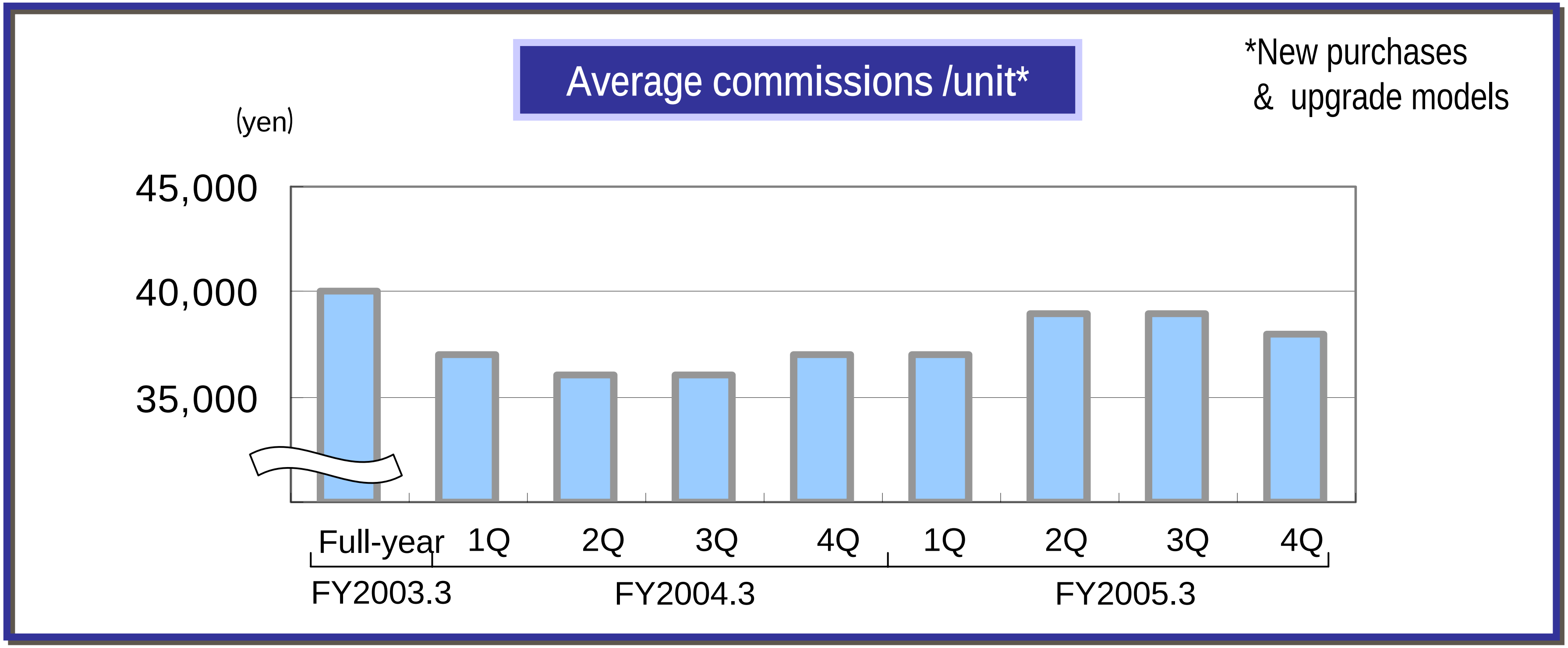
1.1. Sales Commissions

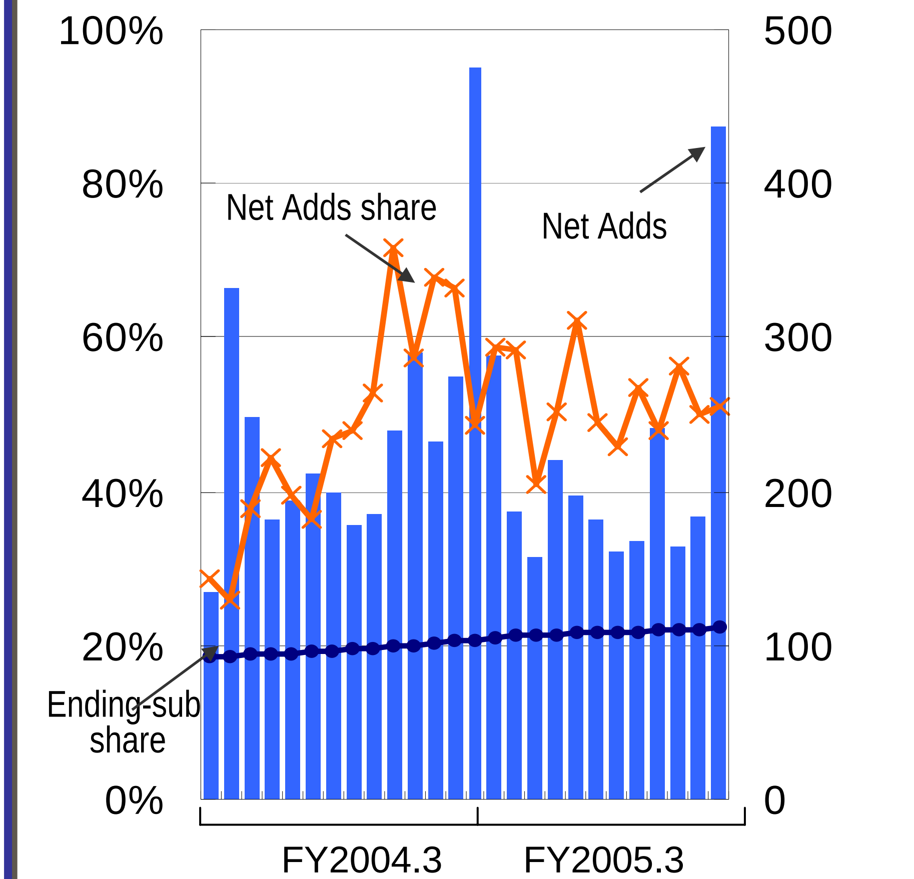


	FY2003.3	FY2004.3 1Q	FY2004.3 2Q	FY2004.3 3Q	FY2004.3 4Q	FY2004.3	FY2005.3 1Q	FY2005.3 2Q	FY2005.3 3Q	FY2005.3 4Q	FY2005.3	FY2006.3(E)
Sales commissions (Billions of yen)	405.0	90.0	90.0	92.0	112.0	384.0	94.0	114.0	112.0	124.0	444.0	457.0
