

**Guidance to the Procedures in Applying for
the Tender Offer of USEN CORPORATION
Shares**

U-NEXT Co., Ltd.

Kabushiki Kaisha U-NEXT SPC 1

USEN CORPORATION

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February 2017

To the shareholders of USEN CORPORATION

U-NEXT Co., Ltd. Yasuhide Uno, Representative Director and President

Kabushiki Kaisha U-NEXT SPC1

Yasuhide Uno, Representative Director and President

USEN CORPORATION

Kimimasa Tamura, Representative Director and President

Introduction

As was disclosed in the public notice of the tender offer by way posted on EDINET (Electronic Disclosure for Investors' NETwork, an electronic corporate disclosure system under the Financial Instruments and Exchange Act) as of February 14, 2017, Kabushiki Kaisha U-NEXT SP1, a wholly-owned subsidiary of U-NEXT Co., Ltd. has commenced a tender offer for all of the shares of USEN CORPORATION (the “**Company**”) in accordance with the Financial Instruments and Exchange Act (the “**Tender Offer**”).

Please see the following pages and the documents enclosed herein for a summary and details of the Tender Offer.

This guidance was prepared only for the purpose of notifying the Tender offer to the shareholders of USEN CORPORATION and not for any other purpose. The shareholders of USEN CORPORATION are advised to carefully read the following pages and the documents enclosed herein as well as the Tender Offer Statement for the Tender Offer which will be issued at the head office of Daiwa Securities Co., Ltd. and its branch offices throughout Japan, and decide whether or not to apply for the Tender Offer at your own determination and risk.

This guidance is sent to the shareholders of USEN CORPORATION who holds one or more unit of USEN CORPORATION shares. This guidance is sent to all such shareholders, and please kindly disregard this guidance in the case the it has arrived to shareholders who have already sold shares or shareholders who have already applied for the Tender Offer.

Enclosures:

- “Notice regarding the commencement of tender offer by Kabushiki Kaisha U-NEXT SPC1, a consolidated subsidiary of the shares of USEN CORPORATION (Securities Code: 4842) and execution of the memorandum of understanding between the two companies of their consolidation”
- “Notice regarding USEN CORPORATION’s opinion regarding tender offer by Kabushiki Kaisha U-NEXT SPC1 of USEN CORPORATION’s shares and recommendation for its application, and execution of the memorandum of understanding between the two companies of their consolidation”

Summary of the Tender Offer

1. Tender Offeror: Kabushiki Kaisha U-NEXT SPC1
2. Target Company: USEN CORPORATION
(Tokyo Stock Exchange JASDAQ Standard Market/ Securities Code 4842)
3. Date of Public Notice: February 14, 2017
(Note): On February 14, 2017, we have announced on the morning edition of the Nikkei Shimbun that the public notice for the tender offer was made electronically (at <http://disclosure.edinet-fsa.go.jp/>)
4. Period of the Tender Offer: February 14, 2017 (Tuesday) to March 28, 2017 (Tuesday) (30 business days)
5. Payment begins at: April 4, 2017 (Tuesday)
6. Tender Offer price: 461 JPY per share of common stock
7. Shares to be Purchased: 134,616,160 shares
8. Maximum Number of Shares to be Tendered: None
9. Minimum Number of Shares to be Tendered: 71,465,300 shares
(Note) If the total number of share tendered does not reach the minimum number of share to be tendered (71,465,300 shares), the Tender Offeror will not purchase all tendered shares. If the total number of shares tendered reaches the minimum number of share to be tendered, then all tendered shall be purchased.
10. Tender Offer Agent: Daiwa Securities Co., Ltd.

Application Period

From February 14, 2017 (Tuesday) to March 28, 2017 (Tuesday)

(Note) Please be noted that the application shall be closed as of 16:00 on March 28, 2017

Please note that it may take several days for the book entry of shares via other securities companies when applying for the Tender Offer. It is advised that applications are filed well in advance.

Place of Application

Shareholders should apply at the head office of Daiwa Securities Co., Ltd. (“**Daiwa**”) and its branch offices throughout Japan. Shareholders who already hold an account at Daiwa should apply at Daiwa’s head office. For the place of application, please see the attached “Place of Application List”.

ANY APPLICATION OTHER THAN THROUGH DAIWA WILL BE REJECTED.

(Note) Shareholders residing overseas (including corporations) need to apply through a standing proxy in Japan.

Details of Application

A shareholder with a Daiwa account should contact the branch in the shareholders has opened an account. A shareholder who does not own a Daiwa account needs to open a Daiwa account in applying for the Tender Offer. Please see below for the details of opening a Daiwa account and the application for the Tender Offer.

In applying for the Tender Offer, it is essential to read the Tender Offer Statement and make your decisions yourself.

Opening a Daiwa Account

Please bring the following items with you when visiting Daiwa. If you wish to open an account via postage, please contact Daiwa at your earliest convenience.

Required Items

i. Seal

Please bring your registered seal

ii. Documents for confirming personal identification number and identity verification documents

Please contact Daiwa for the details for these requirements.

If an individual Please provide any of the documents below

	Documents for confirming Personal Identification Number	Identity Verification Documents
A	Personal Identification Number Card (backside)	Personal Identification Number Card (front side)
B	Notification Card	Any one of the documents listed in (a) below or any two of the documents listed in (b) below
C	Copy of the residence certificate with Personal Identification Number or certificate of all items on the residence certificate	Any one of the documents listed in (a) and (b) below except for a copy of the residence certificate and the certificate of all items on the residence certificate

(a) Identity verification documents with a face photo

(Note) Needs to provide a copy of the original which is still valid

Passport, driver's license, driving career certificate, various welfare handbooks, residence card, certificate of permanent residence.

