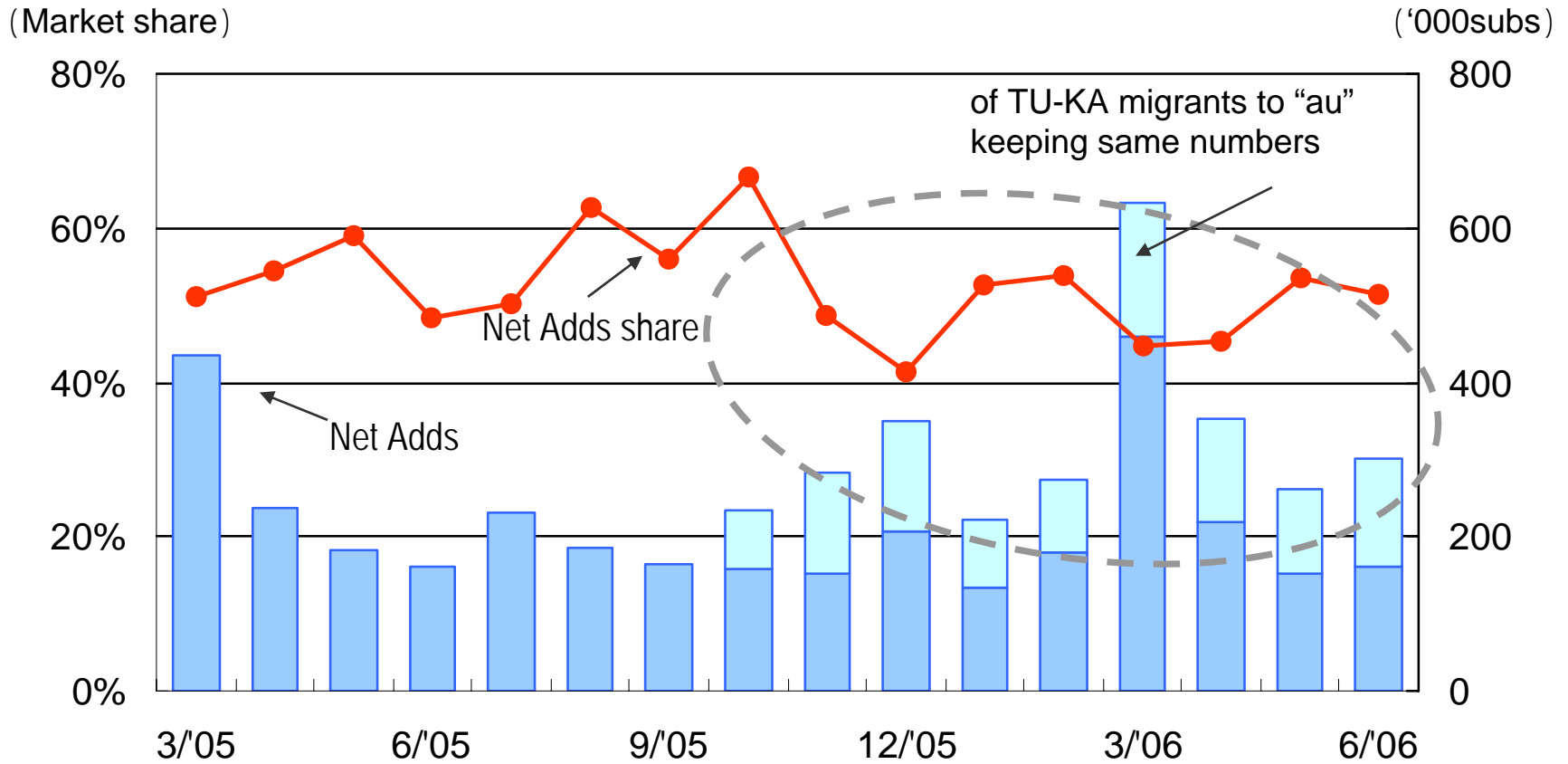


# 1.1. Net Additions



Share of :

Full-year/FY2006.3

1Q/FY2007.3

\*The line chart excludes the effect of TU-KA migration in the net-adds share.

