

(Abridged Translation)

Telepark's Corporate Governance System is as follows.

I. Basic Approach to Corporate Governance, Capital Structure, Corporate Attributes and other Basic Information

1. Basic Approach

Telepark primarily views corporate governance as protecting the rights of shareholders however we also believe it necessary to assume accountability in respect to our other stakeholders including customers, business partners, employees and the local community. What this means is that Telepark advocates the development of a systematic framework and increasing the effectiveness of our corporate governance system from both the perspective of maintaining management transparency and preserving and enhancing corporate value. In view of maintaining management transparency, while also working to clarify the roles and decision-making processes of the Board of Directors and Auditors, Telepark also promotes the timely and appropriate disclosure of important matters that may affect the management. In relation to preserving and enhancing corporate value, Telepark has established an internal management framework, complimenting its Responsibility Accounting System, decentralizing the organization into revenue centers comprising of one headquarters and two regional headquarters, with an internal auditing system.

In relation to compliance in particular, in addition to general measures, Telepark has elected Chief Compliance Officer (CCO) and inaugurated Compliance Committee to review its compliance policy including risk management concerning the management of customer information etc., and take the necessary actions. Further, in line with the enactment of the Whistleblower Protection Act in April 2006, Telepark has also established an internal reporting system employing the services of external lawyers in addition to a private sector specialist agency.

An amendment to the Commercial Code of Japan in April 2003 presented us with the new option of basing our corporate governance system on a Committee System however we decided to maintain our current system of Corporate Auditors because we believe that Corporate Auditors provide adequate auditing functions and are well versed in our business operations and can therefore contribute to speedy and effective management.

2. Capital Structure

Ownership Ratio of Foreign Shareholders	Between 10-20%
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(Major Shareholders)

Name of Shareholder	Number of Shares Currently Held	Shareholding Ratio (%)
Mitsui & Co., Ltd.	167,400	50.84
Japan Trustee Services Bank, Ltd. (Trust Account)	11,902	3.61
NikkoCiti Trust and Banking Corporation (Investment Trust)	9,229	2.80
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,406	1.95
CMBSA Re Mutual Fund	4,991	1.52
Ireland Special JASDEC Lending Account	4,324	1.31
United Nations Joint Staff Pension Fund	2,840	0.86
PLUG	2,771	0.84
Trust and Custody Services Bank, Limited (Securities Investment Trust)	2,555	0.78
Japan Securities Finance Co., Ltd.	2,402	0.73

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3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, 1 st Section
Fiscal Term End	March
Business Category	Information/Telecommunications
No. of (Permanent) Employees (Consolidated)	Between 100-500
Net Sales (Consolidated)	Between 100 billion-1 trillion JPY
Parent Company	Mitsui & Co., Ltd. (Listed on the Tokyo, Osaka and Nagoya Stock Exchanges, Fukuoka and Sapporo Securities Exchanges and Overseas Markets)
Consolidated Subsidiaries	No more than 10

4. Other Special Circumstances that may have a Significant Impact on Corporate Governance

Telepark Corporation, as a subsidiary of the general trading conglomerate, Mitsui & Co., Ltd., is responsible for the sale of mobile phones and the acquisition of subscribers for fixed lines that form part of telecommunications business undertaken by the parent company. However, Telepark assumes independent management in such business fields. As a result, when we judge that it is deemed favorable to work together with Mitsui & Co., Ltd. to enter new business fields in the future, however in principle, the relationship between Telepark and Mitsui & Co., Ltd. shall remain as the issuer and its shareholder. And, there is no business transaction between the two.

To further elaborate, Telepark is a consolidated subsidiary of Mitsui & Co., Ltd. with Mitsui holding 50.84% of the total 329,282 shares (Current as of March 31, 2007) issued by Telepark. The relationship between Telepark and Mitsui is of course subject to change in accordance with strategies of the Mitsui Group, however as Telepark assumes independent management of its principle business undertakings, namely the sale of mobile phones, landlines and agent duties, a change in capital ties between Telepark and Mitsui is anticipated to have only a minor impact.

