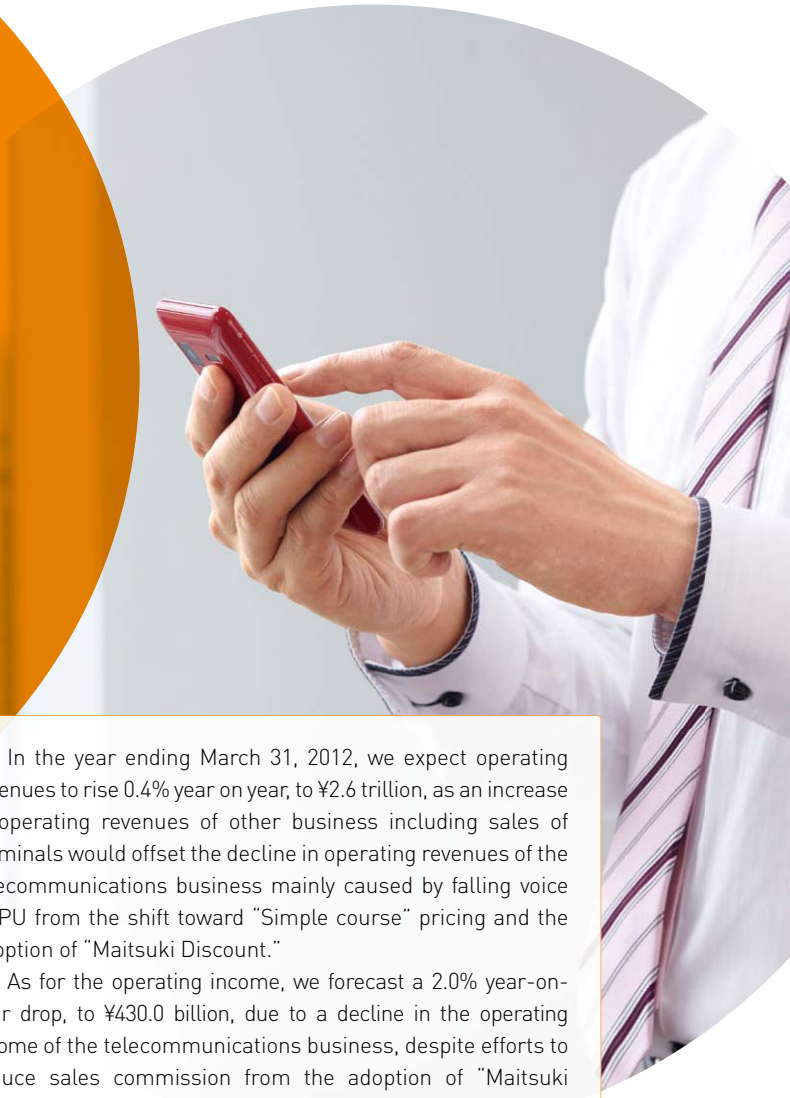
Mobile Business



Principal Services/Operations
Mobile telecommunications services, sales of mobile terminals, content business, mobile solutions services, etc.

Principal Group Companies
KDDI Corporation, Okinawa Cellular Telephone Company, KDDI Technical Engineering Service Corporation, etc.

Overview of Operations in the Year Ended March 31, 2011

In the Mobile Business, which centers on the "au" brand, KDDI provides mobile telecommunications services, sells mobile telecommunications devices, and offers contents and mobile solutions services targeting corporate customers.

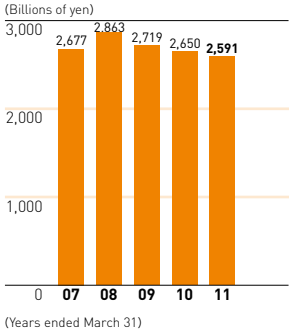
During the year ended March 31, 2011, operating revenues from this business slipped 2.2% year on year, to ¥2,590.7 billion. This decline was mainly attributable to a decline in voice ARPU as more subscribers shifted to the "Simple course" pricing plan.

Although sales commissions (average subscriber acquisition and subscriber retention costs) decreased substantially, efforts promoting users of non-triband handsets to switch to triband handsets and the increase in related costs accompanied by a rise in sales units from the active introduction of smart phones resulted in an operating income decrease of 9.3% year on year, to ¥438.9 billion.

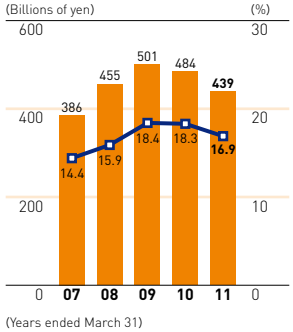
In the year ending March 31, 2012, we expect operating revenues to rise 0.4% year on year, to ¥2.6 trillion, as an increase in operating revenues of other business including sales of terminals would offset the decline in operating revenues of the telecommunications business mainly caused by falling voice ARPU from the shift toward "Simple course" pricing and the adoption of "Maitsuki Discount."

As for the operating income, we forecast a 2.0% year-on-year drop, to ¥430.0 billion, due to a decline in the operating income of the telecommunications business, despite efforts to reduce sales commission from the adoption of "Maitsuki Discount," expand profits of sales terminals and "Keitai Guarantee Service," and reduce general expense.

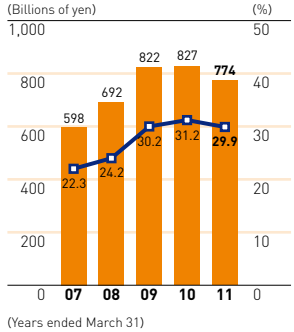
Operating Revenues



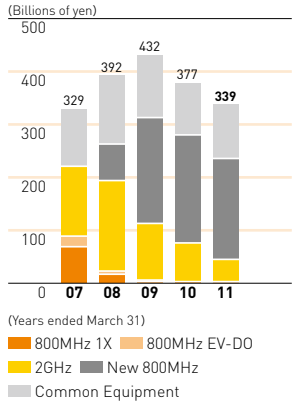
Operating Income/ Operating Income Margin



EBITDA/ EBITDA Margin



Capital Expenditures

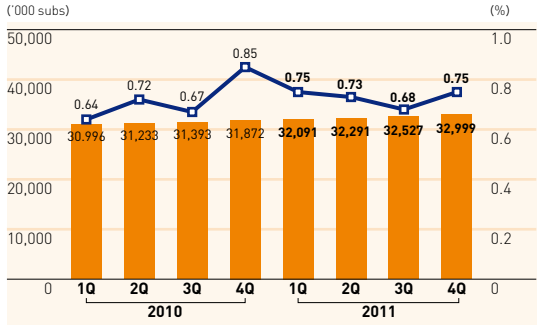


Subscriptions/Churn Rate

Net additions during the year ended March 31, 2011 numbered 1.13 million subscriptions, outpacing our initial expectations by 200,000 units. As a result, total subscriptions at the year-end numbered 33.00 million, up 3.5% from the year earlier and accounting for a cumulative share of 27.6%.

