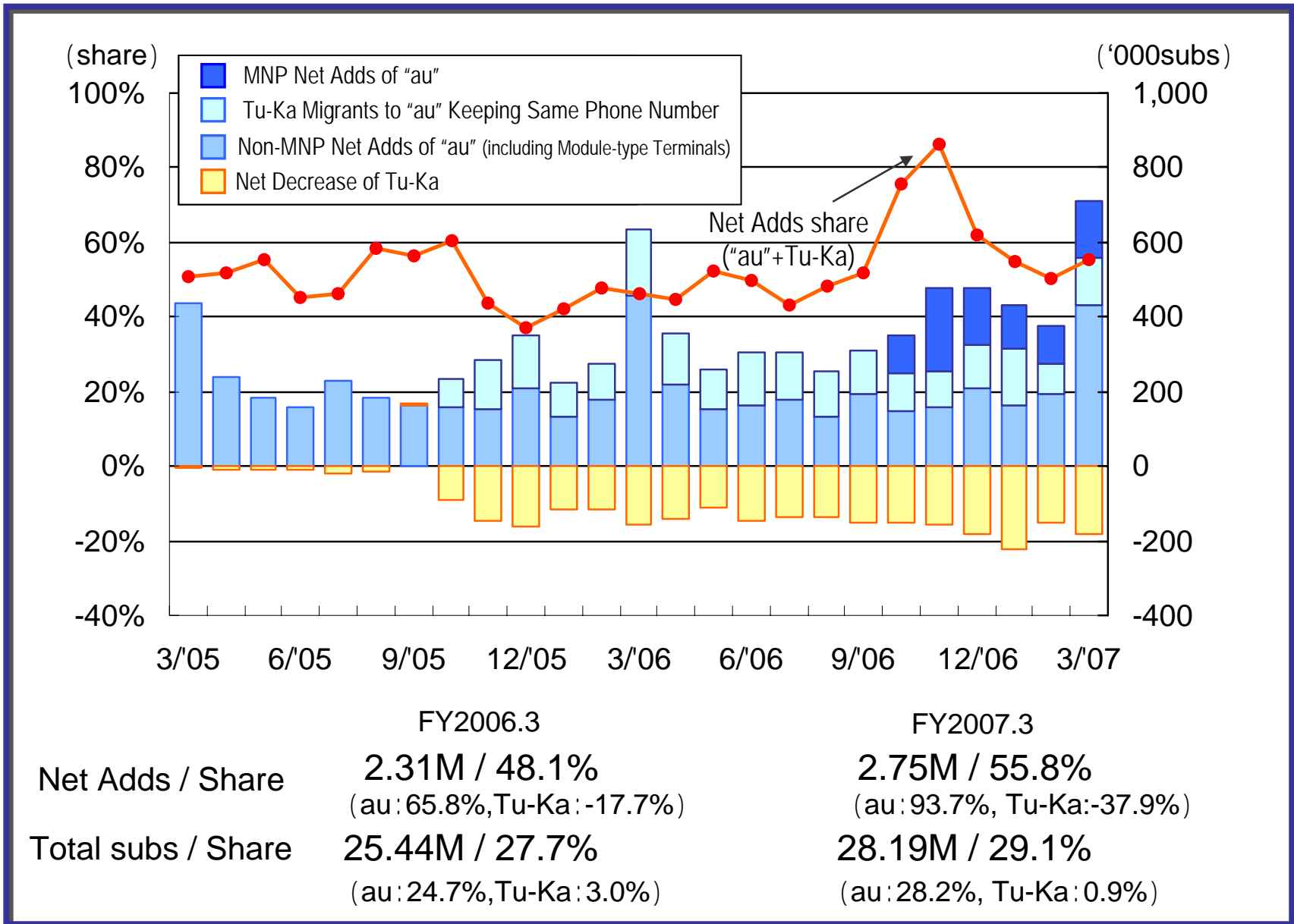


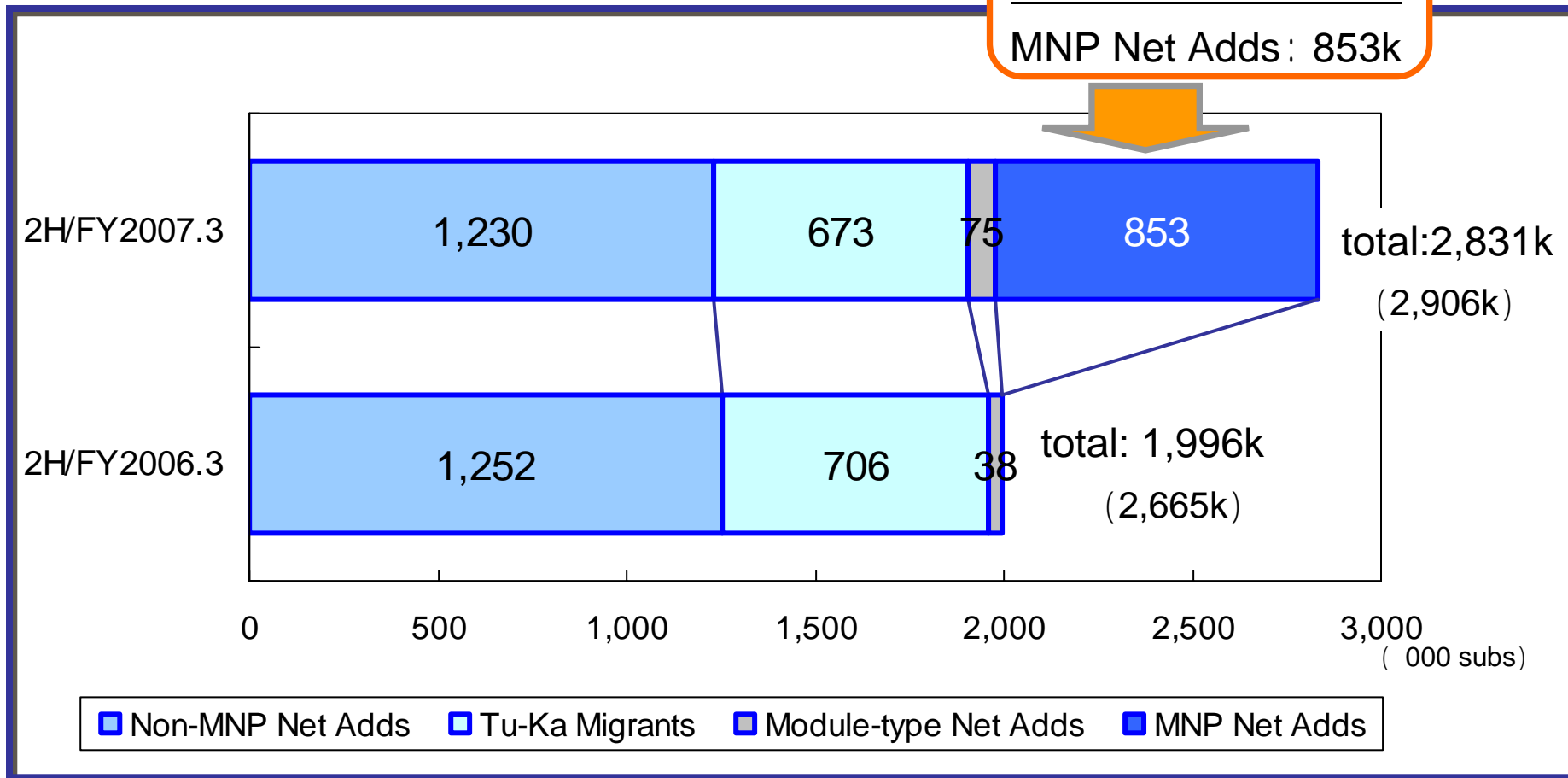
# 1.1. Net Additions of KDDI("au" + Tu-Ka)