Two external Directors and one external Auditor have currently been assigned to Telepark by Mitsui. These personnel were appointed by Telepark in recognition of their vast knowledge and experience however in the mid-long term, it is our intention to reduce this number in order to establish a more independent management framework. The business connection between Telepark and Mitsui is extremely limited and there exists no conflicts of interest between Telepark and the Directors and Auditors assigned by Mitsui. Further, of the current 356 permanent employees (as of March 31, 2007), five have been transferred from Mitsui however undertake their duties in a capacity independent of the parent company. Although it is anticipated that Telepark will continue to operate as a subsidiary of Mitsui & Co., Ltd. and as a member of the Mitsui Group, business operations are strictly independent. We believe Telepark has maintained management autonomy and examination of the appointment of Directors and employees from the parent company would reveal that such does not impede on independent management decisions.

II. Management Decisions, Operational Execution, Business Oversight and Other Matters Related to Corporate Governance

1. Organizational Structure and Management

Organizational Structure	Organization with Internal Auditing System
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(Abridged Translation)

(Directors)

Chairman of the Board of Directors	President
Number of Directors	7
Appointment of External Directors	Elected
Number of External Directors	2

Relationship with the Company (1)

Name	Attribute	Company Relationship (*1)								
		a	b	c	d	e	f	g	h	i
Osamu Takahashi	External Director	○		○	○					
Shigeru Dohi	External Director	○		○						

*1 Selection criteria concerning relationship with the Company

- a. Director of the parent company
- b. Director of an affiliated company
- c. Major shareholder of the Company
- d. Also appointed as an external Director or Auditor of another company
- e. Managing Director or Operating Officer etc. of another company
- f. Spouse, relation within 3rd degree of kinship or the equivalent of a Managing Director or Operating Officer of the Company or an affiliated company
- g. Any person receiving remuneration or any other form of benefits as an Operating Officer of the parent company or subsidiary of the Company
- h. Any person concluding a limitation of liability agreement with the Company
- i. Other

Other Primary Activities of External Directors

The attendance of external Directors at the 16 Board of Directors Meetings held in the fiscal term ended March 2007 is as follows.

Shinjiro Ogawa: 12 times in attendance

Shigeru Dohi: 14 times in attendance

Director, Shinjiro Ogawa retired from his position on March 31, 2007. Osamu Takahashi was appointed as Director at the Annual Meeting of Shareholders held on June 26, 2007.

(Corporate Auditors)

Auditing System	Internal Corporate Auditing System
Number of Corporate Auditors	3

Coordination Between Corporate Auditors and Accounting Auditors

Corporate Auditors and auditing firms coordinate and hold periodical meetings twice a year, before interim closing and prior to full year closing to discuss auditing plans, audit execution and audit results.

Affiliated Auditing Firm and Name of Certified Public Accountants Conducting Audits

The affiliated auditing firm, name, and number of consecutive years in service of the certified public accountants conducting audits is as follows. In addition to those listed below, a total of 13 assistants,

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comprising of 3 certified public accountants, 6 junior accountants, and 4 others, are employed in the execution of company audits.

Independent Audit Fees for the Fiscal Term Ended March 2007

Fees for audit certificates in accordance with Article 2 Clause 1 of the Certified Public Accountant Law: 24 million JPY

Other fees: 1 million JPY

Coordination Between Corporate Auditors and Internal Auditing Division

Telepark has established an Internal Auditing Division comprised of full-time staff that report directly to the President. The Internal Auditing Division carries out accounting audits, operation audits and audits concerning the protection of personal information. Although Telepark has not assigned a full-time Board of Corporate Auditors and independent auditors, they coordinate closely with the Internal Auditing Division, approximately 2-3 times a month or whenever necessary to exchange information and ideas concerning audit systems, plans and the execution of audits in order to increase effectiveness.

