

April 24, 2007

KDDI Corporation
Fujitsu Limited

Conclusion of Agreement of Transfer on Shares of JAPAN CABLENET HOLDINGS LIMITED and JAPAN CABLENET LIMITED

KDDI Corporation (“KDDI”) and Fujitsu Limited (“Fujitsu”) have reached a final agreement concerning the transfer of shares held by Fujitsu to KDDI in JAPAN CABLENET HOLDINGS LIMITED (“JCNH”) and JAPAN CABLENET LIMITED (“JCN”). JCNH and JCN, therefore, will be consolidated subsidiaries of KDDI.

This agreement will be effective on April 26, 2007 upon the resolutions of board of directors at both companies. Details of the agreement follow.

1. Reason for the transfer of stock

In March 2006, KDDI, with expectations of achieving an expanded customer base by anticipating the future development of optical fiber business, acquired stock in JCNH and JCN and participated in the management of cable television station business operations. On this occasion KDDI acquired the entire amount of the stock of JCNH and JCN that was owned by Fujitsu to further strengthen ties with JCN Group, and JCNH and JCN will become consolidated subsidiaries of KDDI. Through this, we consider KDDI can further deepen its alliance with JCN Group and establish a swift decision making structure that is well suited to the current climate of intensifying competition, and it enables KDDI to speedily offer more attractive services to customers.

It is also Fujitsu’s view that it is important for JCN Group to encourage the growth of future businesses, so that, under the clear leadership of KDDI, there is development of new services suited to this era of broadcasting and telecommunication convergence, such as “quadruple play” services (where, in addition to broadcasting and the Internet, there is FMC (fixed-mobile convergence)).

2. Outline of JCNH and JCN

(1) Corporate name	JAPAN CABLENET HOLDINGS LIMITED	JAPAN CABLENET LIMITED
(2) Representative	Atsushi Higuchi	Atsushi Higuchi
(3) Head office	5-1, Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo, Japan	5-1, Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo, Japan
(4) Established	March 8, 2001	March 22, 2001
(5) Business description	Cable TV operator	Cable TV operator; telecommunications business No. of stations (group-wide):12 No. of serviceable households: Approx. 1.6 million No. of subscribers: Approx. 500,000
(6) Accounting period ending on	March 31	March 31
(7) Employees *	0	Approx. 640

(8) Capital	32,500 million yen	34,872 million yen
(9) Total number of stocks issued	650,000	902,543.33
(10) Major shareholders and equity ownership	KDDI Corporation 46.76% Fujitsu Limited 28.00% Tokyo Electric Power Co. 23.00%	JCNH 70.96%

* Number of full-time employees (including dispatched employees) for JCNH and JCN as of March 31, 2007. The number of employees for JCN is for the entire JCN Group.

(11) Financial results over the past years

Fiscal year ended March 31	JAPAN CABLENET HOLDINGS LIMITED		JAPAN CABLENET LIMITED	
	2005	2006	2005	2006
Operating revenues(millions of yen)	-	-	10,690	14,483
Operating income (millions of yen)	3	2	376	458
Ordinary income (millions of yen)	3	2	593	686
Net income (millions of yen)	4	3	589	914
Total Assets(millions of yen)	32,256	32,252	37,354	39,006
Shareholders' equity(millions of yen)	32,253	32,250	35,151	36,065
Cash dividend per share (yen)	None		None	

Financial results of JCNH and JCN are on non-consolidated bases .

3. Overview of Company

	Transferee	Transferor
(1) Corporate name	KDDI Corporation	Fujitsu Limited
(2) Representative	Tadashi Onodera	Hiroaki Kurokawa
(3) Head office	3-2, Nishishinjuku 2-chome, Shinjuku-ku, Tokyo	4-1-1, Kamikodanaka, Nakahara-ku, Kawasaki, Kanagawa
(4) Business description	Telecommunications business	production, sales, services of communication system, information processing system and electronic devices.
(5) Relevant ties between the two companies	There is a business relationship between each other.	

4. Number of shares and prices held and percentage ownership before and after transfer.

(1) Number of shares held and percentage ownership before and after share transfer.

	Kind of share	KDDI ownership	Fujitsu ownership
Shares before transfer	JCNH	303,959.00 46.76%	182,000.00 28.00%
	JCN	86,761.80 9.61%	81,151.44 8.99%
Shares to be transferred	JCNH	182,000.00	182,000.00
	JCN	81,151.00	81,151.00
Shares after transfer	JCNH	485,959.00 74.76%	0 0%
	JCN	167,912.80 *18.60%	**0 0%

*The aggregate sum of KDDI's direct and indirect ownership in JCN is 71.65%

** Fujitsu is to request an acquisition of fractional share of 0.44 to JCN in a timely manner.

(2) Amount to be transferred

JCNH Shares	14.6 billion yen
JCN Shares	6.6 billion yen
Overall Acquisition Cost	21.2 billion yen

The amount is agreed based on the valuations by the third-parties

5. The estimated timetable is as follows

April 24, 2007	KDDI board resolution, Signing of share transfer agreement
April 26, 2007	Fujitsu board resolution, Effecting of share transfer agreement
June 27, 2007(Planned)	Share trade (closing)

6. The estimated timetable is as follows

(1) KDDI

KDDI plans to make JCNH/JCN consolidated subsidiaries from July and factors in the effect to consolidated outlook for FY2008.3 by 32.6 billion yen in sales, 1.0billion yen in operating income and 0.3billion yen in net income increase. Outlook of aggregate goodwill is 32.0billion yen which is planned for amortization over 10 years and amortization is 2.4billion yen for the year.

(2) Fujitsu

Fujitsu plans to announce the financial outlook for FY2008.3 which factors in the effects at the earning release of FY2007.3. (April 26, 2007)

About KDDI Corporation

KDDI is a diversified telecommunication operator formed by the merger of DDI, KDD and IDO in 2000, and is the only domestic company that provides both mobile communication service and broadband service. The number of subscribers to the mobile phone services under the au and Tu-Ka brands is over 28 million, and fixed-line subscribers (MyLine) is approximately 5.8 million *.

The KDDI group companies have turnover of 3,335 billion yen.

At KDDI, aggressive improvement of communications environment in preparation for the coming ubiquitous network society is underway and KDDI is aiming to become a "ubiquitous solution company" which provides high value-added solutions.

For more information, please visit www.kddi.com

* Above data is current as of 31 March 2007

About Fujitsu Limited

Fujitsu is a leading provider of customer-focused IT and communications solutions for the global marketplace. Pace-setting device technologies, highly reliable computing and communications products, and a worldwide corps of systems and services experts uniquely position Fujitsu to deliver comprehensive solutions that open up infinite possibilities for its customers' success. Headquartered in Tokyo, Fujitsu Limited (TSE:6702) reported consolidated revenues of 5.1 trillion yen (US\$43.2 billion) for the fiscal year ended March 31, 2007. For more information, please see: www.fujitsu.com