

Warning etc. to Three Mobile Phone Companies

December 12, 2006

Japan Fair Trade Commission

The Japan Fair Trade Commission (“JFTC”) has conducted an investigation into the representations relating to mobile phone services offered by mobile phone companies. As a result of the investigation, the JFTC found that as shown in the Annexed Sheet 1, SOFTBANK MOBILE Corp. used representations relating to telephone and e-mail charges that might violate No.2, Paragraph 1, Article 4 of the Premiums and Representations Act (Advantageous Misunderstanding clause). Accordingly, the JFTC gave a warning to the said company as of today. At the same time, the JFTC gave advice to KDDI Corporation and NTT DoCoMo, Inc. as shown in the Annexed Sheet 2, because the two companies used representations concerning their discounts of charges that might violate No.2, Paragraph 1, Article 4 of the Premiums and Representations Act.

Moreover, the JFTC requested the Telecommunications Carriers Association today to give instructions to member companies to offer information easier to understand and use appropriate representations, from the viewpoint of ensuring appropriate representations relating to mobile phone services.

1 Outline of related parties

Company name	Address	Name of representative
SOFTBANK MOBILE Corp.	1-9-1, Higashi Shinbashi, Minato-ku, Tokyo	Masayoshi Son, Representative Executive Officer
KDDI CORPORATION	2-3-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Tadashi Onodera, Member of the Board
NTT DoCoMo, Inc.	2-11-1, Nagata-cho, Chiyoda-ku, Tokyo	Masao Nakamura, Member of the Board of Directors

2 Request to the Telecommunications Carriers Association

The JFTC notified the Telecommunications Carriers Association to which the three companies shown in the above table in 1 belong that the JFTC had given a warning to

SOFTBANK MOBILE Corp. and advice to KDDI Corporation and NTT DoCoMo, Inc. As mobile phone services have become one of the types of services closely related to lives of general consumers, more and more complaints are being made concerning the complexity in the mobile phone charge systems set by mobile phone companies. Accordingly, companies offering such services are required increasingly to use appropriate representations. In light of the situation, the JFTC requested the association to give instructions to member companies to offer information easier to understand and use proper representations from the viewpoint of ensuring appropriate representations used in offering mobile phone services.

1 SOFTBANK MOBILE Corp.'s representations that were warned against

Used media	Newspaper advertisement	TV commercial
Period	October 26, 2006	Between October 26, 2006 and November 2, 2006
Details of representation	<p>“Yosogai (unexpected)” said the advertisement in about 105-point, together with “¥0” in red letters, which were in about 900-point. The advertisement also said, “Voice call charges for mobile phones will be free*1, as well as e-mail charges*1,” and “It is an ‘Unexpected Discount’*3” in about 48-point (*1 and *3 were in about 13-point).</p> <p>According to the advertisement, it was as if all voice call and e-mail charges were free of charge in all cases mobile phone services of SOFTBANK MOBILE were used.</p>	<p>“Voice call and e-mail charges” and “¥0” were broadcasted.</p>
	<p>The relevant advertisement additionally said, “*1 In case of users who will subscribe to both Gold Plan and New Super Bonus. This is applicable only to voice calls and e-mails to other SoftBank handsets. If the total length of voice calls made between 9:00 p.m. and 1:00 a.m. exceeds a maximum of 200 minutes (accumulative) in one billing month, 21 yen (including tax) per 30 seconds will be charged. As for e-mails, it is only SMS (Short Message Service) that is free of charge. International services are excluded. *2 In case of users who will subscribe to both Gold Plan and New Super Bonus by January 15, 2007. The amounts including tax are after discarding decimal fractions. *3 Both Gold Plan and New Super Bonus” appeared in about 8-point under the above statement.</p>	<p>“In case of users subscribing to ‘both Gold Plan and New Super Bonus.’ Basic charges will be charged. This is applicable only to voice calls to other SoftBank handsets. It should be also noted that ¥21 (including tax) per 30 seconds will be charged if the length of voice calls made between 9:00 p.m. and 1:00 a.m. exceeds a maximum of 200 minutes in one billing month (accumulative). As for e-mails, it is only SMS that is free of charge. International services for both voice calls and e-mails are excluded. For more information, please inquire sales clerks at our shops,” said the TV commercial at the bottom of the screen in letters about one-twenty-fifth size of “¥0.”</p>
Actuality	<p>It is only voice calls and e-mails between subscribers of mobile phone services offered by SOFTBANK that are free of charge. International calls, and voice calls in case the length of voice calls made between 9:00 p.m. and 1:00 a.m. exceeds 200 minutes in one billing month, are not free of charge. Also, it is necessary to conclude contracts called “Gold Plan” and “New Super Bonus” to be provided the relevant services.</p>	

2 KDDI's representations that were advised against

Name of relevant discount	Outline of representations
Personal Discount	“A Maximum of 50% Discount for Everyone” and “‘Personal Discount’ (new plan) for Individual Subscribers,” said the newspaper advertisements (between February 3 and 6, 2006) and TV commercials (between February 1 and April 20, 2006). In actuality, however, it is only in the 11th year after the conclusion of a contract that the basic charge is discounted 50%. The fact that a 50% discount is given only in the 11 th year after the conclusion was stated, but not clearly enough.
Unlimited Rollover	“Ultimate Rollover – AU’s Unlimited Rollover,” said advertisements in passenger trains (between July 1 and 31, 2006) and TV commercials (between July 1 and 20, 2006). In actuality, however, upper limits are set for the amounts that can be carried over. The fact that upper limits are set for the amounts that can be carried over was stated, but not clearly enough.

3 NTT DoCoMo, Inc's representations that were advised about

Name of relevant discount	Outline of representations
Fami-wari Wide	“Good news for junior high school students and younger children, as well as 60-year old or older people! Now is the time for subscribing to ‘Fami-wari Wide’!” and “Monthly basic charge is ¥1,575 (including tax),” said the newspaper advertisements (around December 2005) and TV commercials (between December 2, 2005 and January 21, 2006). In actuality, however, the monthly basic charge for a user using a charge system called “Family Wide” who subscribes newly to a discount service called “Family Discount” is ¥2,362 for the first month, and is ¥1,575 for each of the following months.
Two-Month CarryOver	“Unused communications allowances can be carried over and shared for two months. Furthermore, they can be shared as packet charges, Family Discount” said the newspaper advertisements (around February 2006) and TV commercials (between July 15 and September 23, 2006). In actuality, however, such a right can be exercised by their families only in the second month following the month in which the right to carry over takes effect.