Of this number, 99.6% (32.85 million) subscribed to 3G mobile phone services. High-end CDMA 1X WIN (hereafter, "WIN") subscriptions numbered 29.63 million, accounting for 89.8% of all subscriptions.

The churn rate for the year ended March 31, 2011 was 0.73%, about the same as last year. Although the first-half churn rate was up due to the negative effect of Mobile Number Portability (MNP) after the release of smart phones by other companies, the second-half churn rate was down year on year, owing to our ability to retain customers due to the introduction of smart phones such as the "IS03."

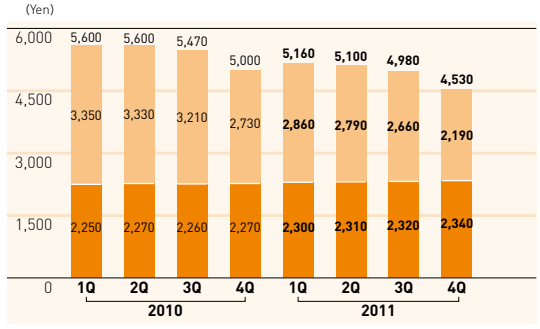


ARPU

ARPU in the year ended March 31, 2011 came to ¥4,940, down 8.7% from the previous term.

Voice ARPU fell 16.8% year on year, to ¥2,620, owing to the increasing shift toward "Simple course" pricing, the growing popularity of such pricing measures as "Call Designation Flat Rate," and access charge revisions.

Data ARPU rose 2.7%, to ¥2,320. This expansion stemmed from successful efforts to promote the shift from 1X to high-end WIN services and smart phones, leading to a rise in the percentage of subscribers to flat-rate pricing plans, and measures to bolster data use among subscribers with low data usage.

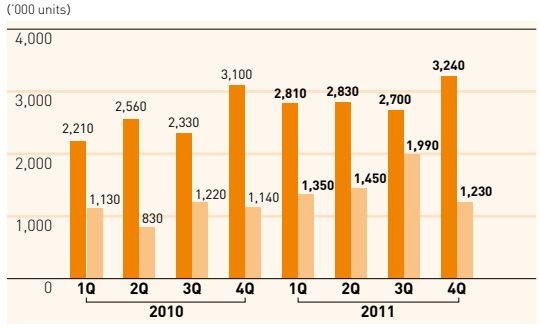


Handset Sales/Inventory

The number of handsets sold during the year ended March 31, 2011 was up 13.4% year on year, to 11.57 million, mainly due to model upgrades resulting from the expansion of smart phone demands and the transfer from non-triband handsets.

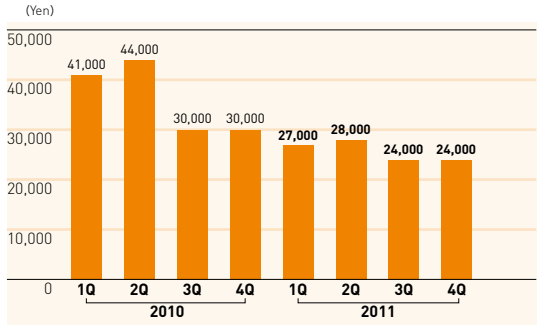
Handset inventory as of March 31, 2011 totaled 1.23 million units, up 7.8% year on year. This figure includes 90,000 units already written off.

KDDI writes off and disposes of handsets to clear excess inventories down to a reasonable level. Its write-offs and disposal of excess inventories led KDDI to post write-off/disposal losses for the year totaling ¥2.8 billion.



Sales Commissions

In addition to reducing handset procurement costs, the adoption of "Maitsuki Discount" for smart phone sales in the second half decreased sales commission per unit. As a result, average sales commissions for the year ended March 31, 2011 were down 27.8% from the previous year, to ¥26,000.



(Years ended March 31)

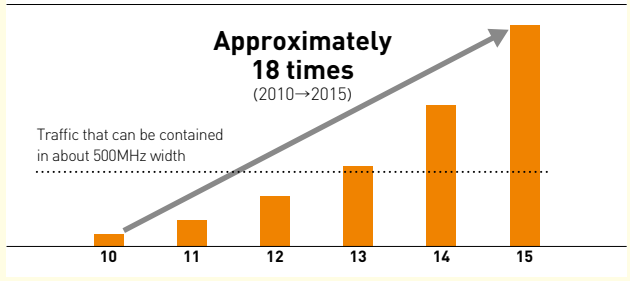
Market Environment and KDDI's Measures

Network

Background

- Mobile data traffic would expand 18 times in five years between 2010 and 2015 due to the spread of devices such as smart phones.
- How to construct high-speed and reasonable networks and how to support the traffic amid the rapid increase of traffic have become the problem for telecommunications operators.
- By promoting a multi-network strategy that effectively uses fixed-line (FTTH, CATV), mobile (3G, LTE, WiMAX), and Wi-Fi, we can not only support rapidly increasing traffic efficiently but also provide a high-speed and comfortable telecommunications environment while reducing total network cost.

Expectations on Mobile Data Traffic in the Domestic Market



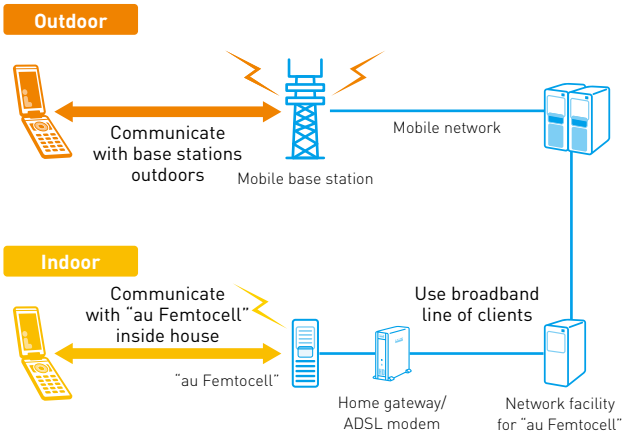
Source: Expectation by KDDI

Our Action

Measures for Data Offloading

- As measures for indoor data offloading, we have provided small indoor base stations "au Femtocell" and "au Repeater" to individuals to set up a data usage environment and to improve telecommunications quality. We have expanded "au Femtocell" offering areas to nationwide in October 2010.
- As measures for outdoor data offloading, we have started offering public wireless LAN service "au Wi-Fi SPOT," which can be used easily by anyone with au smart phones, in June 2011. We intend to expand usable spots to increase the number to about 100,000 spots by March 31, 2012.

