

Being KDDI, Being More **AMBITIOUS**

Taking advantage of its unique business structure that combines mobile and fixed-line communications businesses within a single company, KDDI is promoting FMBC. With the coming of an “ambient intelligence society”, we aim offer new services through the integration of fixed-line and mobile communications, and broadcasting.



UNDERSTANDING KDDI: THE KEYWORDS

“Simple course”

In light of the findings by the Ministry of Internal Affairs and Communications Study Group on Mobile Business as part of its “New Competition Promotion Program 2010,” new pricing plans were introduced in 2008 to separate tariffs from handset prices, in addition to existing pricing plans where carriers subsidize handset cost by paying handset subsidies to sales agencies.

In addition to the “Full Support course,” its existing pricing plan, KDDI introduced the “Simple course,” under which a separate handset subsidy is discounted from monthly basic charges. In the year ended March 31, 2010, approximately 90% of customers who purchased new handsets chose the “Simple course.”

▶▶ P.34 Mobile Business, Overview of Operations in the Year Ended March 31, 2010

(Fees, including tax)

Course name	au 買い方セレクト “au Purchase Program”	
	フルサポートコース “Full Support course”	シンプルコース “Simple course”
Handset subsidy	¥16,800	¥0
Contract on period of handset use	2-year contract	No (except installment payments)
Basic monthly charge (free calls)	¥1,890 (¥1,050)	¥980 (¥1,050)
Installment payment	No	Yes

Note: Monthly basic charge under “Plan SS,” “Everybody Discount” contract

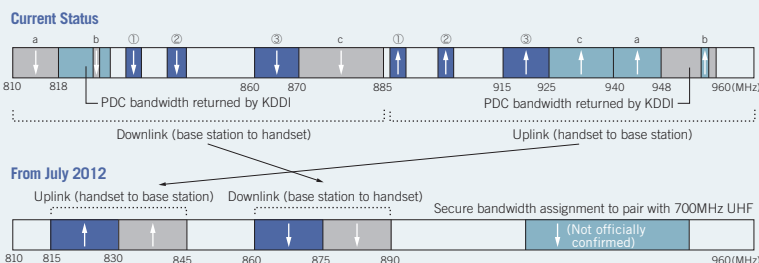
Reorganization of the 800MHz Band

The reorganization of the 800MHz band calls for switching the direction of the current uplink (handset to base station) and downlink (base station to handset) and reallocating the current narrow and scattered frequencies into solid blocks by July 2012.

Currently, the 800MHz band serves as KDDI’s main operating band, but the Group is pressing ahead with expansion of 2GHz band coverage, and also is increasing the coverage area for the new 800MHz band in preparation for full conversion by July 2012.

KDDI has made available tri-band handsets, which are compatible with the current 800MHz, 2GHz, and new 800MHz, and as of March 31, 2010, approximately 21.87 million, or about 71% of all au handsets under contract, were tri-band compatible. We will continue working to provide more tri-brand handsets over the next two years, so that by the time of the July 2012 switch to the new band, all au subscribers will be using tri-band handsets. ▶▶ P.36 Network

Reorganization of the 800MHz Band ■ KDDI ■ NTT DoCoMo



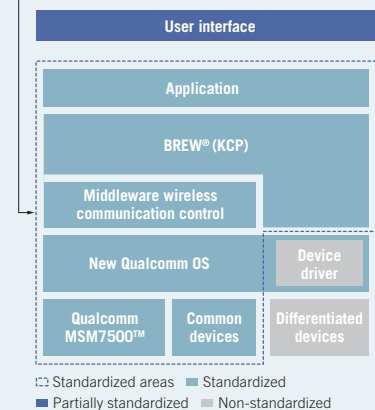
KCP+

(KDDI Integrated Platform)

Seeking to further reduce handset procurement costs and shorten product development lead time, KDDI has established the KDDI Integrated Platform (KCP+), a shared software platform with an expanded scope of standardization from the base operating system to all handset software. These efforts at the new development phase help shorten the amount of time required to develop mobile phones and lower costs.