Appointment of External Auditors	Elected
Number of External Auditors	3

Relationship with the Company (1)

Name	Attribute	Company Relationship (*1)								
		a	b	c	d	e	f	g	h	i
Masatoshi Shimada	External Auditor	○								
Motokazu Endo	Lawyer									
Masao Yamagami	External Auditor	○		○	○					

*1 Selection criteria concerning relationship with the Company

- a. Director of the parent company
- b. Director of an affiliated company
- c. Major shareholder of the Company
- d. Also appointed as an external Director or Auditor of another company
- e. Managing Director or Operating Officer etc. of another company
- f. Spouse, relation within 3rd degree of kinship or the equivalent of a Managing Director or Operating Officer of the Company or an affiliated company
- g. Any person receiving remuneration or any other form of benefits as an Operating Officer of the parent company or subsidiary of the Company
- h. Any person concluding a limitation of liability agreement with the Company
- i. Other

Other Primary Activities of External Auditors

The attendance of external Auditors at the 16 Board of Directors Meetings held in the fiscal term ended

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March 2007 is as follows.

Kozo Kumagaya: 10 times in attendance

Motokazu Endo: 14 times in attendance

Masao Yamagami: 11 times in attendance, 92% attendance rate since appointment

The attendance of external Auditors at the 11 Board of Auditors Meetings held in the fiscal term ended March 2007 is as follows.

Kozo Kumagawa: 7 times in attendance

Motokazu Endo: 11 times in attendance

Masao Yamagami: 8 times in attendance, 80% attendance rate since appointment

At the Annual Meeting of Shareholders on June 26, 2007 Corporate Auditor, Kozo Kumagawa retired from his position and the appointed term of Corporate Auditor Masao Yamagami expired. Masatoshi Shimada and Masao Yamagami were appointed as Corporate Auditors at the same meeting.

(Incentives)

Execution of Policies Concerning Awarding of Incentives to Company Directors	Introduction of a Stock Option Program
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Supplementary Information

Telepark has adopted a Stock Option Program, however the number of shares awarded through the program is anticipated to have very little effect in so far as diluting the value of Company stock. The allocation of Company stock is done based on the position of the Director within the Company.

Eligible Recipients of Stock Options	Company Directors, Employees
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Supplementary Information

The purpose behind making Company Directors and employees eligible for stock options is to increase motivation by awarding these to persons undertaking the work and to increase stock value through increased business performance.

(Director Remuneration)

Means of Disclosure	Financial Statements, Operating Reports (Business Reports)
Form of Disclosure	Total sums of remuneration will be disclosed in addition to that of Company Directors and external Auditors

Supplementary Information

The total sum of remuneration made to Company Directors and Auditors for the fiscal term ended March 2007 is as follows.

Director Remuneration: 125 million JPY

(Proportion of the above sum paid to external Directors): N/A

Corporate Auditor Remuneration: 15 million JPY

(Proportion of the above sum paid to external Auditors): (3 million JPY)

Total: 140 million JPY

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(Note) 1. The above amounts do not include the salary component paid to officers that also serve as employees of the Company.

(Note) 2. The amounts issued include retirement benefits for retired Directors and Auditors and retirement benefits in line with the abolishment of the retirement system for Executive Officers passed at the 16th Annual Meeting of Shareholders.

(Support Framework for External Directors (External Auditors))

The relaying of information to external Directors and external Auditors is managed by the Corporate Planning & Strategy Dept. In principle, the Board of Directors Meeting is held once a month and the date, location and agenda passed on to each Director and Auditor via e-mail. Supplementary information is provided in advance for items on the agenda that require explanation.

2. Information Concerning the Framework Behind Operational Execution, Audit/Business Oversight and the Determination of Remuneration etc.

1. Details Concerning Organizational Bodies

Telepark employs an internal corporate auditing system and in a legal sense has not adopted a committee-based corporate governance structure. At present, of the seven Company Directors, two are external Directors and all three of the Auditors are external Corporate Auditors. Telepark employs an Operating Officer System and has 10 Operating Officers positioned under the President. All five of the internal Directors also assume the role of Operating Officer. The Board of Directors and Board of Corporate Auditors hold meetings once a month in addition to a monthly meeting of the Operating Officers to review issues concerning business operations and ensure the communication of ideas between departments. Telepark has also established an Internal Auditing Division to work closely with the Corporate Auditors in the execution of Company audits.