Average commissions/unit (yen)	40,000	37,000	36,000	36,000	37,000	36,000	37,000	39,000	39,000	38,000	38,000	38,000
Number of units sold (‘000 units)	10,100	2,410	2,490	2,590	3,070	10,570	2,550	2,930	2,870	3,230	11,590	12,100

“au” Business

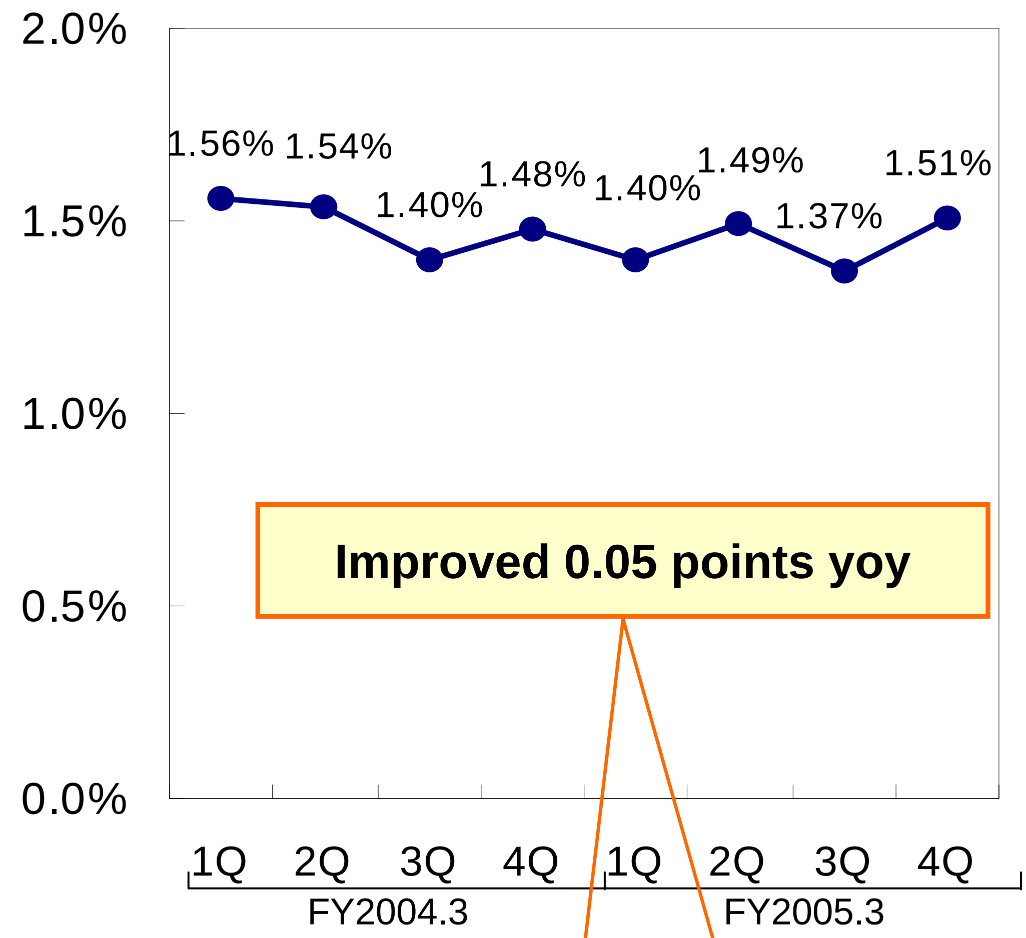
1.2. Net Adds & Churn Rate

Net Adds



Share of :	FY2004.3	FY2005.3
Net Adds	<49.6%>	<50.4%>
Ending subs	<20.8%>	<22.5%>