# 1.2. Breakdown "au" Net Additions (cf. 2H)

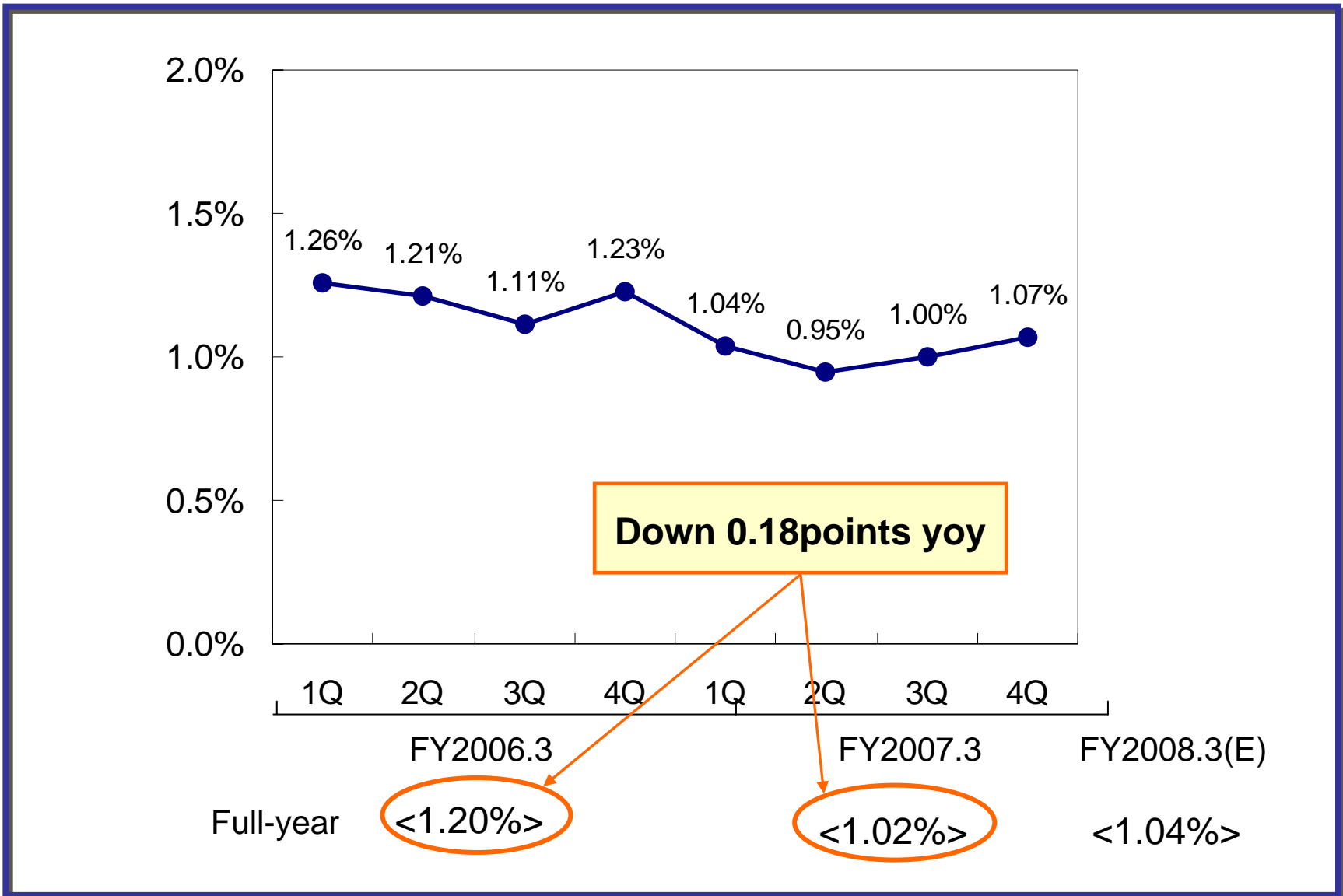
- MNP net additions contribute to the overall growth as add-on to conventional non-MNP net adds with mobile market activated by introduction of MNP.

