



## Equity and Management Structural Reforms of ACCA Networks

ACCA Networks Co., Ltd.  
Ignite Group  
Shinsei Bank, Limited

Tokyo (Wednesday, June 6, 2007) - Ignite Group ("Ignite") and ACCA Networks Co., Ltd. ("ACCA Networks") reached an agreement with NTT Communications Corporation ("NTT Communications") to change the present equity and management structure of ACCA Networks.

Under this agreement, NTT Communications will transfer 5.0% of the stocks it owns in ACCA Networks to Ignite BB Investments L.P. ("Ignite BB"), which was established by Ignite with Shinsei Bank, Limited ("Shinsei Bank"), the leading investor. In addition, ACCA Networks decided at its Board of Directors meeting, held today, of the appointment of Mr. Masaharu Kimura as Chief Executive Officer (CEO) of ACCA Networks as of June 6, 2007.

ACCA Networks is launching a new management structure on the occasion of this transaction and will increase corporate value by promoting new businesses. Shinsei Bank and Ignite will support ACCA Networks in the areas of business strategies and corporate governance.

Mr. Masaharu Kimura, new CEO of ACCA Networks, stated, "ACCA Networks is devoted to making prompt decisions and implementations as it strives to stabilize the ADSL business and proactively enter into new business fields such as WiMAX. We will also optimize our independent position in the telecommunications industry and facilitate flexible alliances."

Mr. Nobuo Mii, Managing Partner of the Ignite Group, commented: "We will fully cooperate with ACCA Networks, the new management structure, lead by Mr. Kimura, will enter the WiMAX business and execute proactive and prompt management policies. We will actively provide support in order to enhance the corporate value of ACCA Networks."

Mr. Thierry Porté, President and CEO of Shinsei Bank said: "ACCA Networks is in a unique position within the transforming telecommunications market from the traditional ADSL to WiMAX. Our Private Equity Division will proactively finance corporations such as ACCA Networks that have strong growth potential."

## 1. Reasons for Equity and New Management Structural Reforms

ACCA Networks, perceiving the opportunity and needs for DSL business services, rapidly grew its business correlating to the growing broadband services; become the first DSL provider to post profits. Furthermore, ACCA Networks successfully listed on the JASDAQ Securities Exchange in March 2005.

In relation to the growing broadband services, the types of contents transmitted have expanded to include areas such as video, audio and other non-business oriented entertainment services. ACCA Networks intends on initiating a strategic incorporation of these developments into its business model to secure new growth.

ACCA Networks conducted repeated discussions with its leading investors over its growth strategy, including equity restructuring to quickly expand its scope of operations through alliances beyond capital relationships and the development and introduction of new services. This announcement reflects the agreement of cooperation reached between NTT Communications, Shinsei Bank and Ignite, and the ensuing agreement to transfer a portion of the shares owned by NTT Communications to Ignite BB. This transaction will enable ACCA Networks to develop its business from a more independent standpoint.

NTT Communications and ACCA Networks have developed a very strong relationship and jointly have approximately 600,000 OCN users and 20,000 corporate users as customers to their broadband services. Both companies agreed to reinforce their collaborative relationship by offering more competitive services, benefiting both firms.

## 2. Overview of Stock Transfer

Today, NTT Communications concluded a stock transfer agreement with Ignite BB, a L.P. newly established by Ignite with Shinsei Bank, the leading investor. NTT Communications will transfer 6,214 of the stocks it holds in ACCA Networks to Ignite BB. This will reduce the stockholdings of NTT Communications in ACCA Networks to 14.7%.