▶▶ P.37 Handsets

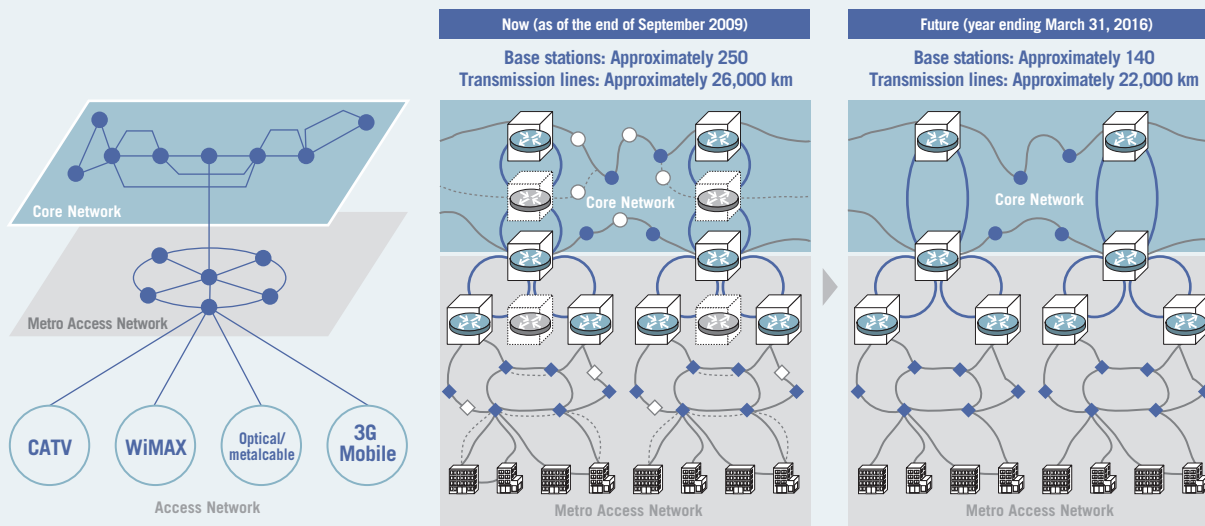
KDDI Integrated Platform (KCP+)



Streamlining of Fixed-line Networks

One result of our ongoing mergers from 2000 onward has been the growing complexity of the core networks and metro access networks that support our overall business. From the standpoint of strengthening our operational bases, fundamental reform to reduce network costs has been a major issue. We have drawn plans to streamline our fixed-line networks through closure or consolidation of base stations and transmission circuits by the year ending March 31, 2016. These efforts should enable KDDI to maintain/raise quality while reducing costs.

▶▶ P.42 Fixed-line Business, Overview of Operations in the Year Ended March 31, 2010



Global ICT

To meet demand for high-quality, broadband and low-cost ICT solutions, primarily among Japanese clients that are expanding their operations overseas, KDDI is developing and strengthening a global structure spanning 87 locations in 57 cities within 25 countries. We are pursuing the data center business under the “TELEHOUSE” brand, which has become one of the major data center services in the world. On a global basis, “TELEHOUSE” facilities extend to 17 locations in 11 cities within nine regions, occupying a total floor space of approximately 1.13 million m² and serving 1,200 corporate clients. ▶▶ P.45 Global ICT

KDDI's Global Business Development

(As of June 14, 2010)

Europe Block

London
 Düsseldorf
 Frankfurt
 Amsterdam
 Paris
 Brussels
 Moscow

St. Petersburg
 Warsaw
 Geneva
 Cape Town
 Johannesburg

East Asia Block

Hong Kong
 Beijing
 Tianjin
 Changchun
 Binhai
 Dalian
 Qingdao
 Shanghai
 Guangzhou

Nansha
 Shenzhen
 Taipei
 Wuxi
 Fuzhou
 Macau
 Seoul
 Busan

Southeast Asia Block

Singapore
 Gurgaon
 New Delhi
 Neemrana
 Mumbai
 Chennai
 Bangalore
 Dubai
 Bangkok
 Kuala Lumpur

Jakarta
 Manila
 Hanoi
 Ho Chi Minh
 Sydney
 Melbourne
 Ulan Bator
 Vladivostok
 Dhaka

America Block

New York
 New Jersey
 Los Angeles
 San Francisco
 Virginia
 Chicago
 Kentucky
 Detroit
 Asuncion