Port-ins : 1,150k  
 Port-outs : 297k  
**MNP Net Adds: 853k**



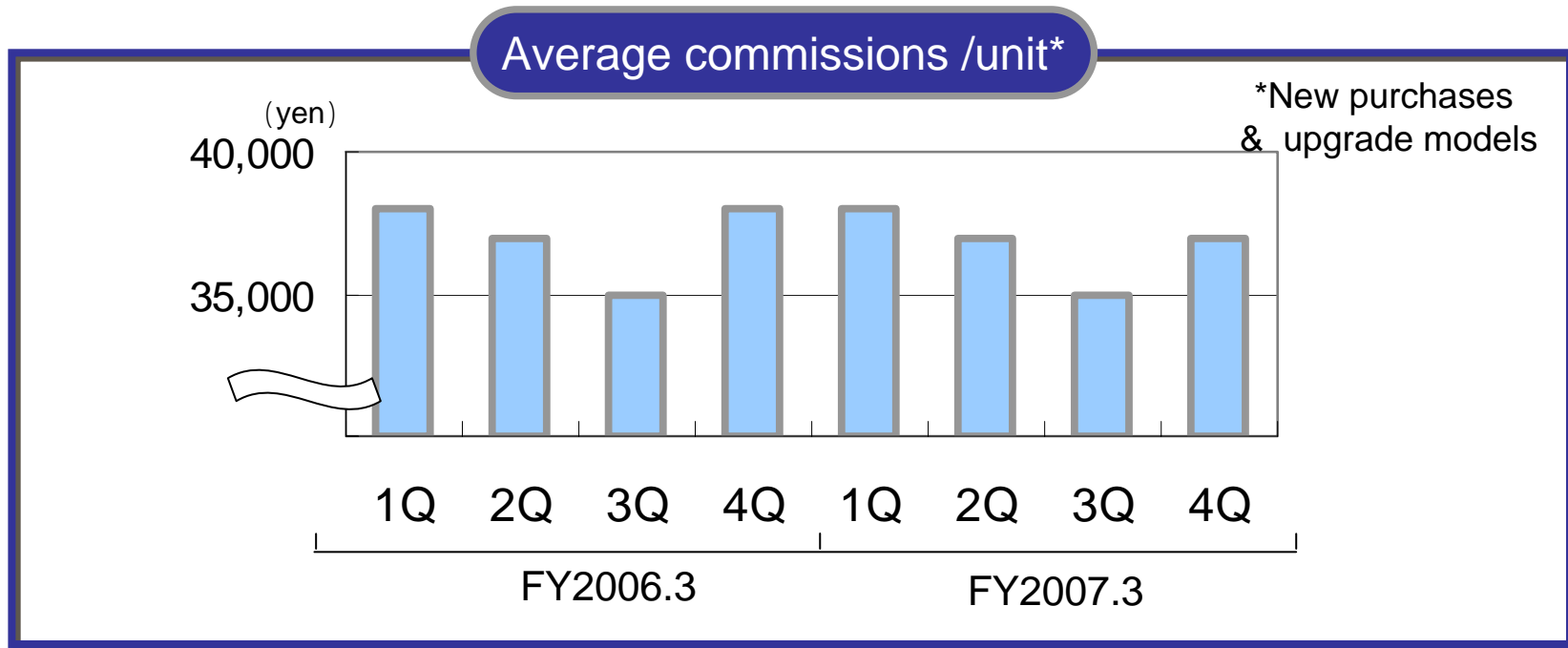
Note: ( ) refers to net adds in the Japanese market.