Net Adds

<65.8%>

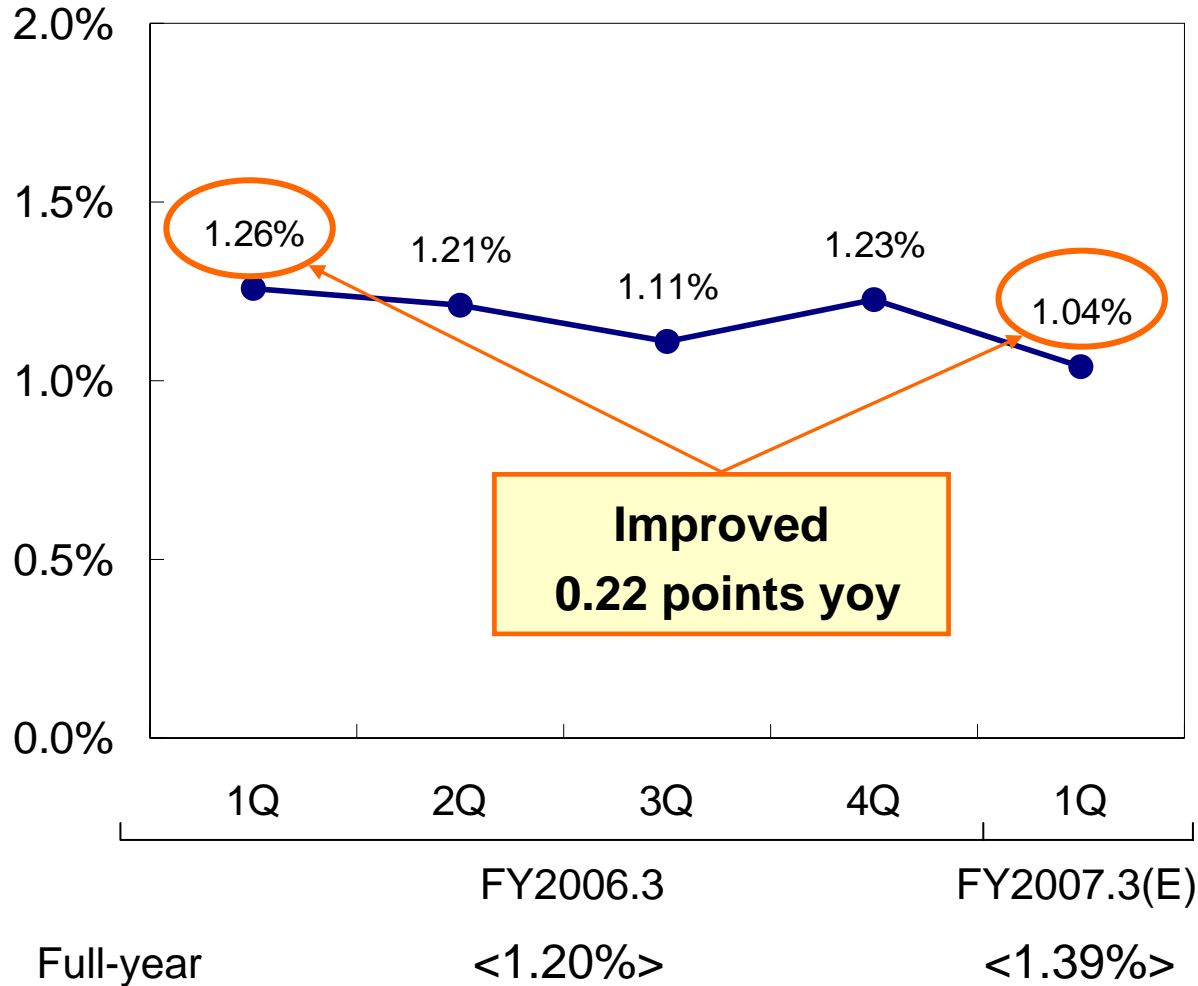
<85.1%>

Total subs

<24.7%>

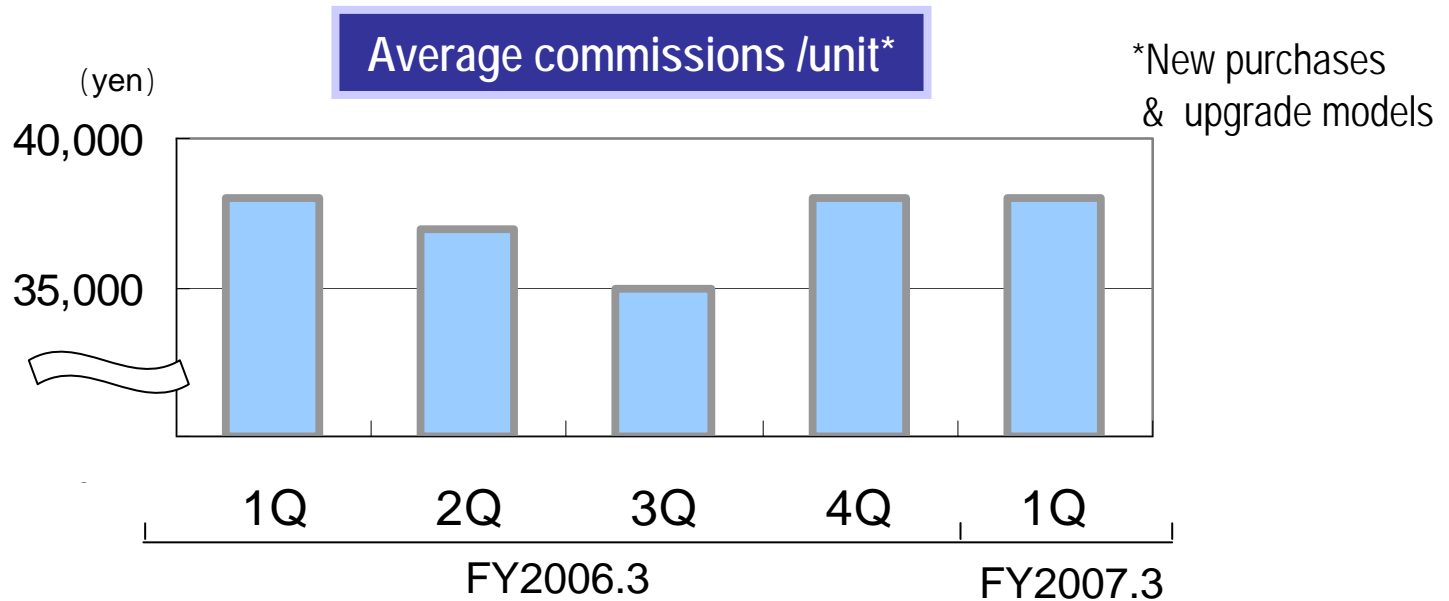
<25.4%>

# 1.2. Churn Rate



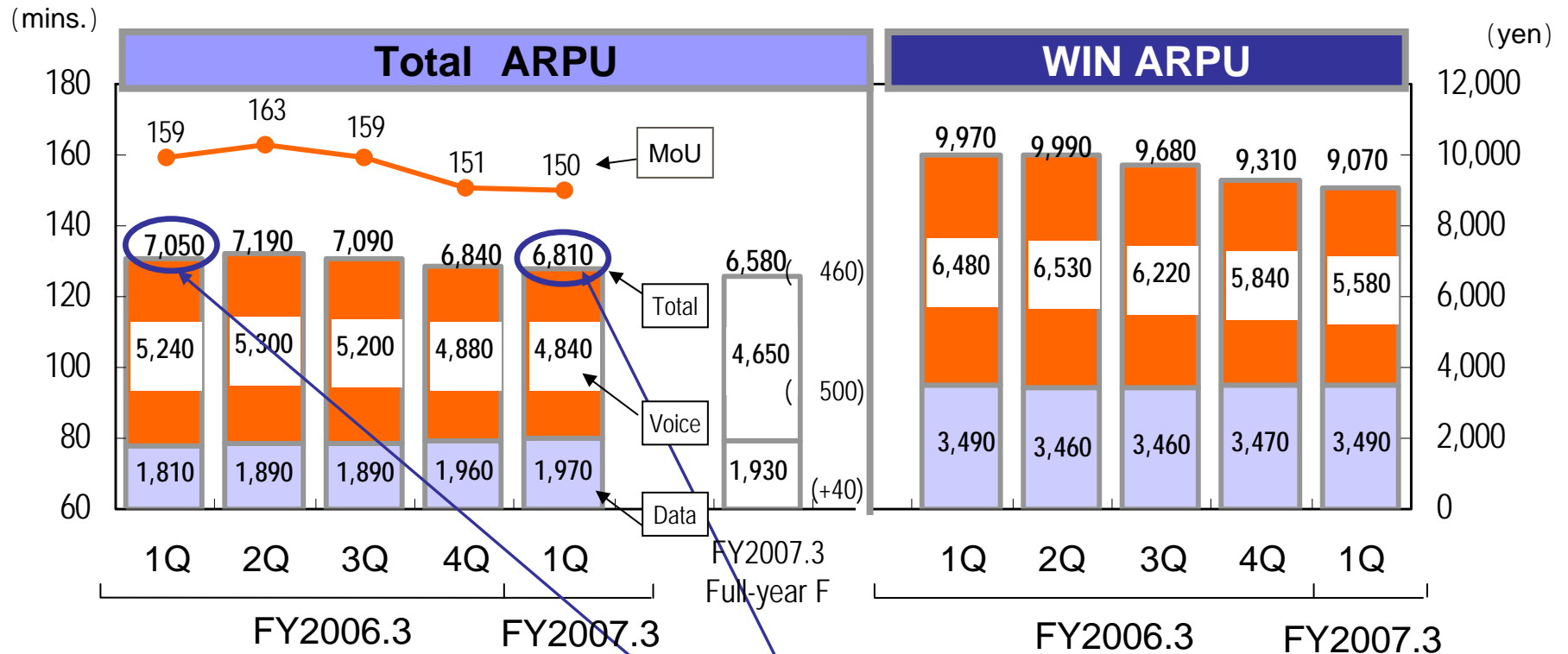
Note: Churn rate is calculated for ordinary handsets which exclude module-type terminals.

# 1.3. Sales Commissions



	FY2006.3					FY2007.3(E)	
	1Q	2Q	3Q	4Q		1Q	
Sales commissions (Billions of yen)	102.0	119.0	119.0	152.0	492.0	124.0	551.0
Average commissions/unit (yen)	38,000	37,000	35,000	38,000	37,000	38,000	37,000
Number of units sold ('000 units)	2,700	3,220	3,370	3,960	13,250	3,270	14,920

