

October 30, 2009

HIKARI TSUSHIN, INC. (TSE First Section 9435)

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Notice of Tie-Up with fonfun

Today it was decided that Hikari Tsushin will engage in a business and capital alliance with fonfun corporation (Headquarters Tokyo-to, Shibuya-ku, President Hiroyuki Miura, Listed on Hercules 2323, below “fonfun”). The details are described below.

1. Purpose of the Tie-Up

Fonfun primarily plans, develops, sells mobile phone and PC contents. Its main service “Remote Mail”* has helped service large telecommunications carriers in official contents management, with a 10-year track record and a user base of 300,000 subscribers.

Hikari Tsushin Group, utilizing its strengths in selling power and through its nationwide sales networks, primarily acts as an agent to sell mobile phones, OA equipment, insurance, and Internet-related services.

Hikari Tsushin will accept the 3rd party allotment of shares by fonfun to further strengthen our two companies’ relationship. We will provide a general tool service based around fonfun’s “Remote Mail” which be sold through our vast sales networks. This will be done through a joint venture financed by both Hikari Tsushin and fonfun.

*“Remote Mail” – A service that enables the sending of home/work emails as attachments to your mobile phone

2. Overview of fonfun

(As of June, 2009)

(1) Company Name	fonfun corporation
(2) Representative	Hiroyuki Miura President and Representing Director
(3) Headquarters	Tokyo-to, Shibuya-ku, Hatsudai 1-46-3
(4) Established	March 3, 1997
(5) Main Business	“Remote Mail”, Contents, Solution businesses
(6) Capital	¥2,191 million
(7) Fiscal Term	March
(8) Employees	44
(9) Issued Shares	2,146,720
(10) Net Assets	¥630 million

(11) Total Assets	¥1,256 million	
(12) Primary Shareholders (As of March 2009)	Shareholder	Ratio
	Hiroyuki Miura	11.69%
	Shingo Tsuda	6.06%
	Mitsuru Sato	5.97%
(13) Connection to Hikari Tsushin	Capital	No relevant items
	Personnel	No relevant items
	Business relation	No relevant items
	Circumstances for Relevant Parties	No relevant items

(14) fonfun Business Performance in Recent Years

(Million yen)

	FY2007	FY2008	FY2009
Net Sales	2,719	2,917	2,395
Gross Sales	1,438	1,383	1,186
Operating Profit	170	△145	△356
Ordinary Profit	161	△157	△372
Net Profit	152	△536	△1,680
Net Profit per Share (yen)	7,176.47	△25,368.81	△795.61
Dividends per Share (yen)	-	-	-
Net Asset per Share (yen)	130,457.24	103,502.80	-

3. Overview of acceptance of 3rd party allotment of shares

Hikari Tsushin will accept 3rd party allotment of shares from fonfun corporation

- Common Stock 515,000 shares
- Issued Value per Share ¥200 per share
- Total Issued Value ¥103,000,000

4. Overview of the joint venture (tentative)

- (1) Company Name Fun Fusion
- (2) Headquarters Not Yet Decided
- (3) Chairman Hiroyuki Miura
- (4) Capital 50million yen
- (5) Financing Ratio fonfun 51% Hikari Tsushin 49%
- (6) Business Activities Contents Business, Call Center Business
- (7) No. of Employees 50

5. Scheduling

November 16, 2009

Payment day

December 1, 2009

Starting Business Activity (tentative)

5. Impact on Performance

At this stage, Hikari Tsushin forecasts that this will have little impact on performance.