# 1.3. "au" Churn Rate



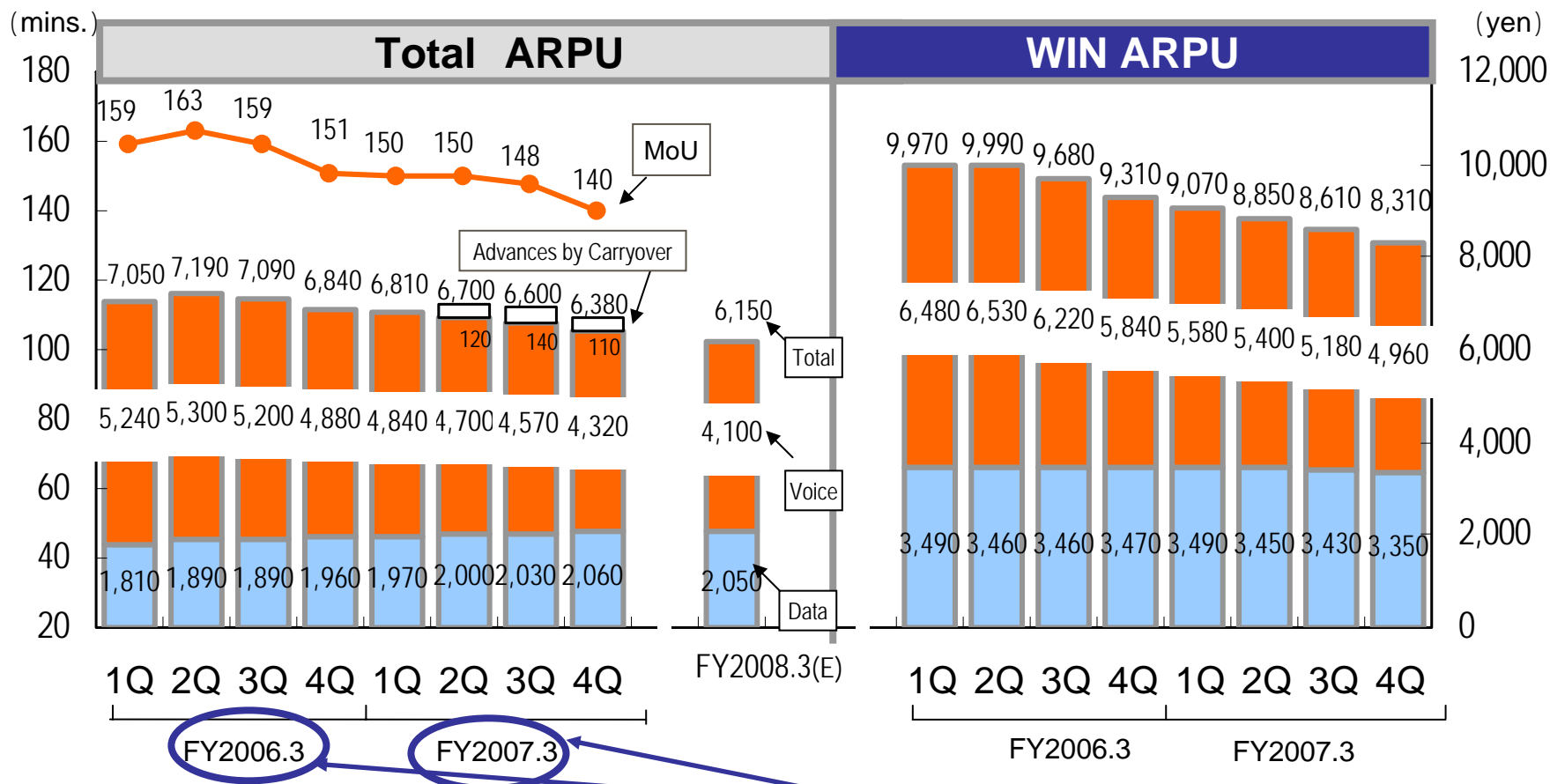
Note: Churn rate is calculated for ordinary handsets which exclude module-type terminals.

# 1.4. "au" Sales Commissions



	FY2006.3					FY2007.3				FY2008.3(E)	
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		
Sales commissions (Billions of yen)	102.0	119.0	119.0	152.0	492.0	124.0	129.0	145.0	170.0	568.0	565.0
Average commissions/unit (yen)	38,000	37,000	35,000	38,000	37,000	38,000	37,000	35,000	37,000	37,000	36,000
Number of units sold ('000 units)	2,700	3,220	3,370	3,960	13,250	3,270	3,520	4,110	4,650	15,550	15,700

# 1.5. Trend of "au" ARPU



Full-year	FY2006.3	FY2007.3	FY2008.3(E)
Total ARPU	¥ 7,040	¥ 6,610	¥ 6,150
of Voice	¥ 5,150	¥ 4,590	¥ 4,100
of Data	¥ 1,890	¥ 2,020	¥ 2,050