# 1.4. Trend of ARPU

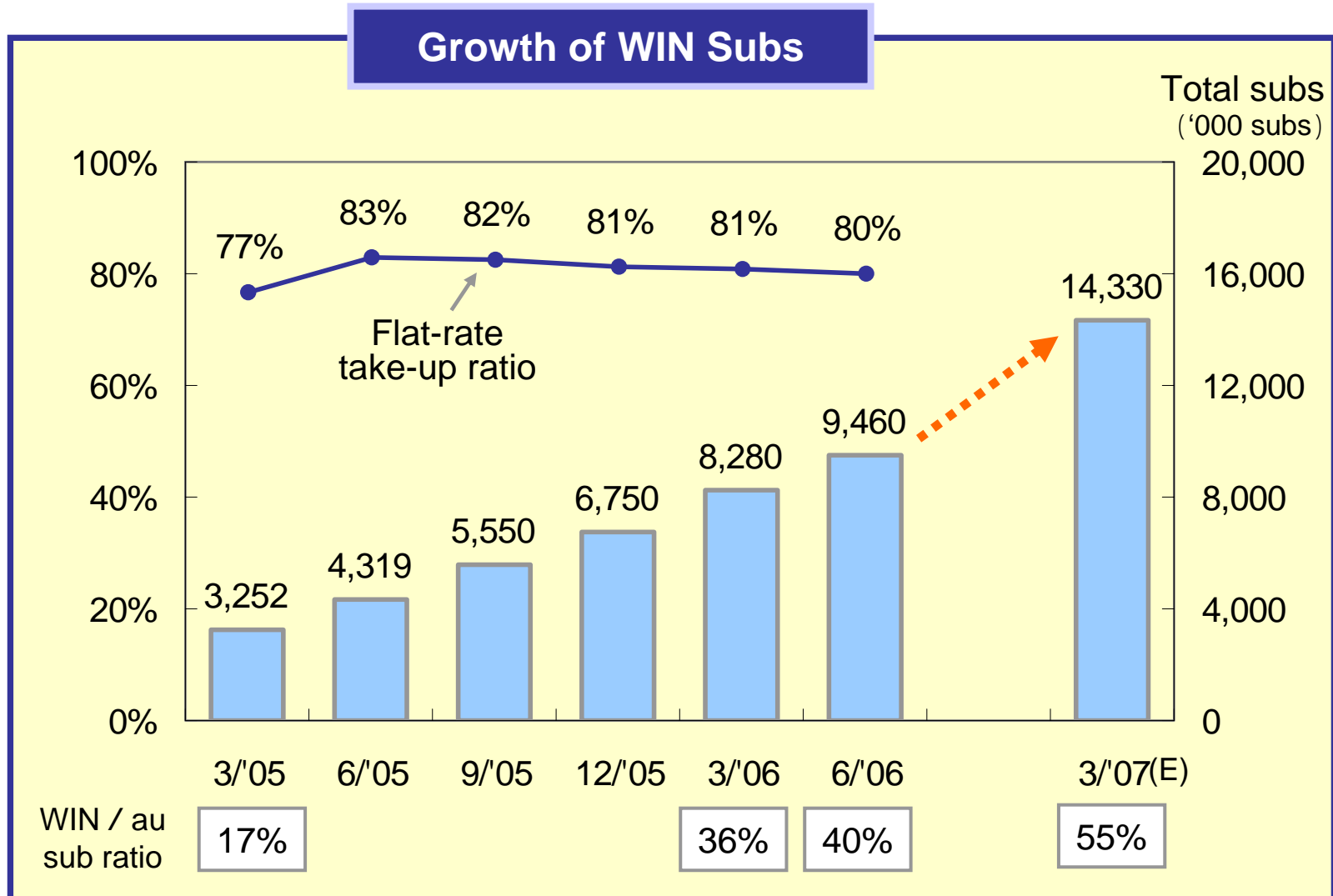


Full-year total ARPU < ¥ 7,040 >  
of Voice < ¥ 5,150 >  
of Data < ¥ 1,890 >

yoy change  
total ¥240 ( 3.4%)  
of Voice ¥400 ( 7.6%)  
of Data + ¥160 ( + 8.8%)

# 2. Update on WIN

Expanded flat-rate plan to even wider customer base through Double Flat Rates Light, resulting a high take-up ratio of 80% at end-June.



# 3. Boost All-Round Product Attractiveness

Promote differentiation by leveraging competitive advantage in infrastructure to boost all-round product attractiveness in terms of handset, charges and content.

## Handsets



In 1Q, marketed 8 models, incl. 7 WIN summer models

## Charges

**ダブル定額** ライト  
Double Flat Rates Light

Double Flat Rates Light

PCSV flat-rate



My Plan Discount

無期限くりこし  
INDEFINITE-PERIOD CARRY OVER

(Aug.'06 ~)

## Content & Applications



au LISTEN MOBILE SERVICE



EZ「着うたフル」  
Chaku-uta Full®

EZ助手席ナビ 安心ナビ  
Passenger-seat Navigation Safe Navigation

EZテレビ EZ FeliCa

Use Google search engine

(July '06 ~)

## Infrastructure

cdmaOne

CY1998

CDMA2000  
1x

CY2002

1xEV-DO  
(Rev.0)

