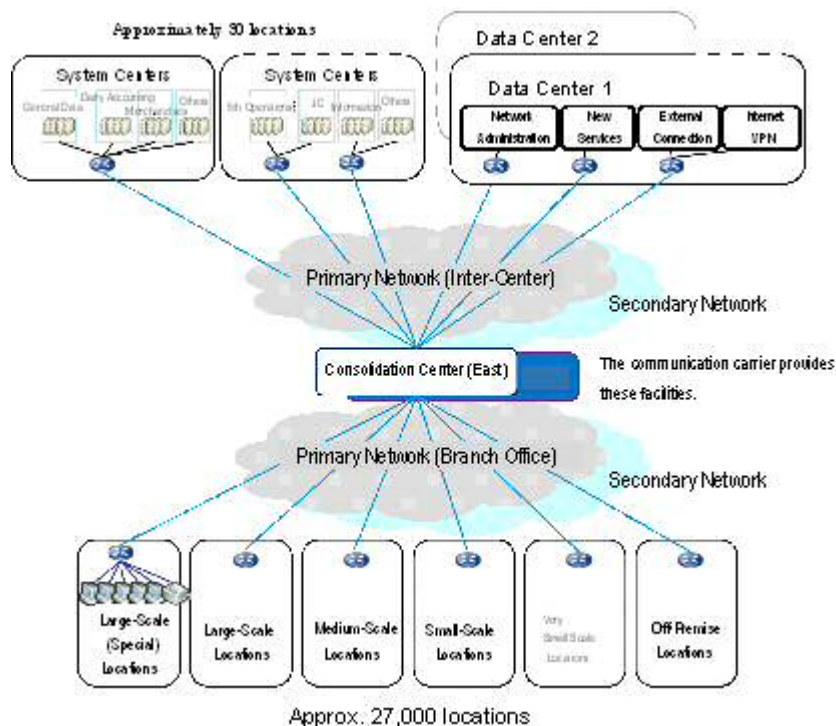
JPiT initially claimed for the damages directly to SBM and NRI, but both companies rejected the claim. Therefore, by necessity, JPiT notified SBM on April 9, 2015 that JPiT would pursue legal action, and sent a similar notification to NRI on April 23, 2015.

# General Information about the 5th-PNET

## 1. System Overview of the 5th-PNET

The PNET (Postal advanced NETwork system) is a common network system for Japan Post Group, connecting the terminals in the post offices and the data processing centers that conduct various business via the communication line.

The system started its operations in 1987, and the transition to its 5th generation is now underway.



## 2. Inter-Center Network and Branch Office Network (see the figure)

The 5th-PNET is the network that connects (through two Consolidation Centers that cover the entire nation):

- System centers: the facilities that store various kinds of data necessary for the Japan Post Group to conduct its business, and
- Each location: 27,000 Japan Post branches throughout Japan, Japan Post Bank branches, and off-premise ATMs,

with a two-layer system network that consists of the Inter-Center Network and the Branch Office Network.

In this case, the issue is the construction of the Branch Office network.

## 3. Primary and Secondary Network

The above-described Inter-Center network and the Branch Office Network each consists of primary and secondary networks. Brief descriptions of the two networks are as follows.

In this case, the construction of both primary and secondary networks of the Branch Office Network are the points at issue.

## **Primary Network**

The primary network is configured to provide data exchanges that demand a high quality network. For this purpose, it is safeguarded by a backup system and uses bandwidth-guaranteed services as a standard.

The typical construction method used for the primary network is that SBM uses dark fiber leasing from the NTT Group.

## **Secondary Network**

The secondary network is constructed to achieve economic efficiency. Therefore, it has no backup and is used only for best-effort type communications.

The typical construction method used for the secondary network is that SBM purchases the FLET'S HIKARI NEXT, which is an optical networking service provided by the NTT EAST and NTT WEST.