2. Affiliated Auditing Firm and Name of Certified Public Accountants Conducting Audits

The affiliated auditing firm, name, and number of consecutive years in service of the certified public accountants conducting audits is as follows. In addition to those listed below, a total of 13 assistants, comprising of 3 certified public accountants, 6 junior accountants, and 4 others, are employed in the execution of company audits.

III. Execution of Policies Concerning Shareholders and other Stakeholders in the Company

1. Approaches to Ensure the Effectiveness of Shareholder Meetings and Facilitate the Execution of Voting Rights

	Supplementary Information
Establishment of General Meeting of Shareholders to Avoid Concentrated Dates	June 29 was the concentrated date for shareholder meetings in 2006 and Telepark convened its 15 th Annual Meeting of Shareholders on June 27. The concentrated date for 2007 was June 28, and again, Telepark scheduled its 16 th Annual Meeting of Shareholders for June 26. Telepark will continue to schedule its Annual Meeting of Shareholders to avoid concurrence with concentration dates.

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2. IR Activities

	Explanation made by Company Representative	Supplementary Information
Periodical Explanatory Meetings for Retail Investors	Yes	Jul 15, 2006 in Tokyo; Approx 500 Participants Aug 3, 2006 in Nagoya; Approx 500 Participants Aug 5, 2006 in Sendai; Approx 200 Participants Nov 26, 2006 in Fukuoka; Approx 200 Participants Dec 2, 2006 in Tokyo; Approx 630 Participants Presenter: President & CEO Content: Corporate story, business strategies and financial results
Periodical Explanatory Meetings for Analysts and Institutional Investors	Yes	May 11, 2006 at Tokyo Stock Exchange Arrows Presenter: President & CEO Content: Financial results for fiscal year ended March 2006 Participants: Approx 60 Nov 9, 2006 at Tokyo Stock Exchange Arrows Presenter: President & CEO Content: Interim financial results for fiscal year ended March 2007 Participants: Approx 60
Disclosure of IR Information on the Company Website	Yes	URL (http://www.teleparkcorp.com/ir/index.html) Financial results, other disclosure material, presentation material and shareholder, etc.
Establishment of an dept. (or appointment of person) in charge of IR activities	—	IR activities falls under the responsibility of the Corporate Planning & Strategy Dept. (Responsible person: General Manager).

3. Approaches Concerning Respect for the Position of Company Stakeholders

	Supplementary Information
Outlining the Importance of Respect for the Position of Company Stakeholders in Corporate Regulations etc.	Telepark's "5C Management Philosophy", formulated in December 2002, reiterates the importance of corporate governance and social contribution and our corporate Code of Conduct formulated at the same time emphasizes such as follows; "Telepark embraces a corporate creed based on "Trust" and has made its management objectives to contribute to its stakeholders, including shareholders, business clients, employees and the local community as a unique and highly transparent organization. In order to enhance our corporate governance framework and reinforce risk management, it is essential to ensure compliance with applicable laws and regulations and maintain a high level of corporate and employee ethics."

IV. Basic View of and the Development of an Internal Controls System

(Abridged Translation)

1. Basic View

Telepark defines corporate governance as activities aimed to protect the basic rights of shareholders however an internal controls system provides the corporate framework and mechanisms required to ensure the effective implementation of corporate governance policy. Although enhancing management efficacy and transparency and the provision of reliable financial reports form primary issues, we believe that compliance is an important and fundamental theme that supports the entire internal controls system.

2. Development of Internal Controls

(1) The Board of Directors is the final decision making body for matters concerning internal controls however is also responsible for monitoring Directors to ensure that duties are being performed in a productive manner. The number of Directors is currently maintained at seven, and is under the maximum number set forth in the Articles of Association to ensure constructive discussion. Further, in order to clearly define the position of Directors and to ensure that their duties are carried out effectively, Telepark has established an Operating Officer System. The term for appointed Operating Officers is one year and they are selected by the Board of Directors to perform responsibilities determined by the board. The basis for the control of operational execution is the Responsibility Accounting System, decentralizing the organization into revenue centers comprising of one head office and two regional offices. The General Managers of each head and regional office will perform their duties within the scope of authority delegated to them in accordance with corporate regulations. Managers will obtain authorization from Company Directors in relation to decisions outside their scope of authority in accordance with the Collective Decision-making System and shall require a decision from the Board of Directors in relation to particularly important matters. Ultimately, the Internal Auditing Division will monitor the operational execution of each department and in the event of misconduct from the perspective of effective and productive management, reliability of financial reports and compliance, will report such directly to the President and have the relevant department submit a report for corrective action.