CY2003

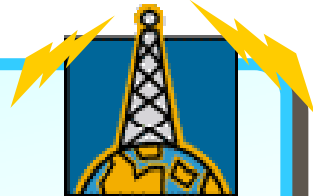
CDMA 1X

**WIN**

1xEV-DO  
Rev.A

To be Launched in CY2006

Evolution

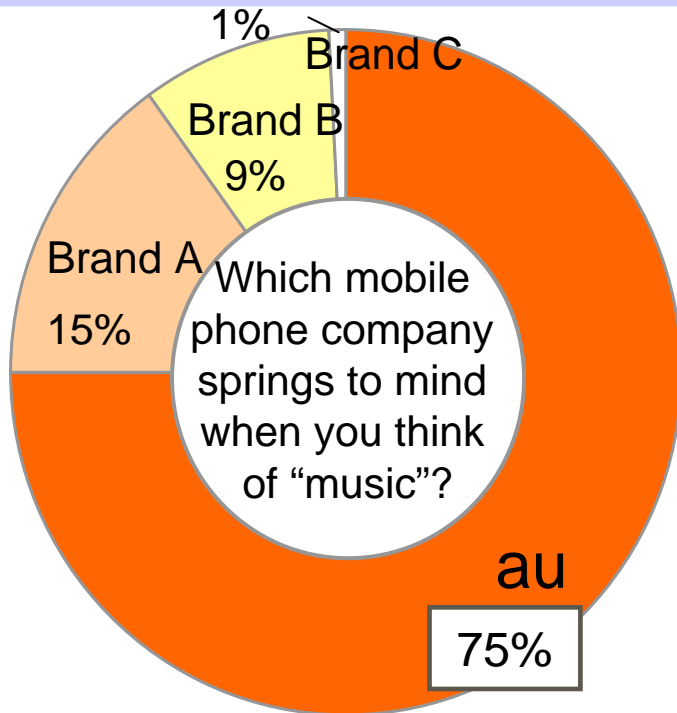


# 4.1. Mobile Music-Player =au

Establish image: When it comes to music, it must be "au".

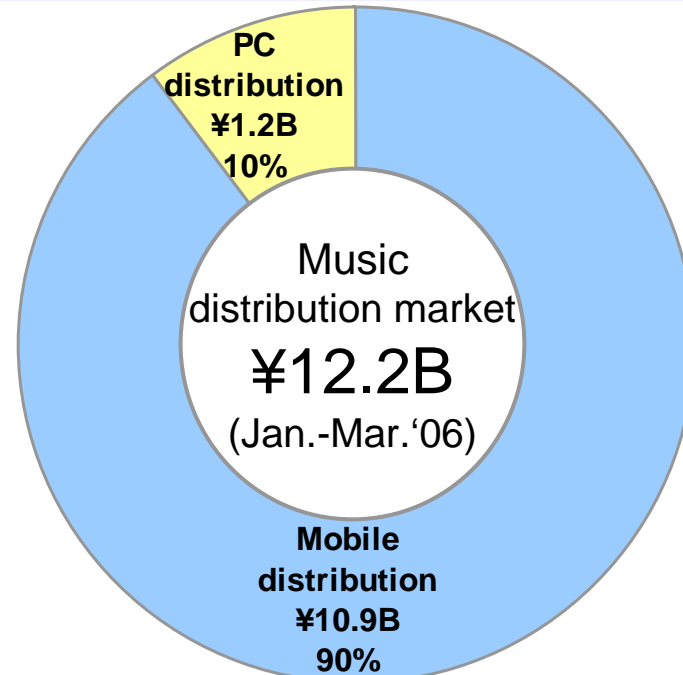
Mobile music distribution (Chaku-uta Full®/Chaku-Uta®) exceeds PC music distribution by nine-fold. "au" is leading the mobile distribution market as a pioneer of Chaku-uta Full® /Chaku-Uta® .

**When it comes to music...**



Source: KDDI research, June 2006

**Japan's Music Distribution Market**



Source: Mobile distribution market figure from Recording Industry Association of Japan, based on sound-source sales results from member companies.