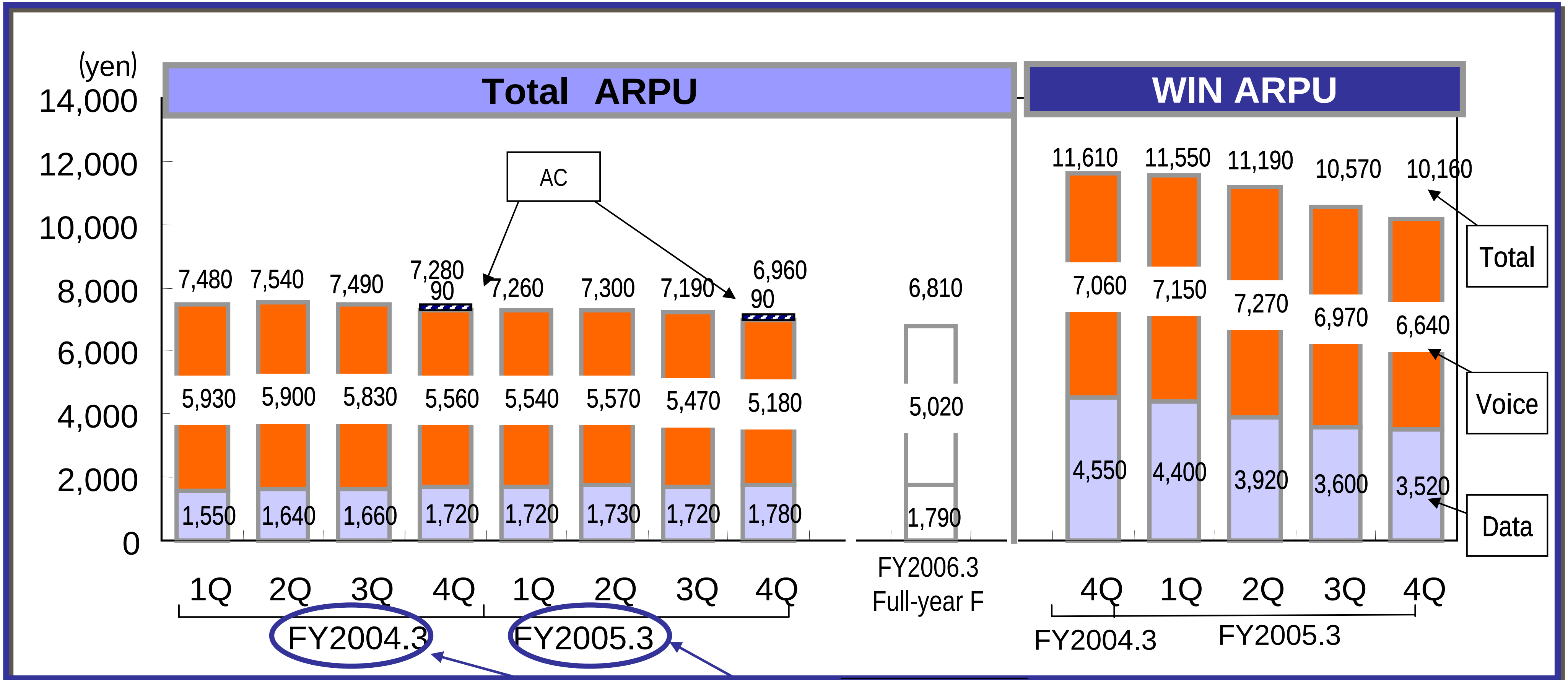
Churn Rate



Full-year <1.49%> <1.44%>

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

1.3. Trend of ARPU



	FY2004.3	FY2005.3
Full-year total ARPU	<7,440円>	<7,170円>
of Voice	<5,800円>	<5,430円>
of Data	<1,640円>	<1,740円>

yoy charge

total	▲¥270	(▲ 3.6%)
of Voice	▲¥370	(▲ 6.4%)
of Data	＋¥100	(＋6.1%)