Overview of "au Femtocell"



au Wi-Fi SPOT

Introducing New Technology for the Future

In November 2010, we adopted "EV-DO Multi-Carrier" technology and started offering "WIN HIGH SPEED," the expanded system that allows a maximum 9.2Mbps downlink and 5.5Mbps uplink speed*1. Compared to the current "EV-DO Rev. A," the speed triples at maximum. *1, 2

*1. Applicable in the areas that support 9.2Mbps downlink (5.5Mbps uplink) speed at maximum. It is the best-effort method service. The speed mentioned is the maximum speed by technical standards and does not show the actual usage speed. The speed may slow down significantly depending on the telecommunications environment and traffic status.

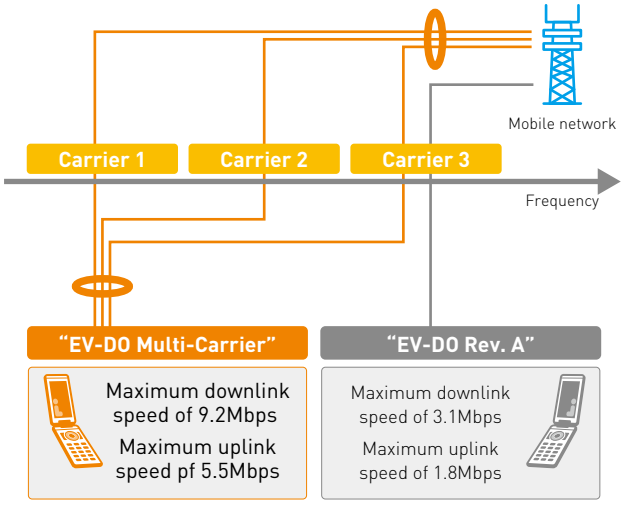
*2. "EV-DO Rev. A" 3.1Mbps downlink/1.8Mbps uplink speed maximum.→"WIN HIGH SPEED" 9.2Mbps downlink/5.5Mbps uplink speed maximum.

We are planning the start of 3.9G system service using the LTE method in 2012. A special feature of our LTE development plan is the quickly raising nationwide coverage. We are currently planning on population coverage of 96.5% by March 31, 2015. We are trying to realize the reduction of cost per bit through nationwide development of LTE.

Also, by adopting LTE in 10MHz width of both the 1.5GHz band and new 800MHz band, we can maximize frequency usage.

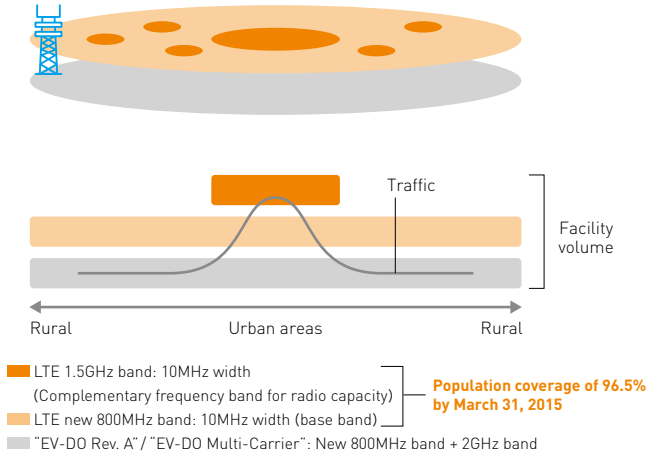
We initially planned on ¥515.0 billion in capital expenditures by March 31, 2015. However, with the promotion of the multi-network strategy we can supress the investment on base stations to within ¥300 billion.

"EV-DO Multi-Carrier" Usage



* Carrier: Radio wave to communicate carrier data (carrier wave)

Development of LTE



UQ Communications Inc. is developing "WiMAX2," a next-generation telecommunications technology that realizes high-speed telecommunications with a maximum downlink speed of 330Mbps by improving the efficiency of frequency usage. This service is to be offered commercially in the year ending March 31, 2013.

Special Features of WiMAX2

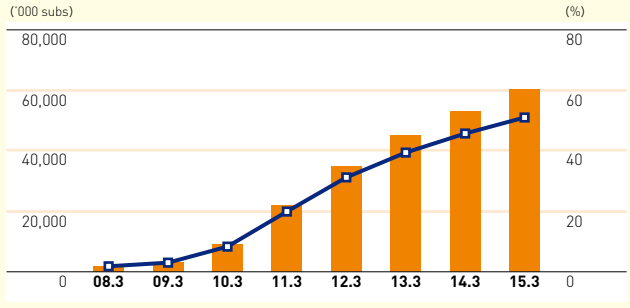
Super high-speed large volume telecommunications	Realize speed that matches FTTH
Further shorten transmission delays	Expand real-time type apps and improve usability
Expand high-speed mobility functions	Realize high-speed large volume telecommunications even when traveling at speed of 350km/h
Sustain compatibility with WiMAX (802.16e)	Secure wide areas from the start of WiMAX2 service
Further improve frequency efficiency	Improve network capacity

Terminals

Background

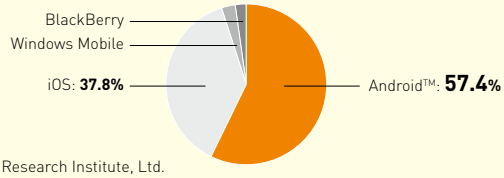
- With U.S. Apple Inc's "iPhone™" as a trigger, the shift to smart phones is advancing rapidly in the world. "Android™", a platform for mobile terminals by Google Inc., is expanding its shares and global competition including terminal manufacturers in the world is getting fierce.
- With fierce terminal competition, reorganization of domestic terminal manufacturers advanced and the same model has been introduced at various carriers, making it difficult for telecommunications operators to differentiate with terminals.
- KDDI has used "Android™ au" as a keyword to shift to smart phones, whose development we have lagged compared to other companies, and aim to expand the number of smart phone users by developing various models in its lineup.