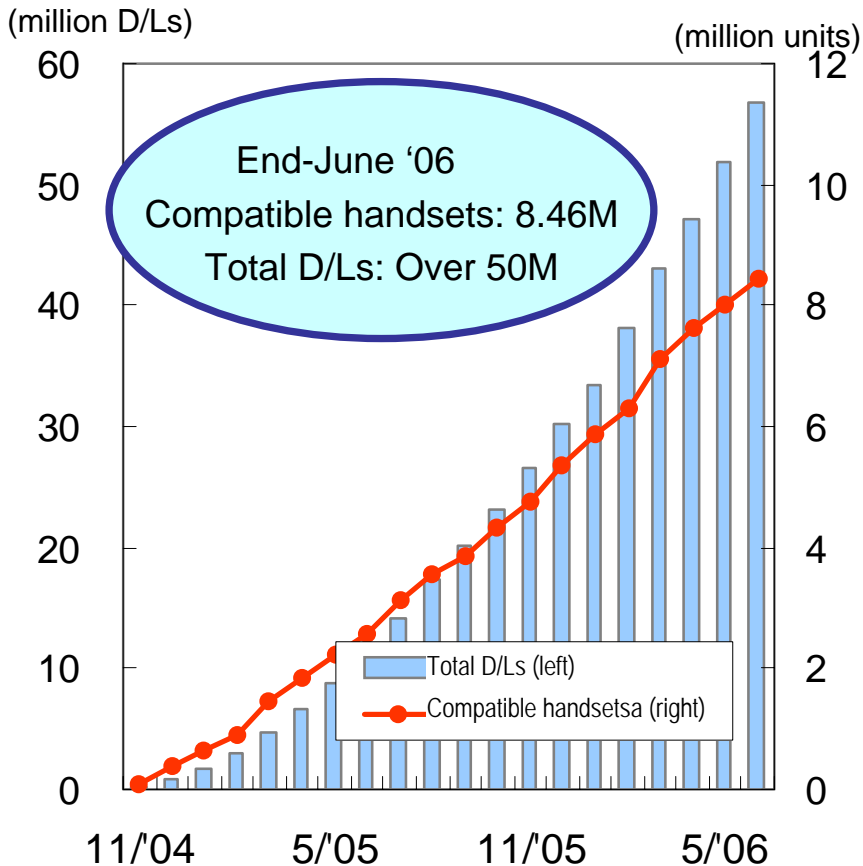
**au: ¥7.3B**  
 Company data; Mobile distribution figure based on sales of Chaku-uta Full® / Chaku-Uta® (excluding those of independent labels and nonuse of original sound source) Note: Count method differs from the above association data.

# 4.2. EZ Chaku-uta Full®

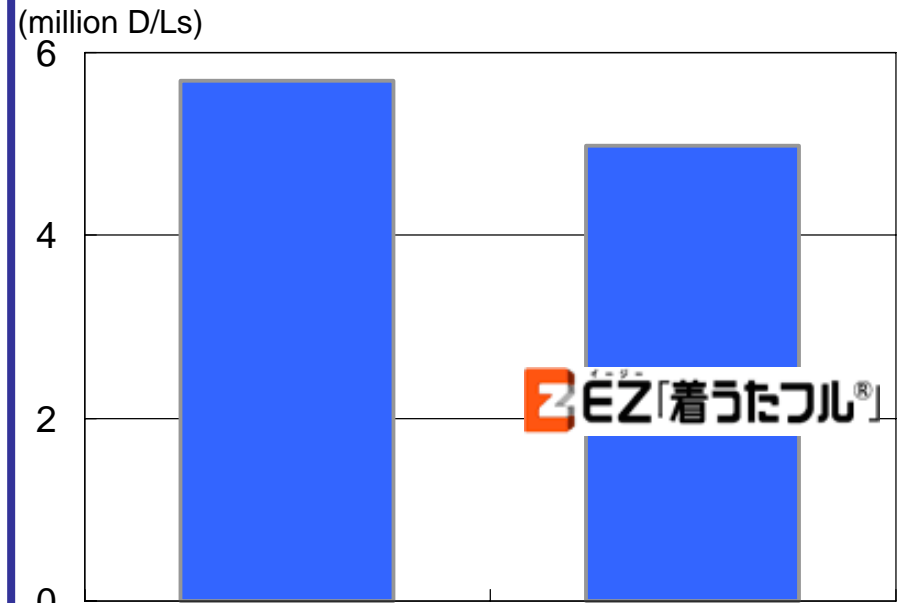


Steady increase in EZ Chaku-uta Full® D/Ls in line with growth in compatible handsets  
EZ Chaku-uta Full® D/Ls approach level of CD single production volume  
as market expands.

## Growth in EZ Chaku-uta Full®



## Monthly D/Ls of EZ Chaku-uta Full®



Source: CD single production results from Recording Industry Association of Japan