

To the shareholders of our company

March 2, 2017  
March 3rd, 2017 (Updated)  
USEN Corporation

### **Regarding Inquiries from the Shareholders of our company**

The purpose of this letter is to answer relatively common questions that we have received from the shareholders of our company regarding the tender offer of the shares of common stock of our company (“Shares”) by Kabushiki Kaisha U-NEXT SPC1 (“Tender Offer”).

We note that our company’s board of directors has resolved in the board meeting of February 13, 2017 to favor the Tender Offer and recommend participation by the shareholders of our company to the same.

It is appreciated if the shareholders of our company examine the following questions and answers and participate in the Tender Offer.

1	What is the opinion of USEN Corporation (“USEN”) on the Tender Offer?
	<ul style="list-style-type: none"><li>✓ Our company’s board of directors has resolved in the board meeting of February 13, 2017 to favor the Tender Offer and recommend participation by the shareholders of our company to the same.</li><li>✓ It is appreciated if the shareholders of our company participate in the Tender Offer.</li><li>✓ For the details on the reasons why participation to the Tender Offer is recommended, please refer to the Tender Offer Explanatory Statement or “Position statement and recommendation to tender in response to the tender offer for share certificates of USEN Corporation by Kabushiki Kaisha U-NEXT SPC1 and announcement of execution of the basic agreement for consolidation with U-NEXT Co., Ltd.” on February, 13, 2017. <a href="http://www.usen.com/news/cms_data/news/images/2017/20170216_169_3.pdf">http://www.usen.com/news/cms_data/news/images/2017/20170216_169_3.pdf</a></li></ul>

2	What happens to shareholders of USEN who do not participate in the Tender Offer?
	<ul style="list-style-type: none"><li>✓ If the Tender Offer is successful, the shareholders of our company who did not participate in the same will receive 461 JPY per share pursuant to a squeeze-out procedure scheduled after the Tender Offer, which is the same as the Tender Offer price.</li><li>✓ In such case, according to the current schedule, you will receive the money during October 2017.</li><li>✓ For details of the squeeze-out procedure, please refer to the Tender Offer Explanatory Statement or “Position statement and recommendation to tender in response to the tender offer for share certificates of USEN Corporation by Kabushiki Kaisha U-NEXT</li></ul>

	<p>SPC1 and announcement of execution of the basic agreement for consolidation with U-NEXT Co., Ltd.” on February, 13, 2017.</p> <p><a href="http://www.usen.com/news/release/2017/20170216_169.html">http://www.usen.com/news/release/2017/20170216_169.html</a>)</p>
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3	<p>Will shares of U-NEXT Co., Ltd (“U-NEXT”) be allocated to shareholders of USEN who did not participate in the Tender Offer?</p>
	<ul style="list-style-type: none"> <li>✓ As explained in the answer for the 2<sup>nd</sup> question above, shareholders of USEN other than the Remaining Shareholders (see note) shall receive 461 JPY per share which is the same as the Tender Offer price, and no U-NEXT shares will be allocated.</li> <li>✓ Please note that you will be able to purchase U-NEXT shares and the new entity’s shares after the consolidation contemplated under this transaction on stock market.</li> </ul> <p>(Note) “Remaining Shareholders” means Mr. Uno Yasuhide (“Mr. Uno”) and Hikari Tsushin, Inc. (“Hikari Tsushin”) and if a tender offer agreement is entered into between GSTK2 Holdings Godo Kaisha (“GS”), then Mr. Uno, Hikari Tsushin and GS.</p>

4	<p>Please let us know the procedures in applying for the Tender Offer.</p>
	<ul style="list-style-type: none"> <li>✓ In applying for the Tender Offer, you need to apply for the Tender Offer through Daiwa Securities Co., Ltd. (“Daiwa”) as the tender offer agent of the Tender Offer.</li> <li>✓ Any Application other than through Daiwa is not accepted.</li> <li>✓ For the details of the application for the Tender Offer, please contact your nearest Daiwa’s office as stated in “Guidance to the Procedures in Applying for the Tender Offer of Usen Corporation Shares”.</li> </ul> <p>(Note) As for “Guidance to the Procedures in Applying for the Tender Offer of Usen Corporation Shares”, please see the following address.</p> <p><a href="http://www.usen.com/ir/pdf/ir20170217.pdf">http://www.usen.com/ir/pdf/ir20170217.pdf</a></p>

5	<p>If we apply for the Tender Offer, when will the sale price of the applied USEN Shares be paid?</p>
	<ul style="list-style-type: none"> <li>✓ It is scheduled on April 4, 2017 (Tuesday).</li> </ul>

6	<p>Do we need to pay for any charges in relation to the application for the Tender Offer?</p>
	<ul style="list-style-type: none"> <li>✓ In principle, you do not need to pay such charges in applying for the Tender Offer through Daiwa.</li> <li>✓ Provided however, please note that you may be required to pay other charges in case you conduct the account transfer from other securities companies to Daiwa or account management fees. For details, please contact the securities companies for which you have securities account or Daiwa’s office.</li> </ul>

7	Can we sell all of the USEN Shares which we apply for the Tender offer?
	<ul style="list-style-type: none"> <li>✓ If the total number of shares tendered to the Tender Offer (“Tendered Shares”) reaches the minimum number of share to be tendered (71,465,300 shares), then all tendered shall be purchased.</li> <li>✓ If the total number of the Tendered Shares does not reach the minimum number of share to be tendered (71,465,300 shares), Kabushiki Kaisha U-NEXT SPC1 will not purchase all Tendered Shares.</li> </ul>

8	Can we apply the shares less than one unit for the Tender Offer?
	<ul style="list-style-type: none"> <li>✓ Shares less than one unit are also subject to the Tender Offer.</li> <li>✓ Provided however, you need your USEN Shares to be transferred to a Daiwa’s securities account.</li> </ul>

9	How can we obtain the Tender Offer Explanatory Statement?
	<ul style="list-style-type: none"> <li>✓ You can obtain the Tender Offer Explanatory Statement at Daiwa’s office.</li> </ul>

10	Until when can we apply for the Tender offer?
	<ul style="list-style-type: none"> <li>✓ The deadline is at 16:00 on March 28, 2017 (Tuesday).</li> <li>✓ If your Shares are managed by securities companies other than Daiwa, you need your Shares to be transferred to Daiwa’s securities account, which will require certain days to complete. Please contact the securities companies for which you have securities account or Daiwa’s office early.</li> </ul>

11	If we additionally acquire the Shares during the period of the Tender Offer and hold the Shares more than the number of the Shares held by any of the Remaining Shareholders, will U-NEXT shares be allotted to us as consideration of the squeeze-out procedure?
	<ul style="list-style-type: none"> <li>✓ No. Any shareholders of our company other than the Remaining Shareholders are not entitled to receive U-NEXT shares.</li> <li>✓ If you hold the Shares more than the number of the Shares held by any of the Remaining Shareholders after the Tender Offer, the ratio of a consolidation of the Shares to be conducted after the successful completion of the Tender Offer (“Share Consolidation”) will be determined so that such Shares which you hold will be a fraction of one share of the Shares as a result of the Share Consolidation and you will receive an amount of money instead of U-NEXT shares as accordingly.</li> </ul>

- 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 Kabushiki Kaisha U-NEXT SPC1 and our 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 Kabushiki Kaisha U-NEXT SPC1 and to our company may, in its ordinary course of business, purchase shares in our company for its own account or for the account of its clients prior to the Tender Offer or during the period of the Tender Offer 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).