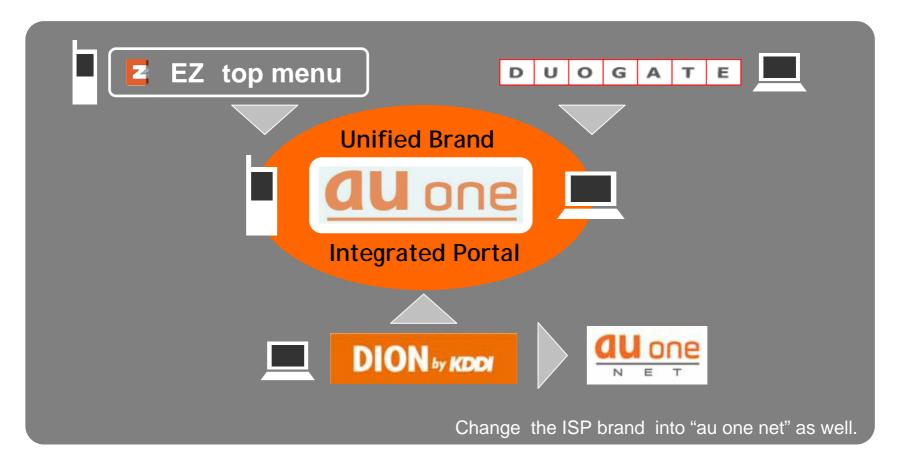


## **FMBC Initiatives for Consumer Market**

- Reorganize sales forces of "au" and BBC into Consumer Sales Sector (October 1).
- Integrate mobile and PC portal sites as a big step toward KDDI's envisaged FMBC world. Add the "au" brand to the new portal to cultivate a sense of unity.

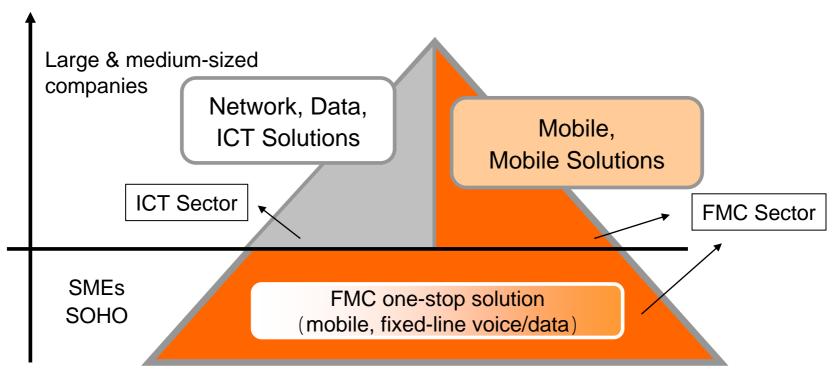


Note: BBC: Broadband & Consumer.



# **FMC Initiatives to Corporate Market**

- Reorganize three forces of Mobile Solution, Network Solution and KNSL (for SMEs) to meet the needs of corporate customers (October 1).
  - ➤ Both FMC and ICT Sector are responsible for large companies depending on the customer needs of mobile/fixed-line services.
  - FMC Sector is all responsible for SMEs with one-stop solutions.
- Enhance mobile sales to SMEs including linkage with "au" shops.