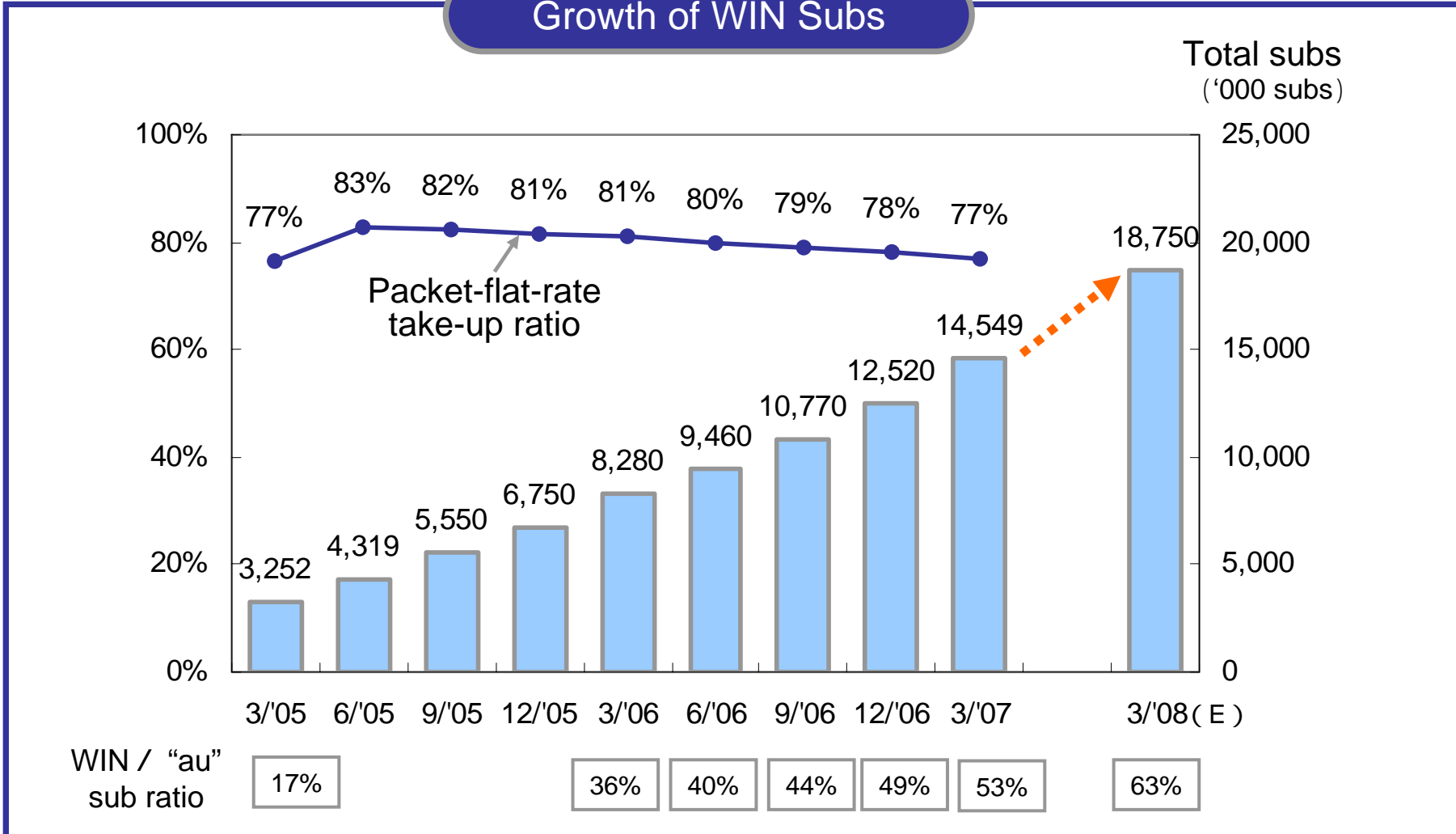
yoy change	
Total ARPU	¥ 430 ( 6.1%)
of Voice	¥ 560 ( 10.9%)
of Data	+ ¥ 130 ( + 6.9%)

# 1.6. Update on WIN

53% of "au" users are with WIN at end-March, of which as high as 77% of customers sign up for Packet Flat Rate plans.