(2) Framework for the Promotion of Corporate Compliance

Telepark recognizes compliance and the preservation of corporate ethics as one of its top priorities in the performance of its social and corporate obligations. In December 2002, in addition to general measures, Telepark elected a Chief Compliance Officer (CCO) and inaugurated a Compliance Committee comprised of members elected from each of its head offices, regional headquarters and branch offices to review and undertake measures concerning compliance issues. Further, in April 2006, a Compliance Office was established as a permanent body for the implementation of compliance policy in order to maintain and improve on compliance framework development and efficacy.

The first activity of the Compliance Committee was to establish a Code of Conduct in December 2002 and to present compliance guidelines to all executive officers and employees. In November 2006, the Committee completed a third edition of the Code of Conduct and implemented a training program for all employees. Further, in December 2004, Telepark joined with an external agency in order to facilitate prompt risk analysis and established a Workplace Help Line as a consultation counter for employees. In April 2006, in line with the enactment of the Whistleblower Protection Act, Telepark set up a number of report/consultation channels incorporating the services of external lawyers for employees to discuss and/or report compliance related issues.

(3) Risk Management System

(Abridged Translation)

Telepark recognizes one objective of corporate governance policy as preserving the property rights of its shareholders and risk management forms part of such objective. We have identified three primary risk areas in our business operations. 1) Risks arising from management and business strategies 2) Financial risk in relation to business performance such as inventory and corporate credibility 3) Risks concerning corporate compliance. In relation to risks arising from management and business strategies, Telepark takes due care to ensure the communication of ideas between departments through periodical meetings of its Operating Officers and to undertake a series of careful investigations and thorough discussions for particularly important strategic decisions. In view of financial risk in relation to business performance, it is general practice that revenue centers broken into groups of one head office and two regional offices perform duties within their scope of authority however where necessary, each business sector is appropriately monitored through a planning and management system or a collective decision-making system. It is also general practice for each of the revenue centers to implement measures to guard against compliance related risks, however as stated above in the framework for the promotion of corporate compliance, a range of mechanisms, in addition to general measures, have been established to complement one another.

(4) Storage and Management of Information Related to Duties Performed by Company Directors

Telepark has established "Document Storage and Management Regulations" concerning the storage and management of information pertaining to the performance of duties by its Directors, and stores and manages significant data concerning the performance of duties and related material in hard copy or electromagnetic format. Directors and Corporate Auditors can view these documents immediately upon request. Telepark has also established a "Data Security Policy" and "Information System Regulations" to ensure the appropriate storage and management of electronic data concerning the performance of duties by Company Directors.

(5) Systems to Ensure Appropriate Group Operations

Telepark, based on the general principle of the autonomy of its subsidiaries and in accordance with "Affiliated Company Management Regulations", appoints a Director responsible for business operations that are closely related to those of the subsidiary as a supervising officer to monitor the management of such subsidiary and establish and maintain appropriate consolidated management systems. Telepark also undertakes appropriate management of its subsidiaries through the request of reports in accordance with "Affiliated Company Management Regulations" and the results of audits in accordance with "Internal Audit Regulations".

V. Other

1. Information Concerning Takeover Defense Measures

N/A

2. Other Matters Concerning Corporate Governance Framework

Telepark recognizes the strengthening of corporate governance framework as one of its top priorities. Telepark is committed to strengthening its corporate governance framework in line with the enactment of Corporate Law in May 2006, the Sarbanes-Oxley Act in the US and the Japanese SOX Act scheduled to be enforced in 2008.