(b) Identity verification documents without a face photo

(Note) Needs to provide an original issued within the last months or a copy thereof.

Various health insurance certificates, national pension plan handbook (with name, address and birth date), various welfare handbooks

For corporations: Please provide the documents below:

A	Document confirming corporation identification number	<ul style="list-style-type: none"> • Notification for allocation of corporate identification number; or • Print out of the Corporate Identification Number via NTA website
B	Identity verification documents for a corporation	<ul style="list-style-type: none"> • Certification of registered items; or • Documents issues by authorities (from which the name, head office or main office as well as the business purpose of the corporation may be confirmed

C	Identity verification documents of the personnel in charge of the transaction	<ul style="list-style-type: none"> • Personal Identification Number Card (front page): or • Identity verification document for such person (any one of the documents listed in (a) above or any two of the documents listed in (b) above)
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For foreign citizens (not including residents) and corporations with head office or main office overseas:
A document issued by a foreign government recognized by the Japanese government or authorized international institutions or a similar document which are equivalent to an identity verification document (for individuals, a document which includes the name, address and birthdate; for corporations, a document which includes the name, place of the head office or main office, and the business purpose)

iii. **An item which can verify the account number of the bank account in which the purchase price will be remitted**

Bank book, cash card, etc.

(Note) Daiwa may charge designated account maintenance fees based on the transactions with the customer and the status of deposit. For details, please inquire the head office of Daiwa or its branch offices.

Application for the Tender Offer

Once an account is opened at Daiwa and Daiwa confirms that you own the shares of USEN CORPORATION, you will be eligible for applying to the Tender Offer. Please fill in the “Tender Offer Application Form” which can be found at Daiwa and apply for the Tender Offer. PLEASE BRING YOUR REGISTERED SEAL AS IT WILL BE NECESSARY. Also, Daiwa may require the presentation of identity verification documents, and please contact Daiwa in advance for details.

PLEASE NOTE THAT IT WILL TAKE SEVERAL DAYS FOR THE BOOK ENTRY OF THE SHARES (INCLUDING WHERE SHARES ARE MANAGED AT SPECIFIED ACCOUNTS OF ACCOUNT MANAGEMENT INSTITUTIONS SUCH AS TRUST BANKS. IF THE BOOK ENTRY INTO A DAIWA ACCOUNT IS NOT COMPLETED BY THE LAST DAY OF THE APPLICATION PERIOD, A SHAREHOLDER WILL NOT BE ABLE TO APPLY FOR THE TENDER OFFER. AS SUCH, PLEASE BE SURE TO CONSULT WITH DAIWA OR THE SECURITY COMPANY WHICH MANAGES YOUR SHARES WELL IN ADVANCE.

If the shares are managed by securities companies other than Daiwa

You will need your shares to be transferred to a Daiwa account, and please cause the securities company which manages your shares to transfer them into a Daiwa account. In doing so, you will need the account number of the Daiwa account (if the transfer is made

between specified accounts, the account number of Daiwa's specified account), so please make sure to have the number at hand. Please also be noted that a book entry does not complete the application, and you will need to apply for the Tender Offer after the account transfer.

Others

Selection of Tax Classification

i. For individuals

For shareholders who are individuals, the gain earned from the sale price of the applied shares and their acquisition price needs to be filed separately with regards to income from share transactions. For shares, specific accounts are made available. For details of taxation, please consult with a tax accountant and other tax experts and make your decisions at your own risk.

ii. For non-residents without permanent establishment.

For non-residents without permanent establishment in Japan, the gained earned through sale of the shares will not be taxed. However, requirement for filing a tax return or the tax account depends on the circumstances. For details of taxation, please consult with a tax accountant and other tax experts and make your decisions at your own risk.

Others

Kabushiki Kaisha U-NEXT SPC1, which is the Tender Offeror, intends to hand over legally obtained contact information regarding the shareholders to the tender offer agent (Daiwa) in order to provide information regarding the Tender Offer by way of taking measures required under applicable laws, and Daiwa will be retained for the purpose of reasonably disclosing such information.

Attachment: Place of Application List (Omitted)

- Although the Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act, these procedures and information disclosure standards may differ from the procedures and information disclosure standards in the United States. In particular, Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934, as amended, and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. All financial information contained in this guidance has been prepared in accordance with Japanese accounting standards, and not in accordance with U.S. accounting standards, and may not be comparable to the financial information of U.S. companies. It may be difficult to enforce any right or claim arising under U.S. federal securities laws because the Tender Offeror and the Company are companies established outside the United States and their directors are non-U.S. residents. Shareholders may not be able to sue a company outside the United States and its directors in a non-U.S. court for violations of the U.S. federal securities laws. There is also no guarantee that shareholders will be able to compel a company outside the United States and its subsidiaries and affiliated companies to subject themselves to a U.S. court's jurisdiction.
- Unless otherwise specified, all procedures relating to the Tender Offer are to be conducted entirely in Japanese. If all or any portion of the documentation relating to the Tender Offer is prepared in English and there is any inconsistency between the English documentation and the Japanese documentation, the Japanese documentation will prevail.
- Each of the financial advisors (including their affiliated companies) to the Tender Offeror and to the Company may, in its ordinary course of business, purchase shares in the Company for its own account or for the account of its clients prior to the Tender Offer or during the Tender Offer Period outside the Tender Offer in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934 or take actions for such purchase to the extent permitted by financial instruments and exchange related laws and regulations and other applicable laws and regulations of Japan. If any information concerning such purchase is disclosed in Japan, the relevant financial advisor will disclose such information on its English website (or by any other means of public disclosure).