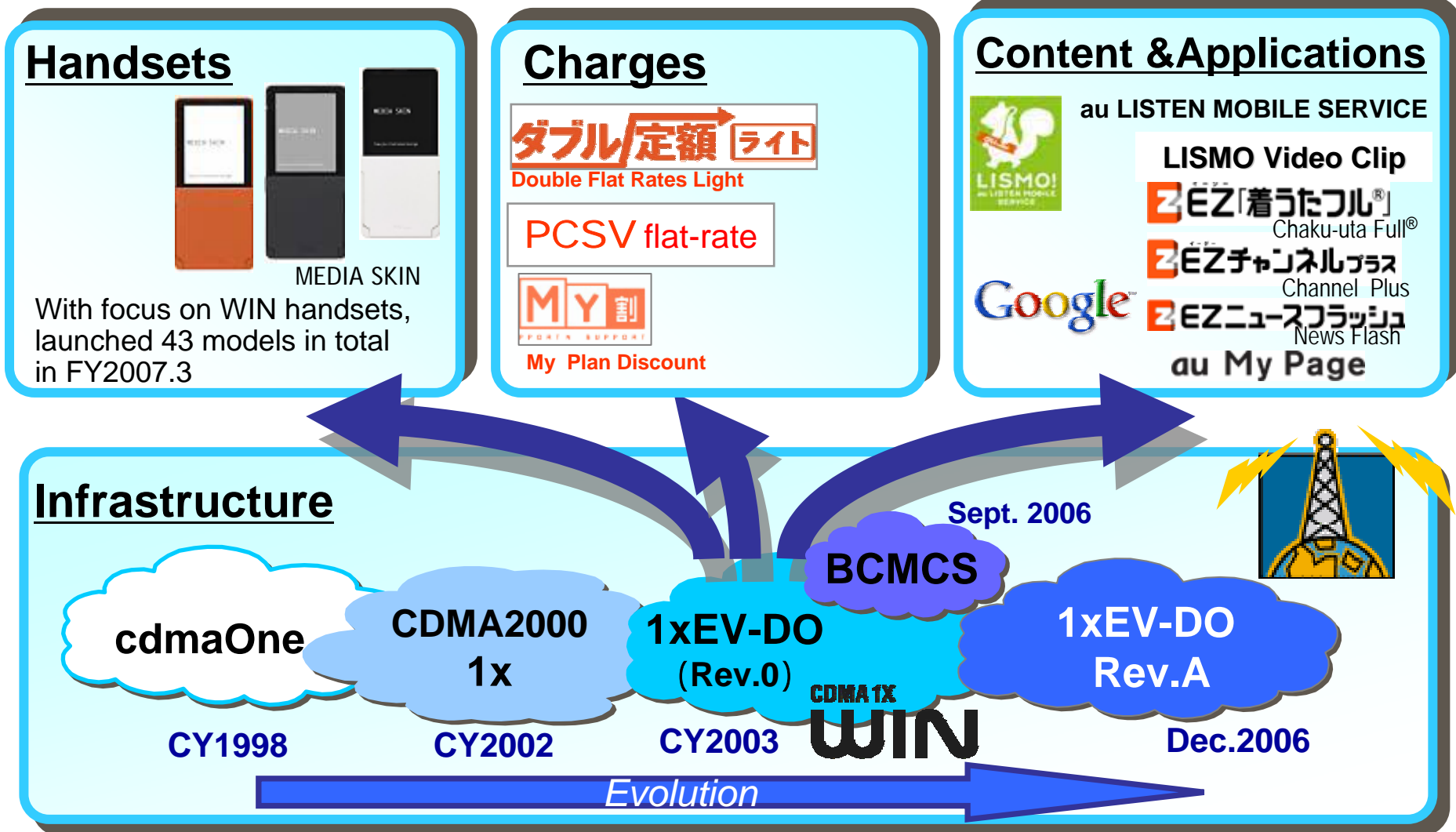


**Growth of WIN Subs**



# 2. Boost All-Round Product Attractiveness

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

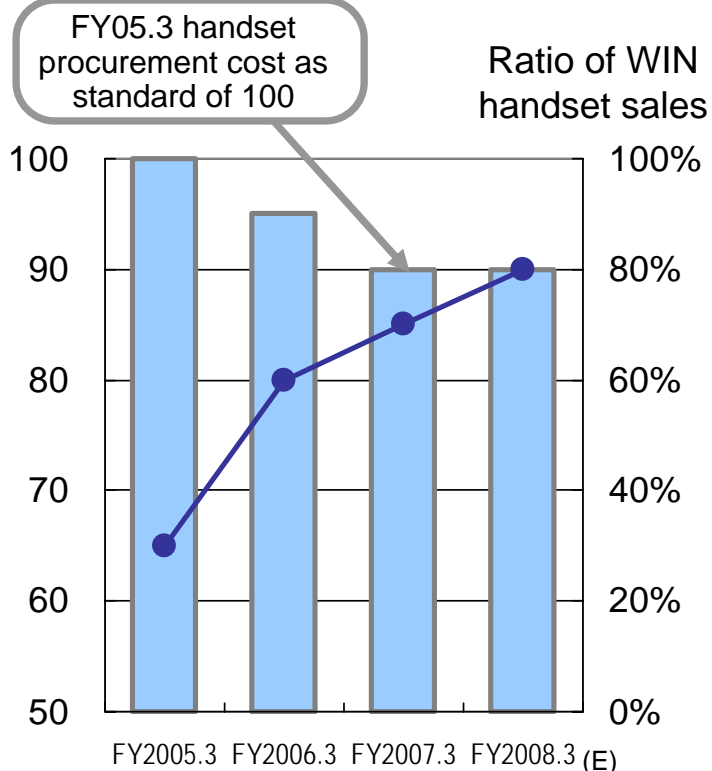


\* PCSV : PC site viewer

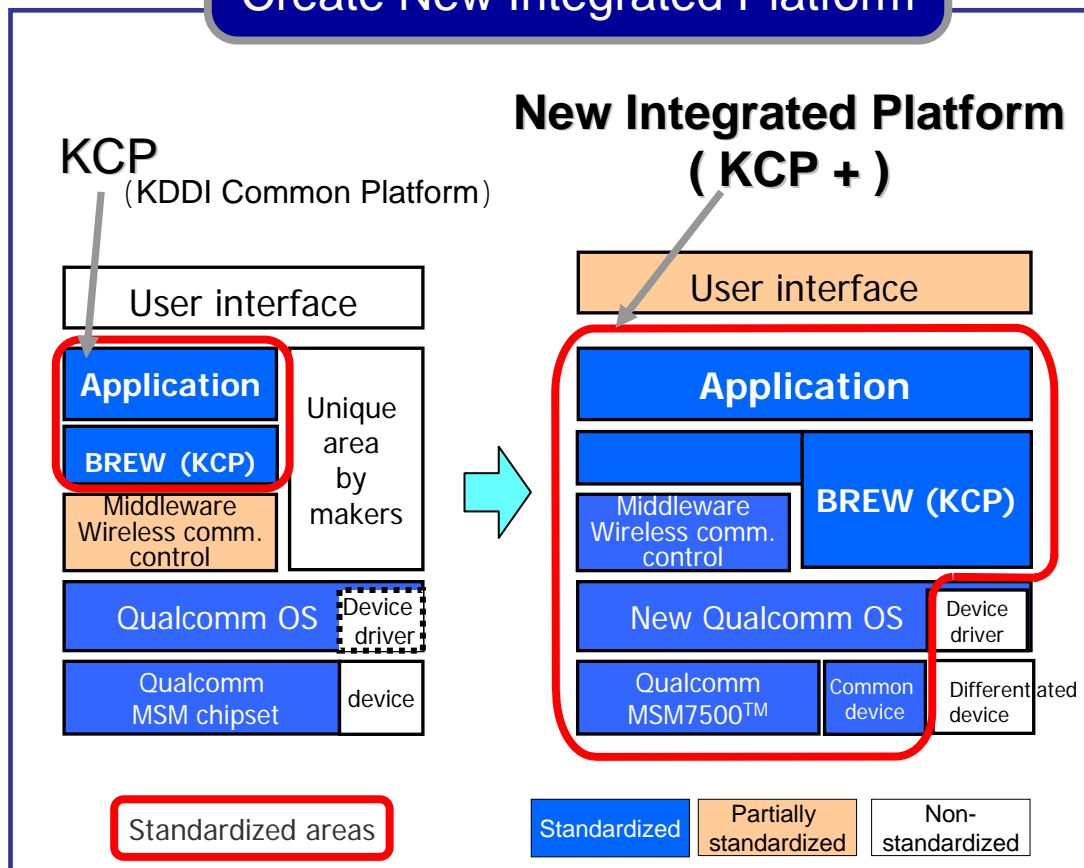
# 3. Measures to Reduce Handset Costs

Aim to strengthen cost competitiveness in mobile phone development by creating a new integrated platform during 2007 to deal with more complex and sophisticated software.

**"au" Handset Procurement Cost**



**Create New Integrated Platform**





# 4. Termination of Tu-Ka Service

Plan to terminate Tu-Ka service at end-March 2008 based upon a smooth user-migration to “au” keeping the same phone number; total who switched at 1.43M for full-year, making aggregate total of 2.13M (since Oct. 2005) .

**Tu-Ka Total Subs**