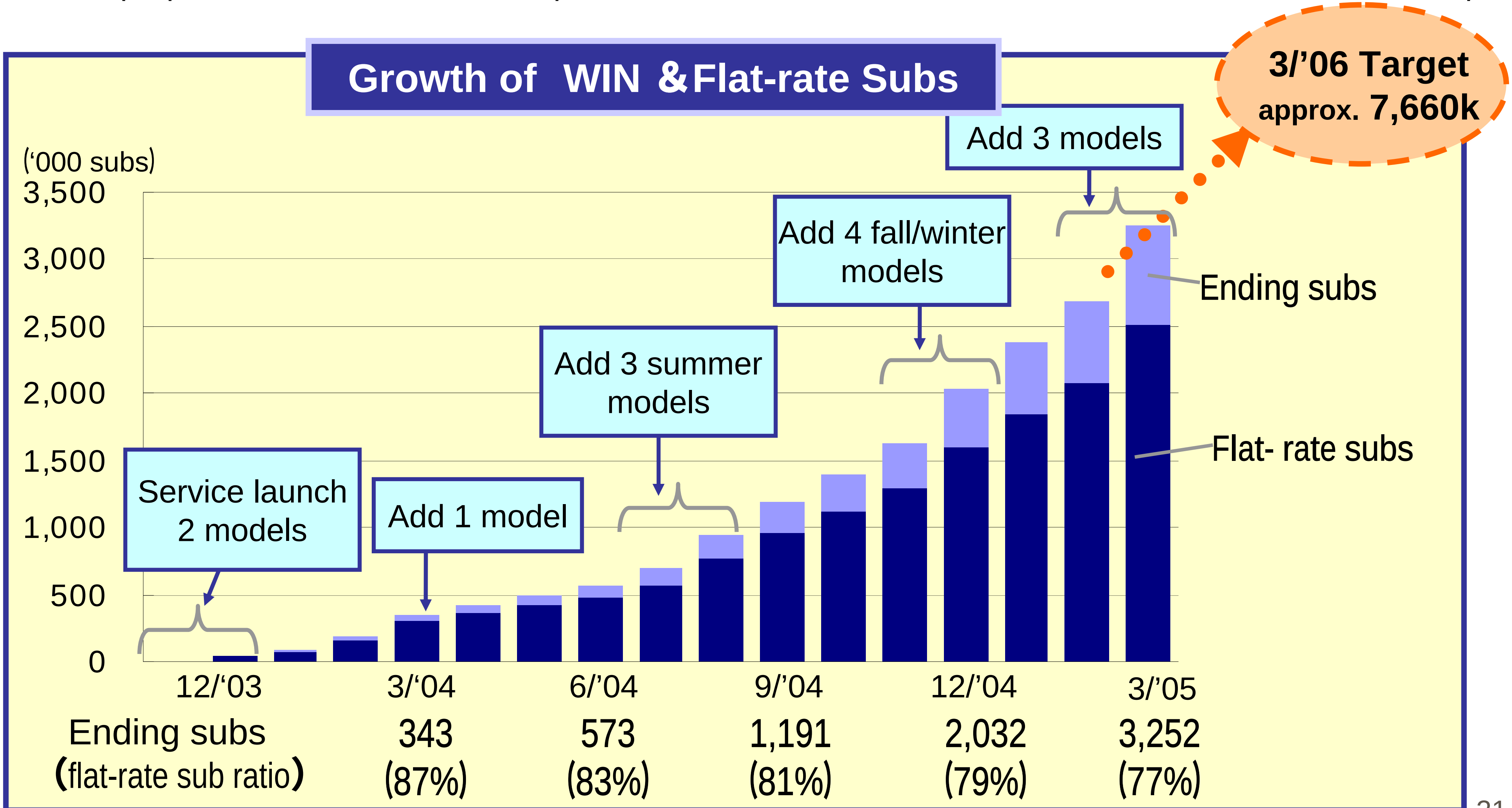
Note 1: 4Q ARPUs are those after the settlement of AC (Access Charges).
Note 2: WIN ARPU is calculated on customers in one full month of operations.

“au” Business

2. Update on WIN(1)

CDMA 1X WIN au by KDDI

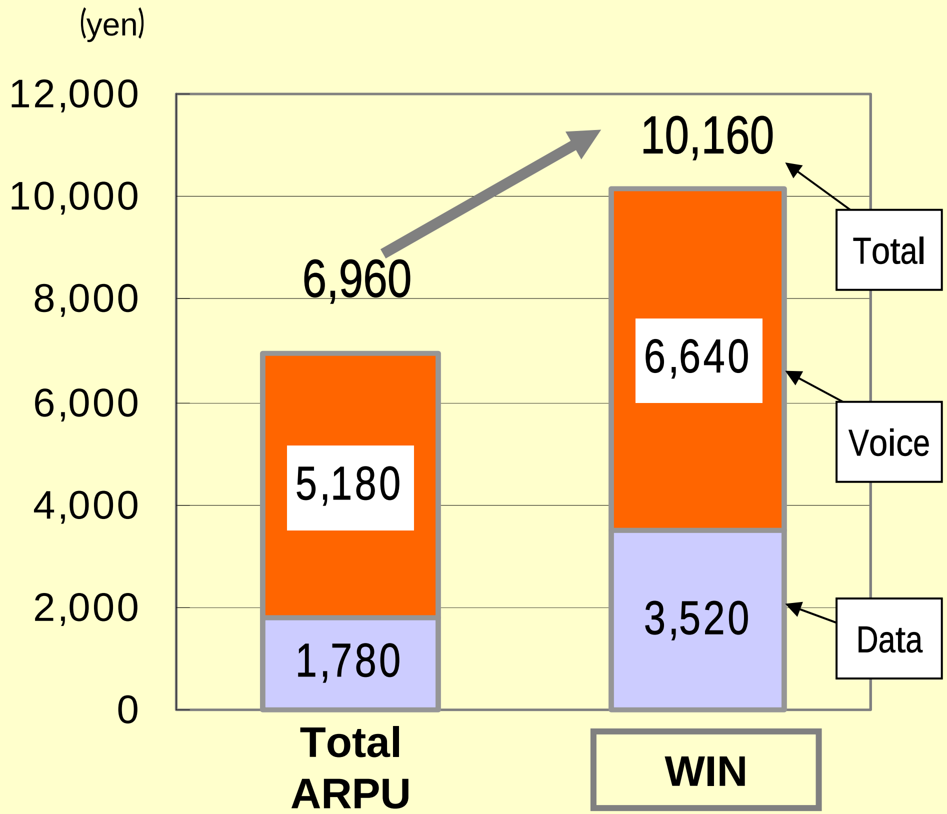
- No. of WIN sub additions has accelerated since increased sales in summer 2004, reaching 3.25 million at end-March.
- Sales proportion of WIN handsets expected to rise to around half in FY 2006.3 due to enhanced lineup.



