

November 9, 2006

KDDI Corp.

**Notice Concerning Allotment of Shares Pursuant to
Corporate Separation Agreement**

KDDI Corp. (represented by President and Chairman Tadashi Onodera; hereinafter referred to as "KDDI") has resolved to allot the following amount of treasury stock and new shares to The Tokyo Electric Power Company, Inc. (represented by President Tsunehisa Katsumata; hereinafter referred to as "TEPCO") pursuant to a corporate separation agreement between the two companies in which the internal optical network company of TEPCO was separated and its business transferred to KDDI on October 12, 2006.

Particulars

1. Number of shares to be allotted

Upon corporate separation, 144,569 shares of KDDI will be allotted to TEPCO. The amount of treasury stock and new shares to be allotted is as follows.

Type of share	Number to be allotted
Treasury stock	87,007
New issued stock	57,562
Total	144,569

(Reference: Outline of corporate separation)

Approval of the Board of Directors:

October 11, 2006 (TEPCO), October 12, 2006 (KDDI)

Conclusion of corporate separation agreement: October 12, 2006

Approval of the General Shareholders' Meeting:

TEPCO will conduct the corporate separation pursuant to Article 784 Section 3 of the Company Law and KDDI will take over the business pursuant to Article 796 Section 3 of the Company Law. As the action involves simple separation and absorption, it shall be performed without obtaining the approval of the General Shareholders' Meeting.

Date of separation (effective date): January 1, 2007 (planned)

Share allotment date: January 4, 2007 (planned)

In case unavoidable circumstances arise under the provisions of the aforementioned regulations during the procedure, the date may be changed upon deliberation between the two companies.

(2) Separation method

TEPCO (transferor company) will separate and transfer the business to KDDI (transferee company).

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