Change and Expected Change of Subscription and Ratio of Smart Phones in Japan



Subscription of Smart Phones in Japan (left)
Ratio of Subscription of Smart Phones in Japan (right)
Source: MM Research Institute, Ltd. (Minato Ward, Tokyo)
"Change and expected change in smart phone market" (December 2010)

Shipment Shares by Smart Phone OS in Japan (FY 2011.3)



Source: MM Research Institute, Ltd.

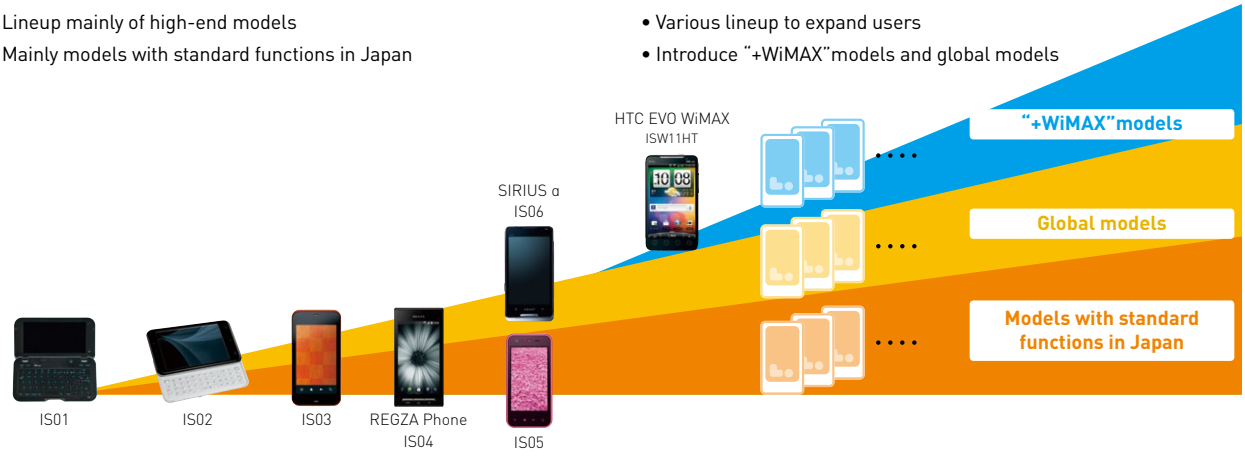
Our Action

Smart Phones

- With "Android™ au" as a keyword, in the year ended March 31, 2011, we released a total of six models, mainly smart phones with standard functions in Japan, including "IS03."
- We will develop a wide terminal lineup, including global models and models with functions common on feature phones, in Japan, as well as "+WiMAX" model like "HTC EVO WiMAX ISW11HT," released April 2011, and unique models like "INFOBAR A01," a model with a stylish design to differentiate it from other companies.

Expansion of Lineup

FY2011.3	FY2012.3
• Lineup mainly of high-end models • Mainly models with standard functions in Japan	• Various lineup to expand users • Introduce "+WiMAX"models and global models



Services/Content

Background

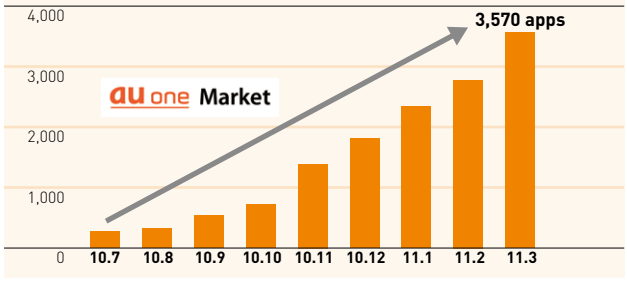
- As voice ARPU plummets, telecommunications operators face an important strategic need to boost data ARPU through enhanced service and content offerings, as well as the urgent need to develop a more diverse business model that is less reliant on communications traffic.
- A massive number of apps for smart phones have been developed and the environment is almost ready to allow anyone to use them easily. Also, as a means to differentiate the content of smart phones, provision of attractive apps and collaboration with global players of contents layer is becoming important.
- We have provided new proposals focusing on customers' lifestyles in areas such as music, videos, sports, and books. In addition, we will promote contents platform strategy through collaboration with companies that have brand power and good contents.

Our Action

Cultivation of Smart Phone Apps and Differentiation Strategy

- "au one Market," a smart phone apps market opened in June 2010, carried 3,570 apps by March 31, 2011, showing steady growth.
- We made an investment in "A-Fund," an investment fund to cultivate Android™ apps and promote cultivation of potentially popular apps.
- We will launch an incubation program "KDDI ∞ Labo" to support venture companies and engineers who will be main players in the next generation to develop Android™ apps in August 2011.

Number of Apps on "au one Market"



Overview of "A-Fund"

Name of the fund	A-Fund, L.P.
Period of new investment	Plan maximum of five years until December 2016
Target of investment	Invest in venture companies that develop Android™-related business (apps, platform, development of hardware, provision of net service) in the United States, China, and Japan
Total amount of fund	$100 million (Plan)
Management	DCM (California, U.S.A.)
Major investors*	KDDI ($25 million), GREE ($25 million), Tencent, other global companies

* As of April 22, 2011

Strengthening Tie-ups with Powerful Partners

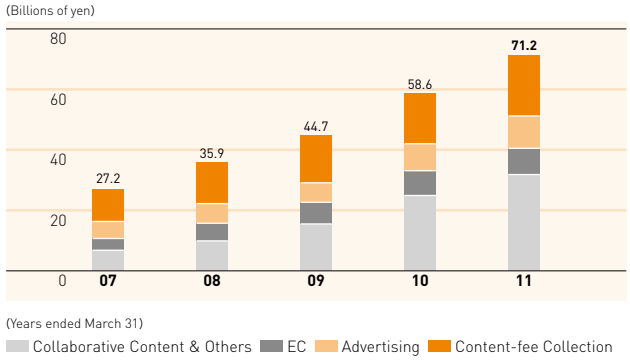
- KDDI Corporation and Skype™ announced a strategic alliance and started offering "Skype™|au" service on au smart phones featuring Android™ in November 2010.
- In May 2011, we agreed on function collaboration with "Facebook." Users of au mobile phones will be able to communicate more easily with over 500 million people using Facebook and collect and share information that is more suited to the individual.