2. Update on WIN (2)

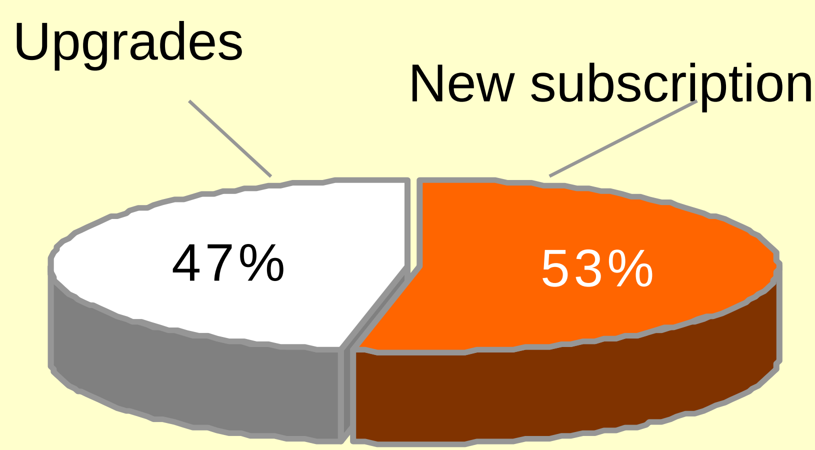
- WIN has continued to capture high-end users from other companies with proportion of new subscriptions at around half.

ARPU



Note: ARPU of 4Q/FY05.3.

Breakdown of WIN Subs

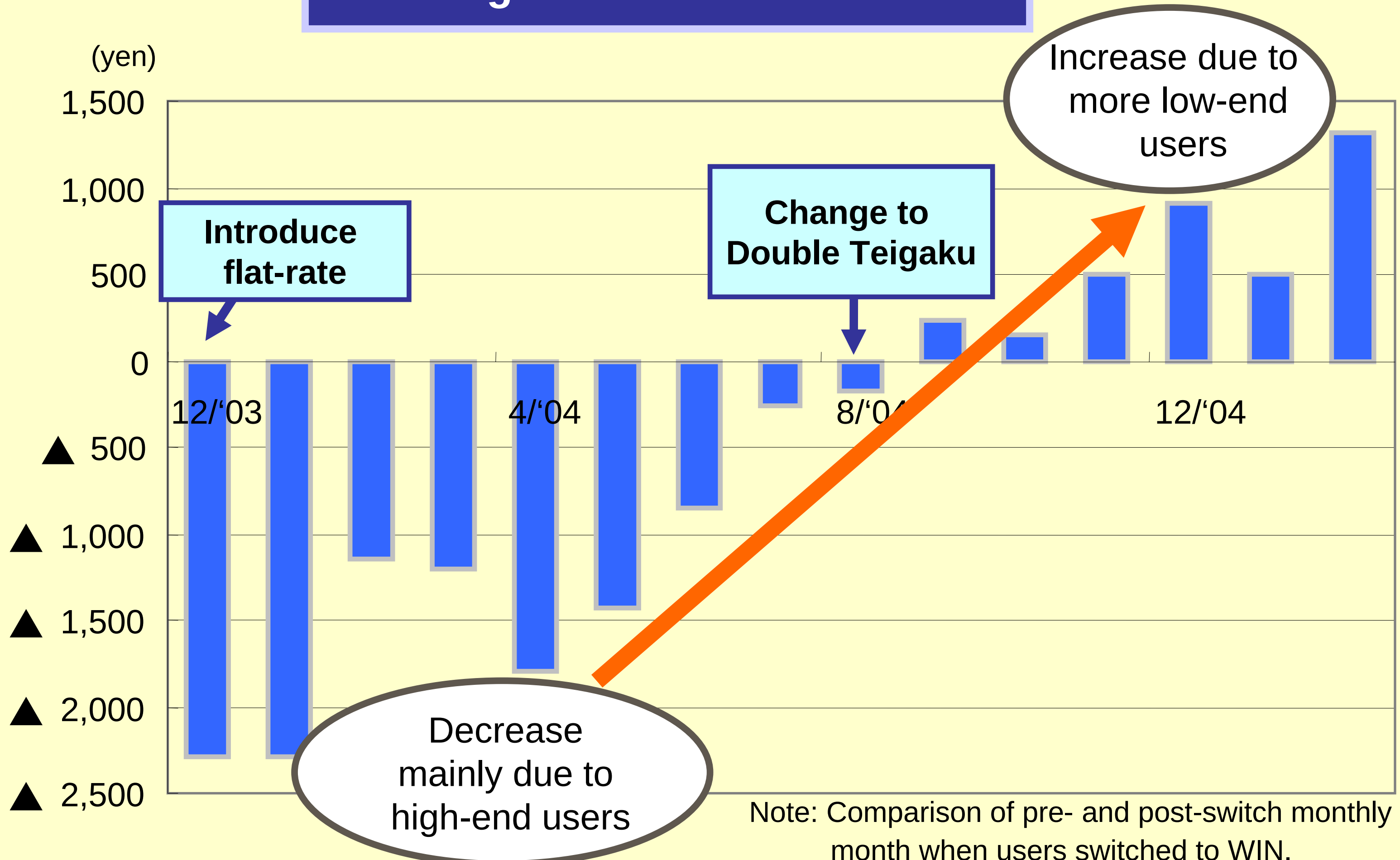


Note: Percentage of the simple total of subs who sign up in 4Q/FY05.3.

2. Update on WIN (3)

■ During launching period, WIN had a negative effect with data high-end users shifting to flat-rate but post-switched ARPU turns to be on a upward trend since DoubleTeigaku (Two-tiered flat-rate) was introduced.