### (1) Change in the ACCA Networks Stock Ownership of NTT Communications and Ignite BB due to the transaction

Pre-Transaction	Post-Transaction
-	Ignite BB Investments L.P. (5.0%)
NTT Communications (19.7%)	NTT Communications (14.7%)

### (2) Overview of Ignite BB

Name: Ignite BB Investments L.P.  
Address: 2-13-10 Nagatacho, Chiyoda-ku, Tokyo  
Representative: Ryusaku Hoshino  
Main businesses: Investment

### 3. Changes in Management

ACCA Networks brought Mr. Masaharu Kimura (former Managing Director of IBM Japan, Ltd.) to make possible the dynamic implementation of ACCA Networks' strategy. A Board of Directors meeting was held today, June 6, 2007, where Mr. Kimura was appointed CEO. Mr. Masaharu Kimura will be appointed as Director subject to the approval at the extraordinary general shareholders' meeting planned for August, 2007. He will also be appointed as President and Representative Director at the Board of Directors meeting scheduled after the shareholders' meeting on the same day. Furthermore, effective today, Yoshio Sakata has resigned from his current post of President and Representative Director, and he will be engaged in the WiMAX business as Director.

Mr. Masaharu Kimura has held a number of key posts in the IT industry, serving in the sales and marketing division of IBM Japan which oversees the insurance, distribution and manufacturing industry. He was responsible for the distribution sector, software group, and e-business solution division as well as positions at IBM Asia Pacific and served as the first President of IBM Business Consulting Services K.K.. There are great expectations that his knowledge, expertise and experience will greatly contribute to the reinforcement of sales and accelerating the growth of the Corporate and Solution Business.

He is also expected to dynamically build various alliances within the telecommunications industry where the speed of change continues to accelerate. His diverse and expansive business network which he has developed through his activities in "Forum 21", an organization known as a vibrant center for leading Japanese corporations of different industries to interact with each other, emphasizes the alliances opportunities he can bring to ACCA.

### 4. Future Direction of ACCA Networks

Under the new management structure, ACCA Networks will maintain profit levels of the Consumer Business while endeavoring to achieve greater growth in the Corporate and Solution Business by strengthening sales and marketing and utilizing the collaborative relationship with NTT Communications. ACCA Networks will also pursue expansion of new businesses by supplying various broadband services, including WiMAX.

ACCA Networks is presently preparing to establish a WiMAX business planning company to expand the preparatory organization and system for WiMAX, acquisition of WiMAX frequency license, and further focus on the launch of the WiMAX business.

In addition to endeavoring for ACCA Networks' organic growth, ACCA Networks will optimally utilize its independent position in the telecommunications industry to conclude operational and technical alliances with other providers, proactively tackle structural reforms in the industry and pursue various possibilities to increase and maximize corporate value.

## 5. Schedule

August 2007: Extraordinary general shareholders' meeting  
Appoint Masaharu Kimura as Director (subject to approval)  
Board of Directors Meeting  
Appoint Masaharu Kimura as President and Representative  
Director (subject to approval)

#### About ACCA Networks

ACCA Networks Co., Ltd. (Code: 3764 JASDAQ Securities Exchange), provides high quality broadband network services to both, individual customers and corporations. ACCA has earned a reputable presence, exceptional to corporate users, as a high quality network provider through its 24 hour 365 day guaranteed network and maintenance dispatch team and high security level services utilized in ATMs.

ACCA targets to develop and introduce broadband related communication services surpassing customer's expectations and support day-to-day operations . Such services include but not limited to Business Solution Services, such as "Machine-to-Machine" (M2M), and most recently mobile WiMAX, a frequency license ACCA has been preparing to acquire for business expansion.

Further information on ACCA Networks is available at

<http://www.acca.ne.jp/english/ir/index.html>

#### About Ignite

Ignite Group is an IT-industry focused private investment firm based in Silicon Valley. Ignite currently manages three funds in the United States and one in Japan with over US\$200 million under management. Ignite invests in venture capital, growth capital, strategic minority and buyout transactions mainly in the United States and Japan.

Further information on Ignite is available at

<http://www.ignitegroup.com>

#### About Shinsei Bank

Shinsei Bank (Code:8303 TSE First Section) is a Japanese financial institution providing a full range of financial products and services to both institutional and retail customers based on a three pillar business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking. The Bank has total assets of US\$92 billion on a consolidated basis (as of March 2007) and a network of 30 Shinsei Bank branches in Japan. Shinsei Bank demands uncompromising levels of integrity and transparency in all its activities to earn the trust of customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders.

News and other information about Shinsei Bank are available at

<http://www.shinseibank.com/english/index.html>