Conventional au Only Services to be Adopted by Smart Phones

- We are advancing with measures to adopt services developed for EZweb, including "LISMO!," au's music, video, and book services, and "au Smart Sports," and "EZ Navi Walk," for smart phones.
- "LISMO WAVE," a music streaming service that allows users to listen to FM radio broadcasting from 52 private stations around Japan regardless of areas, has been offered from January 2011.

Contents and media business recorded ¥71.2 billion in revenues, up 31% year on year, continuing the trend of higher revenues.

Content/Media Business Sales



Pricing Plans

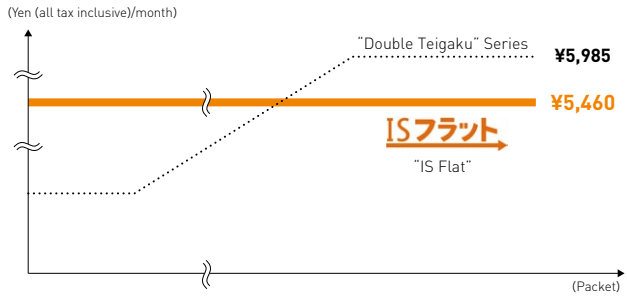
Background

- For voice call plans including basic fees, all companies are selling mainly discount two-year subscription type plans that aim to prevent termination of subscription and price plans that separate telecommunications fees and terminal price so that voice ARPU is on the decline.
- All companies are selling flat-rate plans for data communication fees that transfer to smart phones from feature phones, and this is expected to improve data ARPU.
- All companies have adopted plans to reduce price of terminals, mainly of smart phones, by discounting future telecommunications fees so as to reduce the terminal purchase burden of clients and sales commissions.

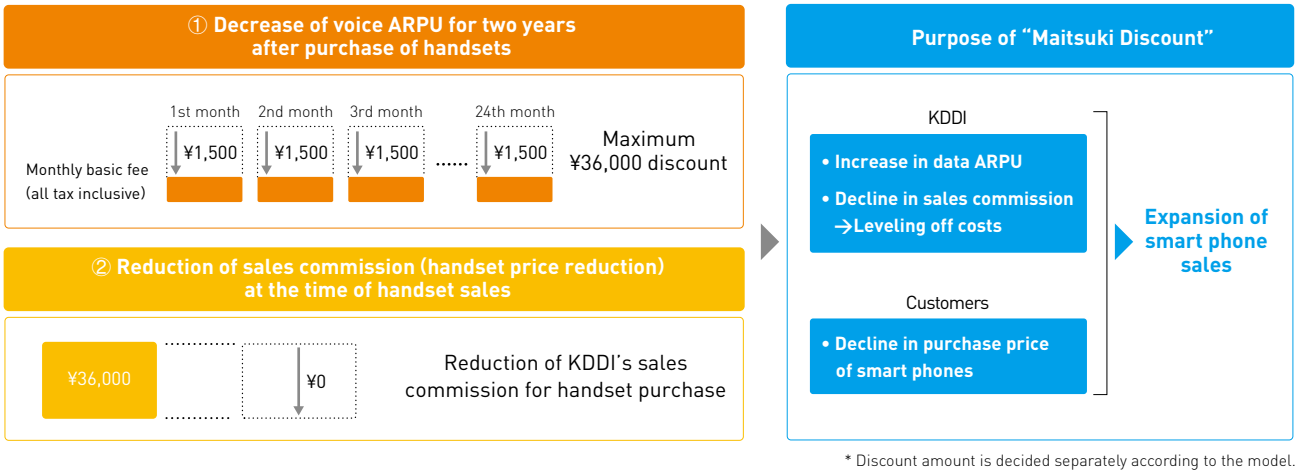
Our Action

- We have introduced "IS Flat," a new packet flat-rate service for smart phone data communication and "Maitsuki Discount (Monthly Discount)," where a fixed amount of discount is subtracted monthly according to the model in November 2011. It will reduce customers' burden on purchasing smart phones, reduce sales commissions, and level off costs.
- A total of 68% of all subscribers have subscribed to the "Simple course" pricing plan as of March 31, 2011.

IS Flat



Effect of "Maitsuki Discount" (in the case of ¥1,500 monthly reduction)



* Discount amount is decided separately according to the model.

Mobile Business Targeting Corporate Clients

Our Action

As growth in the consumer market slows, KDDI is proactively targeting the corporate mobile business, which is expected to grow.

For large enterprises, KDDI offers mobile solutions that enable clients to enhance their operations through the use of mobile phones. As demand rises in the small and medium-sized enterprise (SME) market, we are also moving ahead with product development and marketing strategies, and are forming a sales organization for the SME segment.

KDDI and Three Laws of Mobility, Inc., a subsidiary of U.S. Motorola Mobility, have agreed to provide Android™ security management service developed by Three Laws of Mobility. We will provide an environment where corporate clients can safely use Android™ terminals.

"E31T," an open platform terminal for corporate users

Measures for New Revenue Foundation

Our Action

At UQ Communications Inc., business has grown steadily since the company launched its commercial service in July 2009. Its accumulated subscriptions topped 800,000 in March 31, 2011—the target it has been aiming for—and the company expects the number to exceed 2 million in the year ending March 31, 2012.

Accumulated capital expenditures amounted to approximately ¥100 billion on March 31, 2011, and plans call for expenditures, to total ¥144 billion by March 31, 2014.

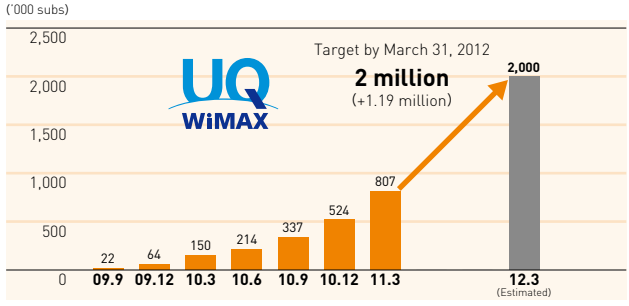
We expect the company to become profitable on an annual basis in the year ending March 31, 2013 and to clear the accumulated loss in the year ending March 31, 2016.

KDDI and UQ Communications will seek for further collaboration including "+WiMAX" smart phones.