Changes of ARPU : 1X→WIN



Note: Comparison of pre- and post-switch monthly ARPU for the month when users switched to WIN.

3. Measures to Expand Sales of WIN

CDMA 1X WIN au by KDDI

Infrastructure

- Planned EV-DO service coverage
  End-Sept. 2005: 99.9% nationwide
- **EV-DO Rev.A:under commercial development**

Handsets

Expanded lineup

More WIN models in the total lineup

Broadband keitai

CDMA 1X WIN

Charges

August 1, 2004~	(Double Teigaku) ダブル定額
May 1, 2005~	**Double Teigaku Light**
〃 ~	**PCSV flat-rate**

Content & Applications

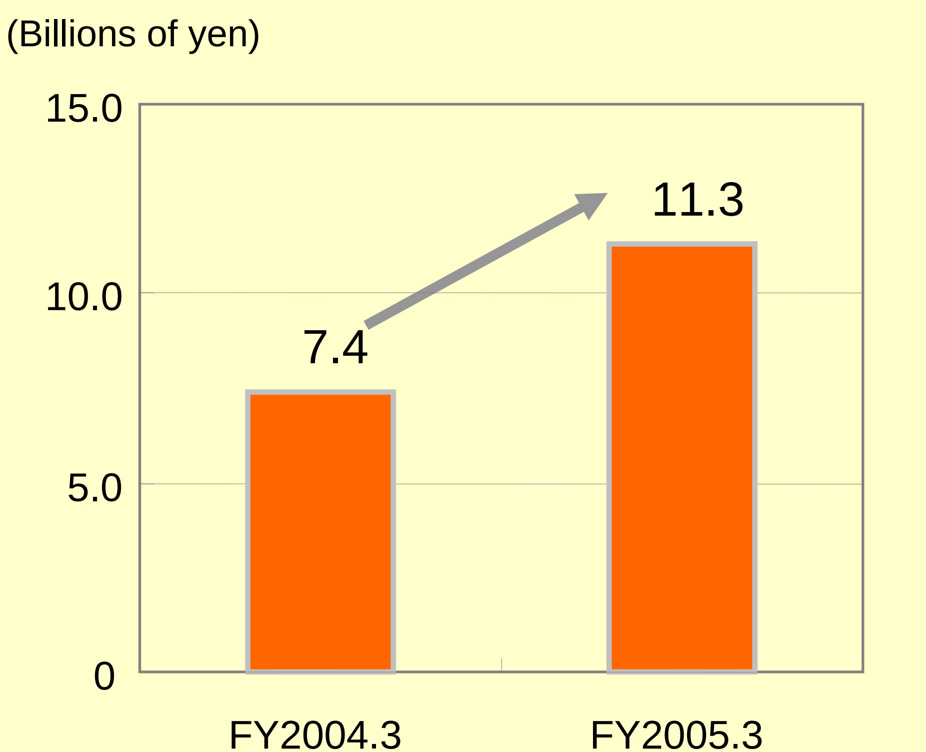
- **Late Nov. 2004~: EZ Chaku Uta Full™**
- **Fall 2005~: Introduce FeliCa**
  (in all WIN handsets after FY2006)
- **FY2005~: Strengthen broadcast links**

Note: PCSV stands for PC site viewer.

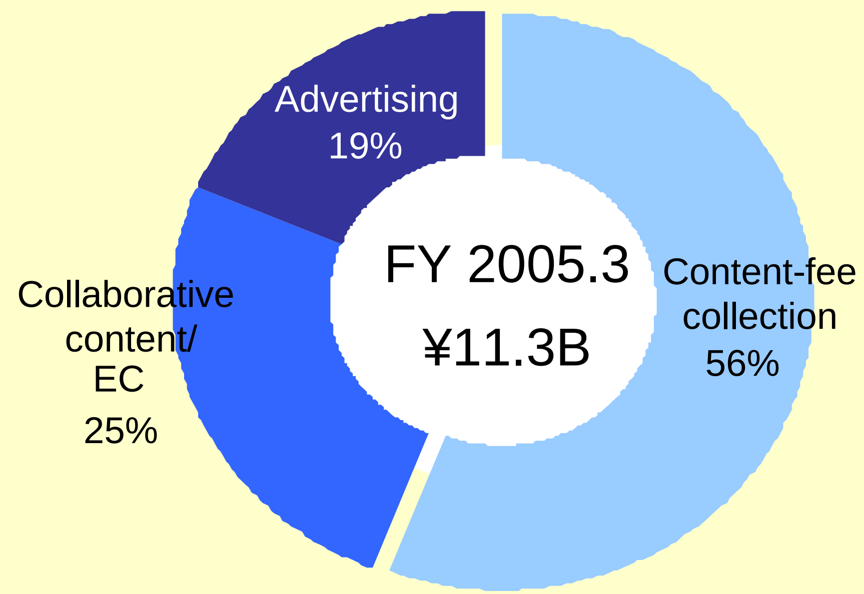
4. Boost Sales from Content/Media Biz. (1)

- Steady growth in sales of Content/Media Business, exceeding ¥10.0B in FY 2005.3
- Shift from focus on content-fee collection and aim for growth in new areas including collaborative content, EC(e-commerce) and advertising businesses.

