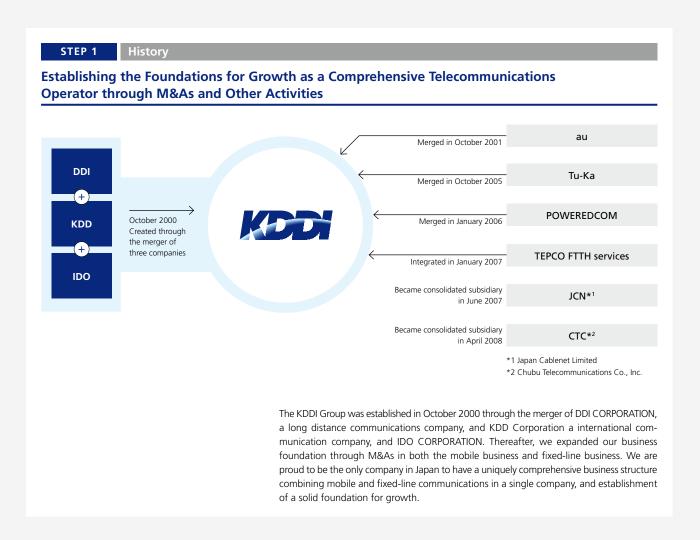
The Three Steps to Understanding KDDI

To best perceive how KDDI is working to reconstruct its foundational businesses, we believe it is useful first to understand us as a company. Therefore, we begin by describing how KDDI came into being, the Company's strengths as an comprehensive telecommunications operator, and our position within the industry.



STEP 3 Position

Holding the Second-largest Share of the Market for Mobile and Fixed-line Communications, after the NTT Group

Share of Cumulative Mobile Communication Subscriptions (As of March 31, 2012) NTT DOCOMO 48.4%

Source: Created by KDDI using Telecomunications Carriers Association's data

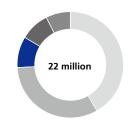
KDDI (au)

* Share among NTT DOCOMO, SOFTBANK MOBILE, and KDDI

28.3%

Share of Cumulative FTTH Subscriptions

(As of March 31, 2012)



NTT EAST	41.9%
NTT WEST	32.3%
KDDI	9.5%
Electric Power Utilities	9.0%
Other	7.3%

Source: Created by KDDI using Ministry of Internal Affairs and Communication's data

STEP 2 Strengths The KDDI Group Provides Comprehensive Mobile and Fixed-line Communications. **Mobile Communications** The mobile communications businesses of KDDI and Okinawa Cellular Telephone Company. au has **Mobile Communications** approximately 35 million subscriptions and rank second in the industry in market share. "4G LTE" services with maximum downlink speed of 75Mbps are scheduled to begin in 2012. Group affiliate UQ Communications (32.3% holding) offers WiMAX services with maximum UQ **Data Communications** downklink speed of 40Mbps. Actual population coverage reached 82%, and cumulative subscrip-WiMAX tions exceeded 2 million in February 2012. Services are also used for offloading mobile data traffic. More than 100,000 "au Wi-Fi SPOT" are installed outdoors and more than 570,000 "HOME SPOT au Wi-Fi SPOT CUBE" are installed indoors. We achieve convenient mobile communications by seamlessly combin-HOME SPOT CUBE ing our mobile and fixed-line networks. **Fixed-line Communications** auひかり We provide highly competitive FTTH services such as "au HIKARI" and "Commuf@-hikari" with FTTH maximum speeds of 1Gbps. Cummulative subscriptions totaled 2.27 million at the end of March 2012. コミュファ光 Jupiter Telecommunications Co., Ltd. (33.0% holding), Japan's largest multiple system operator of cable **CATV** television services, and JCN (95.6% holding), ranked second in the industry, are Group companies. I:COM Together, they had contracts with 4.78 million households at the end of March 2012. "au Smart Value," which discount ¥1,480 (including tax) on monthly charges for smartphone use for Mobile + up to two years (¥980 (including tax) discount thereafter) when customers apply for au smartphone and auスマートバリュー **Fixed-line Broadband** fixed-line broadband service together started on March 1, 2012. We are expanding the customer bases by fully utilizing the competitive rates, while offloading mobile data traffic onto fixed-line networks.