Company Profile

Company name		UQ Communications Inc.
Capital including additional paid-in capital		¥47.0 billion
Shareholders and voting rights ratio		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%
Current situation	Area coverage	Base stations as of Mar. 31, 2011: 14,376 Avg. of 70% in Japan, 99% in Tokyo, Nagoya, Osaka by population—Covering 569 cities and towns in all 47 pref.
	Device	Wi-Fi router, WiMAX PC become main
	Fee	"UQ Flat Yearly Passport," a flat-rate plan of ¥3,880 monthly charge under the condition of one-year subscription, proves popular.

Subscriptions



Results Estimation

Subs (as of March 2014)	Approximately 5.60 million
Sales (FY2014.3)	Approximately ¥145.0 billion
CAPEX (up to March 2014)	Approximately ¥144.0 billion
Break-even (single FY)	End of FY2013.3
Elimination of cumulative loss	End of FY2016.3

Various Devices Available by Open Device System

WiMAX PC | Wi-Fi router | Data communication card

Fixed-line Business

Principal Services/Operations
Broadband service (FTTH, CATV, etc.),
domestic and international telecommunications services,
data center services, ICT solutions services, etc.

Principal Group Companies
KDDI Corporation, JCN Group,
Chubu Telecommunications Co., Inc. ,
KDDI America, Inc., etc.

Overview of Operations in the Year Ended March 31, 2011

Through its Fixed-line Business, the KDDI Group supplies a full range of fixed-line telecommunications services, such as broadband services including FTTH and CATV services, local, long-distance, and international voice telephony, and data center services and ICT solutions services for corporate clients.

Operating revenues in the year ended March 31, 2011 amounted to ¥897.3 billion, a 6.9% increase year on year. While KDDI alone showed a decline in operating revenues due to a drop in voice service revenues that offset an increase in revenues of the Internet business from FTTH business promotions, increases in overseas consolidated subsidiaries—including investments in two MVNO-related companies in the United States and the addition of Cabletelevision Adachi Corporation and CABLE TELEVISION TOKYO, LTD. in the CATV business—led to the overall increase.

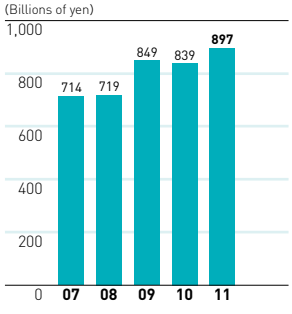
On a non-consolidated basis, the balance of payments on the FTTH business improved, and the Company experienced lower operating expenses from network streamlining. Moreover, stronger performance by consolidated subsidiaries such as Chubu Telecommunications Co., Inc. (CTC), helped to record operating income of ¥24.0 billion in the Fixed-line Business, a ¥68.2 billion improvement compared with the previous year, showing the first turnaround in seven years.

In the year ending March 31, 2012, owing to the increased revenues of consolidated subsidiaries, an expanded customer base for FTTH services, and strengthening of the solutions business for corporate clients, we expect operating revenues to rise 3.1% year on year, to ¥925.0 billion.

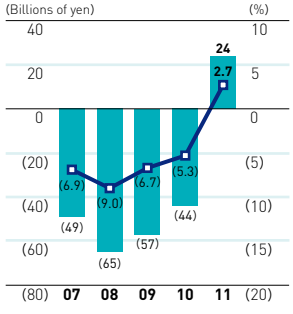
In addition, we are aiming for a 66.7% rise in operating income, to ¥40.0 billion, resulting from lower costs due to network streamlining,* improved balance of payments on the FTTH business, and expanded income from consolidated subsidiaries.

* Network streamlining: Rationalizing fixed-line networks that have increasing overlaps and greater complexity by reducing base stations and transmission circuits with low-utilization rates. In the year ended March 31, 2010, through reorganization and unification we booked a total of ¥48.1 billion in extraordinary loss including impairment loss, and in the year ended March 31, 2011, the cost reduction effect was ¥18.1 billion. We aim for further streamlining including management reform by expanding the target to metro access networks.

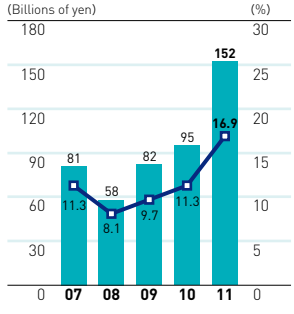
Operating Revenues



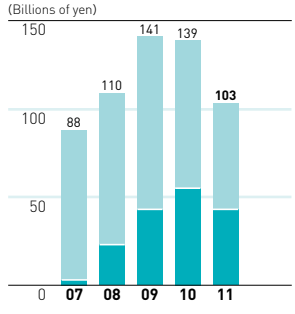
Operating Income (Loss)/ Operating Income (Loss) Margin



EBITDA/ EBITDA Margin



Capital Expenditures



Market Environment and KDDI's Measures

Access Line Business

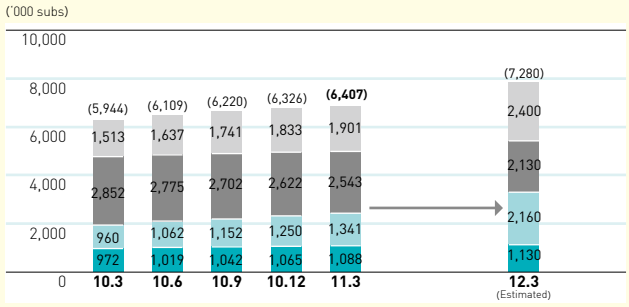
Background

"Access line" refers to the line that connects customers' homes or offices with our backbone network. In the access line business, consumers have shifted to broadband services such as ADSL, FTTH, and CATV. Shifting from ADSL to FTTH is particularly common, largely owing to price competition and the introduction of "triple-play" services that combine Internet access, phone, and video.

While needs for high volume and various visual contents viewing expand, customers who do not use video distribution sites or other large-volume data download services find ADSL service sufficient for their needs, leading to stagnation in the growth of FTTH service subscriptions. New measures to promote the spread of FTTH are needed.

Meanwhile, telecommunications carriers expect fixed-line access lines such as FTTH and CATV to serve as destinations to offload mobile data traffic which is rapidly increasing.

Number of Fixed-access Lines



* ( ) shows total subscription of access lines excluding cross over subscriptions.

Our Action

FTTH

As of March 31, 2011, FTTH subscribers on a consolidated basis, including CTC, numbered 1.9 million, up 390,000 from the previous year. Combined revenues from voice, Internet, and video services during the year amounted to ¥99.9 billion, with an ARPU of ¥4,360, making it a pillar of the fixed-line business.