Sales of Content/Media Biz



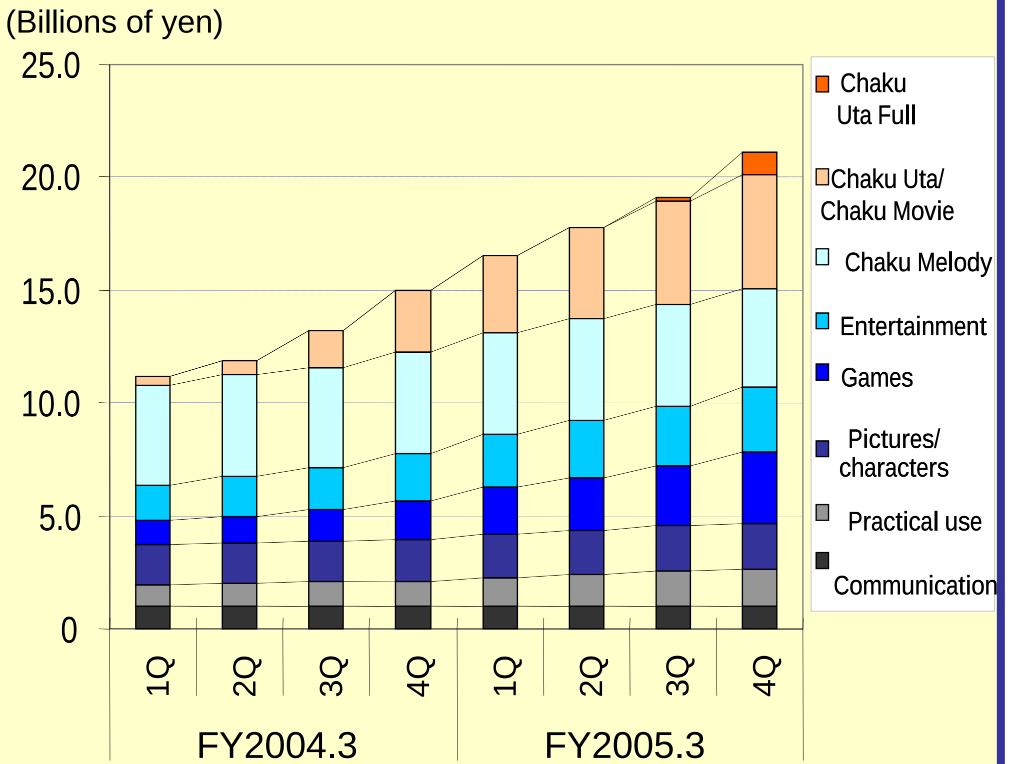
Sales Breakdown



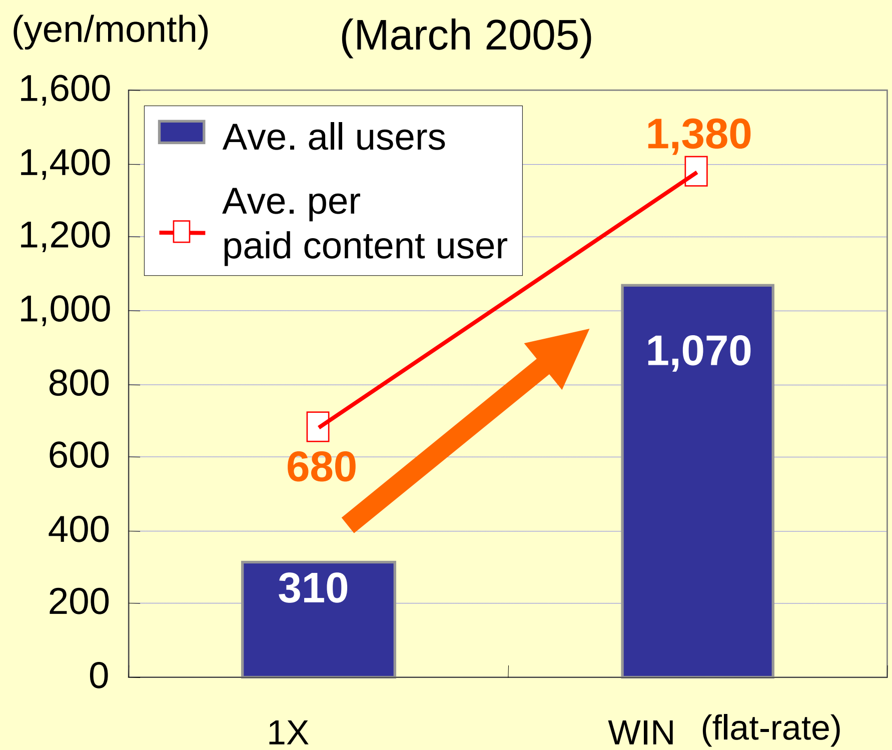
4. Boost Sales from Content/Media Biz. (2)

- Expand use of rich content such as music and e-books made possible with WIN
- Paid-content spending (content ARPU) for WIN users is over three times that of 1X users

