

1.1. 1H/FY2006.3 - Financial Results Highlights

1 Consolidated basis

- Operating revenues became flat (-0.2%) yoy and operating income was up 2.6% as strong “au” Business almost absorbed impact of transfer of PHS Business in 2004.

2 “au” Business

- Operating revenue increased by 10.4% and operating income rose by 29.0% yoy.
- Steady growth in Chaku-uta Full®; total downloads topped 20 million (on September 28).
- Share of “au” total subs at 23.2% at end-September with top share of net adds in 1H (54.5%).
- No. of WIN subs continues to increase, totaling 5.55 million at end-September, of which 82% of users have signed up for flat-rate plan.

3 TU-KA Business

- Three TU-KA companies merged into KDDI parent company on October 1.

4 Fixed-line Business

- Operating income amounted to ¥29.5 billion due to expanded sales of Metal Plus.
- Activated lines of Metal Plus totaled 680 thousand at end-September due to delay in sales area expansion.