Expansion of Service Areas and Service Menus

KDDI began providing "au HIKARI Home" FTTH service in Ishikawa Prefecture in April 2010. The service expanded to include areas in Miyagi Prefecture, Tochigi Prefecture, and Ibaraki Prefecture, while the service was newly started in Niigata Prefecture, Okayama Prefecture, Hiroshima Prefecture, Kagawa Prefecture, Aichi Prefecture, and Kochi Prefecture, and the service became available in 17 prefectures as of June 30, 2011.

auひかり
"au HIKARI"

ギガ得プラン
"Giga Value Plan"

auひかり ホーム
"au HIKARI Home"

auひかり マンション
"au HIKARI MANSION"

"au HIKARI MANSION Giga," a reasonable service offering maximum uplink and downlink speeds of 1Gbps at apartment buildings with four stories or more, began in the Kanto region in May 2010 and in Kansai and Chubu areas in October 2010. "au HIKARI Business," a fixed-line IP telephone service for corporate clients also started.

Strengthening Cross Selling

In the year ended March 31, 2011, we have strengthened cross selling mainly of au sales channels such as au shops. In the year ending March 31, 2012, in addition to au shops, we will promote cross selling at CATV shops such as that of J:COM, while promoting upgrading to FTTH services to ADSL users.

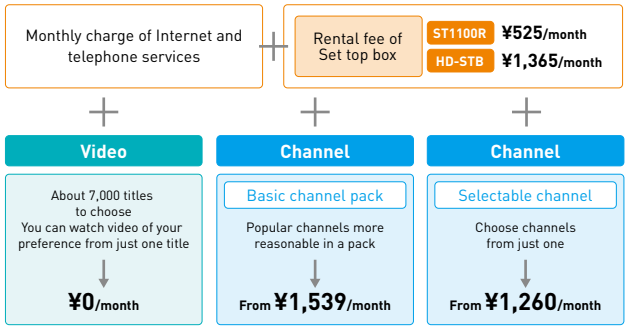
Measures to Improve Combined Sales Ratio

In the year ended March 31, 2011, we simplified pricing plans for video channel (TV service) so that customers can use these services more comfortably.

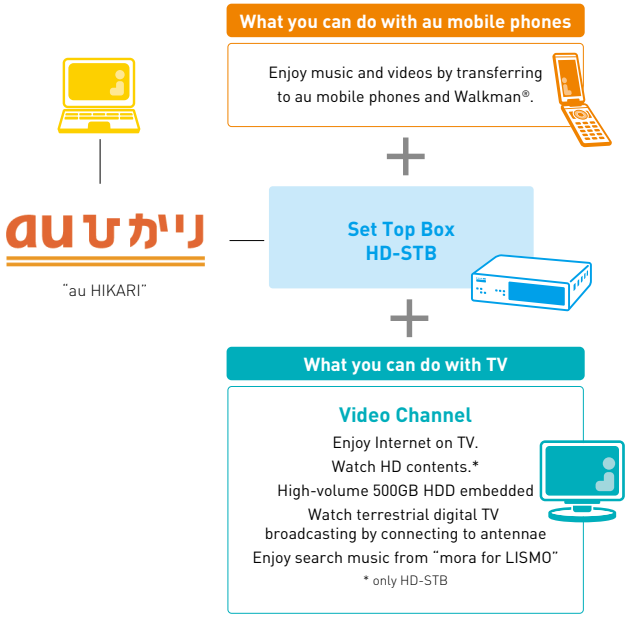
Furthermore, we have embedded 500GB HDDs into set-top boxes (STBs) in our lineup. In the year ending March 31, 2012, we began offering a new STB that can record videos to external HDD and is compatible with customers' home networks.

We are trying to expand services so that customers can enjoy videos and music in various situations throughout their daily lives. One attempt is allowing customers to enjoy videos and dramas distributed by video contents distribution site "LISMO Video Store" on home TVs as well as transfer the contents to their au mobile phones to watch the rest of the programs outside of the home.

Pricing Plans for Video Channel



Overview of HD-STB



CATV

Providing CATV Service through Subsidiary JCN Group

KDDI is providing CATV service through consolidated subsidiary JCN Group.

JCN Group had 19 group stations and 1.09 million subscribed households as of March 31, 2011. We will further promote new subscriptions by offering various service menus and expand the CATV market through ARPU improvement measures such as raising the bundle rate of existing subscribers.

Expanding Tie-up Stations for Cable-plus Phone

"Cable-plus phone" service allows CATV operators to provide fixed-line telephony services using their coaxial cable network and KDDI's CDN (Contents Delivery Network). We offer "Cable-plus phone" to CATV operators, which enables CATV stations to offer full-scale "triple-play" services, including multi-channel broadcasting, Internet, and telephone services. As of September, 2010, KDDI had business tie-ups with over 100 CATV stations that offer "Cable-plus phone," and the number increased to 114 stations as of March 31, 2011. Sales of "Cable-plus phone" increased 45.9% year on year, to ¥28.8 billion.

We aim for tie-ups with about 150 stations to realize "quadruple-play" service of "Cable-plus phone," video on demand (VOD), Internet, and mobile phone by March 31, 2014.

Creating Synergy through Collaboration with Jupiter Telecommunications

We have worked with Jupiter Telecommunications Co., Ltd. (hereafter J:COM), which became an equity-method affiliate in the year ended March 31, 2011, on various business synergy creations such as cross-sales, unifying VOD contents to J:COM, and switching J:COM phones to KDDI relay stations. In the year ending March 31, 2012, we began offering "J:COM PHONE Plus," a J:COM cable phone service using KDDI's network. Additionally, we have introduced "au Collective Talk's" price plan.

J:COM PHONE プラス
"J:COM PHONE plus"

"Metal-plus"

Sales to Upgrade to Broadband

"Metal-plus" is a direct-access, fixed-line telephone service. Since KDDI provides the line instead of NTT, the service generates basic monthly charge revenues for KDDI in addition to the conventional call-based revenues. "Metal-plus" targets customers who only want a basic telephone service, but it also offers Internet access through either ADSL or a dial-up connection.

As the shift to FTTH service among Internet users continues to occur, "Metal-plus" users are decreasing annually. During the year, the number of "Metal-plus" subscriptions decreased 310,000, to 2.54 million subscriptions as of March 31, 2011. Total revenues, including voice telephony and Internet, amounted to ¥104.3 billion, with an ARPU of ¥3,200.

