

Overview: FTTH Business Integration

(1) Schedule

Meeting of board of directors to accept the Partition Contract:

October 11, 2006 (TEPCO)

October 12, 2006 (KDDI)

Signing of the Partition Contract:

October 12, 2006

Shareholders' Meeting on Partition Contract: As both companies acted according to the relevant laws (Corporate Law 784 Article 3 for TEPCO and Corporate Law 796 Article 3 for KDDI) in carrying out the partition, which is classified as a simplified partition and absorption, a shareholders' meeting on partition was not held.

Partition Date:

January 1, 2007 (Scheduled)

(2) Method

KDDI is the inheriting company and TEPCO is the partition company. In accordance with the partition, KDDI will allocate 144,569 common shares to TEPCO. KDDI will announce the number of treasury shares and new shares it will issue to TEPCO at a later date.

(3) Structure

In order to ensure that the integration process is carried out smoothly and efficiently, KDDI will appoint Masahiro Yamamoto (Executive Vice President) as the Chairman, and TEPCO will appoint Katsutoshi Chikudate (Executive Vice President) as the vice chairman of the Integration Preparation Executive Committee.

(4) Overview: KDDI and TEPCO

(As of March 31, 2006)

(1)	Company name	KDDI Corporation	Tokyo Electric Power Company
(2)	Business Area	Telecommunications	Electric power, Telecommunications, Others
(3)	Date of Establishment	June 1, 1984	May 1, 1951
(4)	Head Office	2-3-2 Nishi Shinjuku, Shinjuku-ku, Tokyo	1-1-3 Uchisaiwaicho Chiyoda-ku, Tokyo
(5)	Representative	President and Chairman Tadashi Onodera	President Tsunehisa Katsumata
(6)	Capital	141,851 million yen	676, 434 million yen
(7)	Shares in Issue	4,427,256.86 shares	1,352,867,531 shares
(8)	Net Assets	1,272,524 million yen	2,555,012 million yen
(9)	Total Assets	2,451,456 million yen	13,031,464 million yen
(10)	End of Fiscal Year	March 31	March 31
(11)	No. of Employees	10,201	38,235
(12)	Major Shareholders and Equity Share	KYOCERA Corporation - 12.93% Toyota Motor Corporation - 11.23% The Master Trust Bank of Japan, Ltd. (Trust Account) - 4.96% Japan Trustee Services Bank, Ltd. (Trust Account) - 4.83% The Tokyo Electric Power Company, Incorporated - 4.81%	Japan Trustee Services Bank, Ltd. (Sintaku account) - 4.21% The Dai-ichi Mutual Life Insurance Company - 4.07% Nippon Life Insurance Company - 3.90% The Master Trust Bank of Japan, Ltd. (Sintaku account) - 3.80% Tokyo Metropolitan Government - 3.15%
(13)	Major Banks	Development Bank of Japan Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Mizuho Corporate Bank, Ltd.	Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd. Bank of Tokyo-Mitsubishi UFJ, Ltd.
(14)	Current Business	Assets	The partition company will keep 212,971.4 shares of the inheriting company.
		Human Resources	The partition company will appoint 1 representative to the inheriting company to serve while concurrently performing his duties.
		Business Partners	The inheriting company will make use of the partition company's fiber optic to provide telecommunications services.