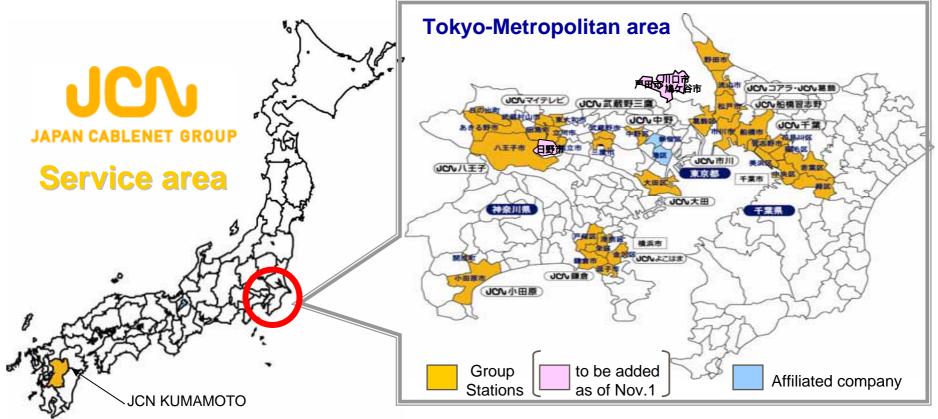
Note: ICT: Information and Communication Technology, SME: Small-and-Medium-sized Enterprises



## **CATV** linitiatives

■ JCN(MSO), a consolidated subsidiary of KDDI, deployed 13 CATV stations centering on the Tokyo-Metropolitan area as of end-September.

■ KDDI provides Cable-plus phone to support the triple play service of CATV operators (30 stations as of end-September) followed by a start of VOD service in July.



Note 1: MSO: Multiple System Operator, which operates multiple CATV stations.

Note 2: CABLENET SAITAMA and HINO CABLE TELEVISION to be added, totaling 15 stations as of Nov. 1, 2007. 27



# License Application for the 2.5GHz Frequency

■ Applied for the license of 2.5GHz frequency through a planning company to provide wireless broadband service based upon mobile WiMAX technology.

### Company Outline

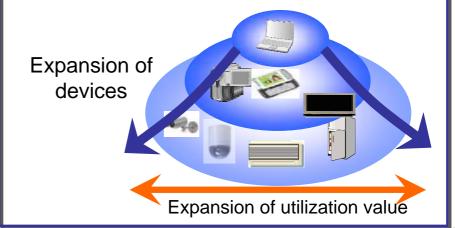
<Company Name>
Wireless Broadband Planning K.K.

#### <Shareholders>

| KDDI                             | 32.26% |
|----------------------------------|--------|
| Intel Capital                    | 17.65% |
| East Japan Railway Company       | 17.65% |
| Kyocera Corporation              | 17.65% |
| Daiwa Securities Group Inc.      | 9.80%  |
| The Bank of Tokyo-Mitsubishi UFJ | 5.00%  |

### **Business Concept**

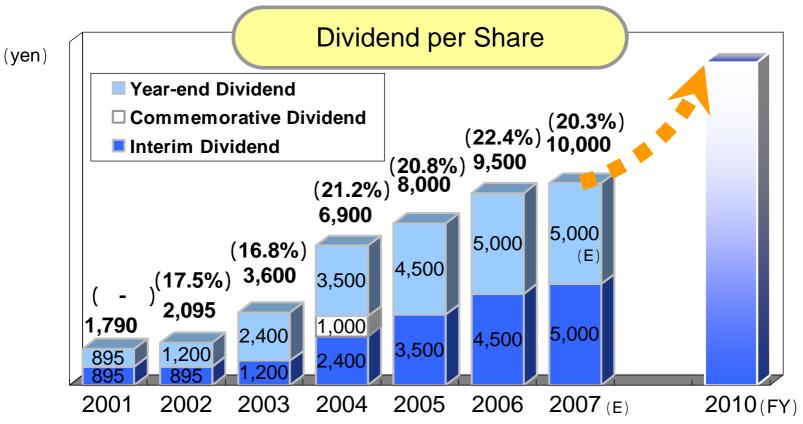
- ■Expand popular uptake of embedded devices and enhance the utilization value of the WiMAX.
- ■Strongly promote open model and expand the WiMAX market together with MVNOs.





## **Shareholder Returns**

■ Maintain stable dividend – aim for consolidated payout ratio of 20% or more, taking investments for sustainable growth into consideration.



Note: ( ) refers to payout ratio, which shows on a company basis until FY2005 and on a consolidated basis in FY2006 and onwards. FY2001 posted net loss, therefore, shown as ( - ).