We will promote sales to users who used "Metal-plus" to upgrade our services to FTTH.

Our Action

Providing Reliable International Telecommunications

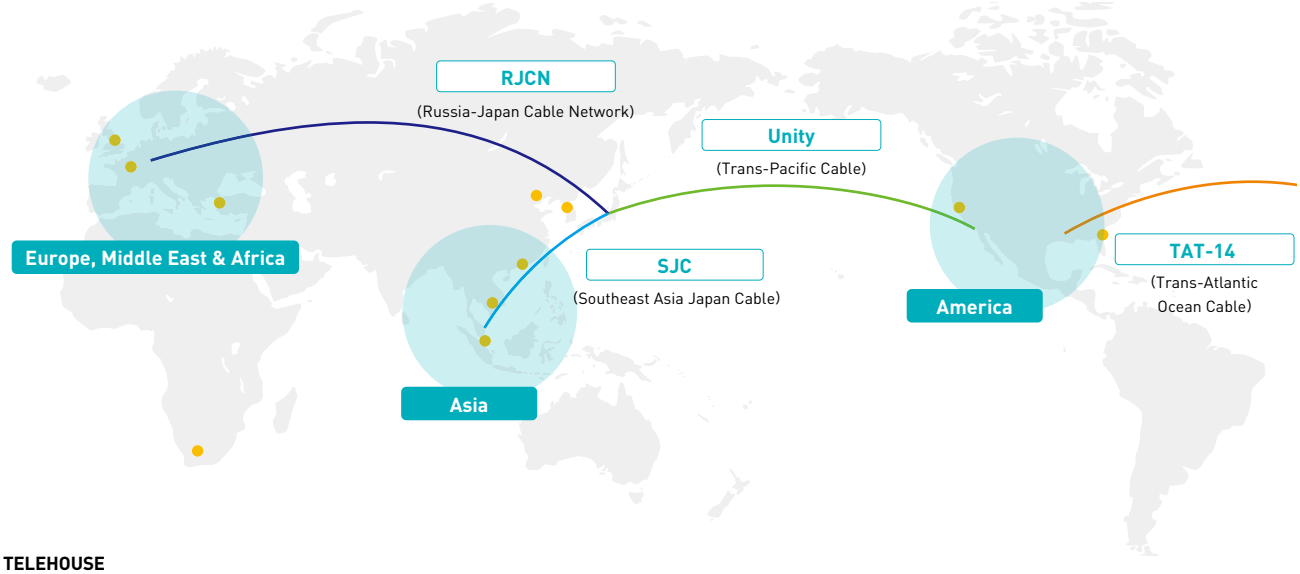
Using our international telecommunications service know-how built through over 50 years of business, along with our globe-spanning submarine cable network, KDDI provides top-quality, seamless layer network service to the entire globe varying from international telephone services for individuals and corporate clients to data,

In the Asia-Pacific region, we have a state-of-the-art submarine cable network that includes the trans-pacific 4.8Tbit/s capacity Unity cable and the SJC (Southeast Asia Japan Cable) that links points within Asia using a total capacity of 17.6Tbit/s (scheduled to begin service in 2013), to provide a high-quality, low-delay network.

To meet a variety of the ICT needs of corporate clients advancing overseas business, including telecommunications network configuration, operation, and maintenance, we are creating a global structure. In January 2011, we established "KDDI Brazil" to support the ICT environment construction of Japanese companies in Brazil, and our overseas establishments spanned 90 locations in 58 cities within 26 regions.

KDDI OCEAN LINK

KDDI's Global ICT Bases



TELEHOUSE

United Kingdom (London)
Docklands North
Docklands East
Docklands West
Metro

France (Paris)
Jeuneurs
Voltaire
Magny

Turkey
Istanbul

South Africa
Cape Town
Johannesburg

China
Beijing
Shanghai

South Korea
Seoul

Hong Kong
Hong Kong

Vietnam
Hanoi

Singapore
Singapore

America (Los Angeles)
Los Angeles

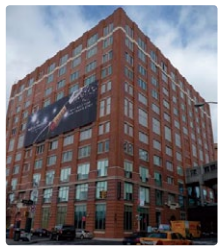
America (New York)
Broadway
Teleport
Chelsea

Proactive Overseas Development of Data Center Business

We are offering a high-quality data center service under the brand name "TELEHOUSE" in Japan and overseas.

In July 2010, we opened "TELEHOUSE SHANGHAI," the second place in China after Beijing. We also opened "TELEHOUSE NEW YORK Chelsea," the third place in New York in January 2011, and "TELEHOUSE ISTANBUL" in Turkey in March 2011 to offer data center services that match the "TELEHOUSE" global standard.

The openings brought the total number of TELEHOUSE sites to 20 sites in 13 cities straddling 10 regions worldwide (approximately 119,000 square meters) as of March 31, 2011.



TELEHOUSE NEW YORK Chelsea

TELEHOUSE SHANGHAI

TELEHOUSE ISTANBUL

Other Business

Principal Services/Operations

Call center business, research and advanced development, etc.

Principal Group Companies

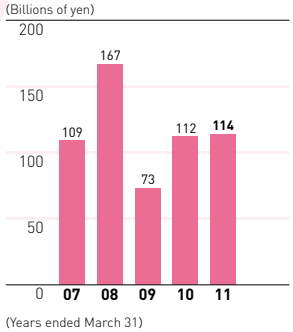
KDDI Evolva Inc., KDDI R&D Laboratories Inc., etc.

Overview of Operations in the Year Ended March 31, 2011

In order to raise the competitiveness of the entire KDDI Group, we are focusing on strengthening its business in fields with growth potential.

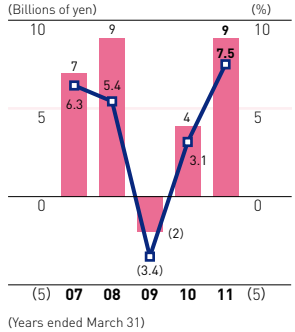
Due to a segment change in the mobile business of mediba corporation and the expansion of call center services, during the year ended March 31, 2011, operating revenues surged 1.9%, to ¥114.3 billion, and operating income surged 143.3%, to ¥8.5 billion.

Operating Revenues



(Years ended March 31)

Operating Income (Loss)/ Operating Income (Loss) Margin



(Years ended March 31)

Operating Income (Loss) (left)

Operating Income (Loss) Margin (right)