Use of Paid-Content by Genre



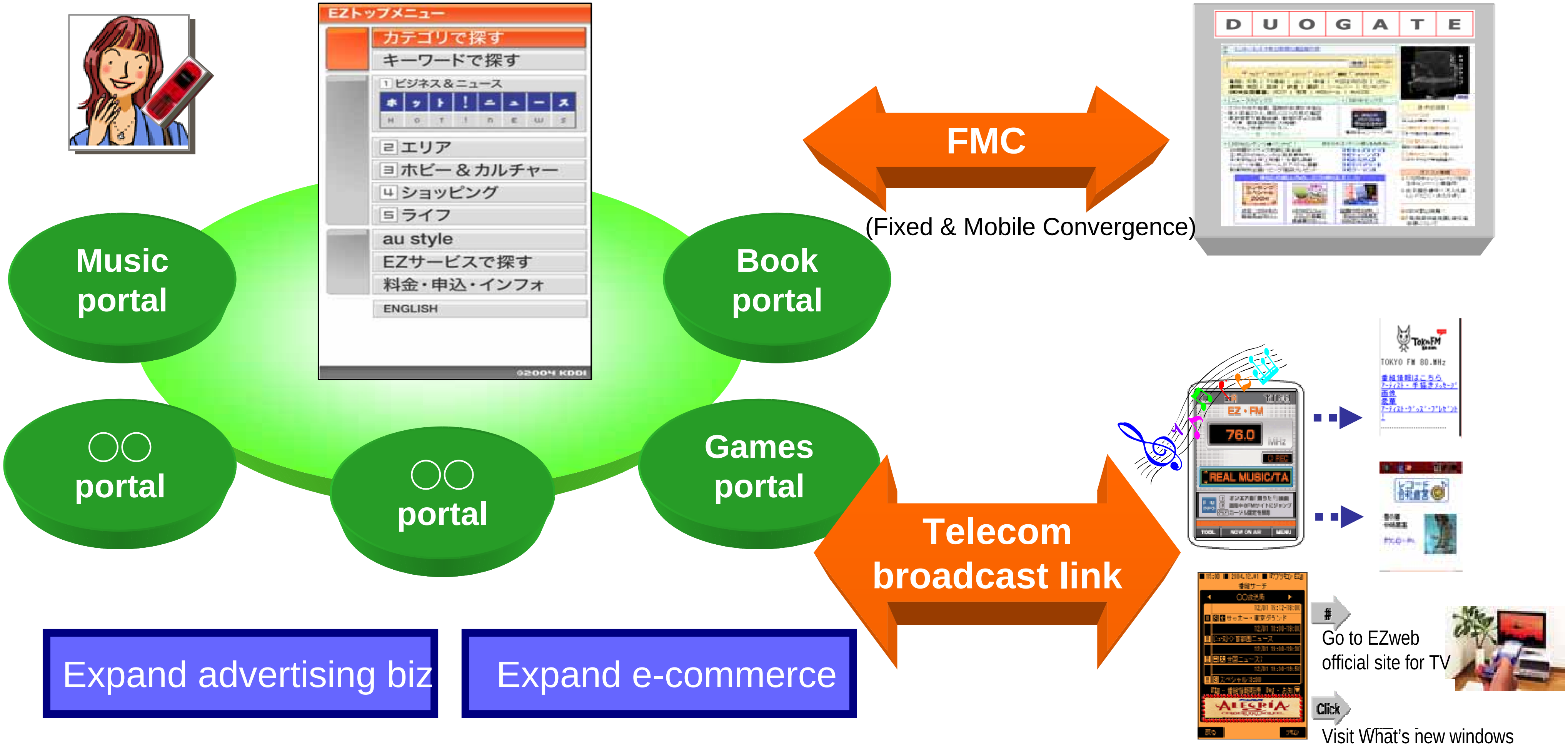
Paid-Content Spending/User



Note: Paid-content sales go to content service providers of which KDDI receives less than 10% of total as commission for fee-collection.

4. Boost Sales from Content/Media Biz. (3)

- Promote return visit within portal by constructing portals for different genres.
- Increase media value on mobile phones by advancing FMC portal and telecom broadcast links.

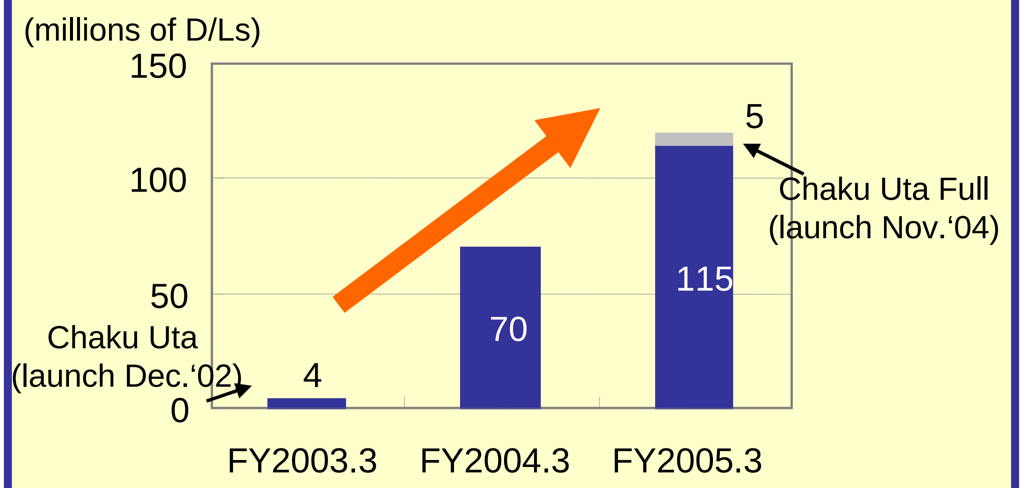


4. Boost Sales from Content/Media Biz. (4)

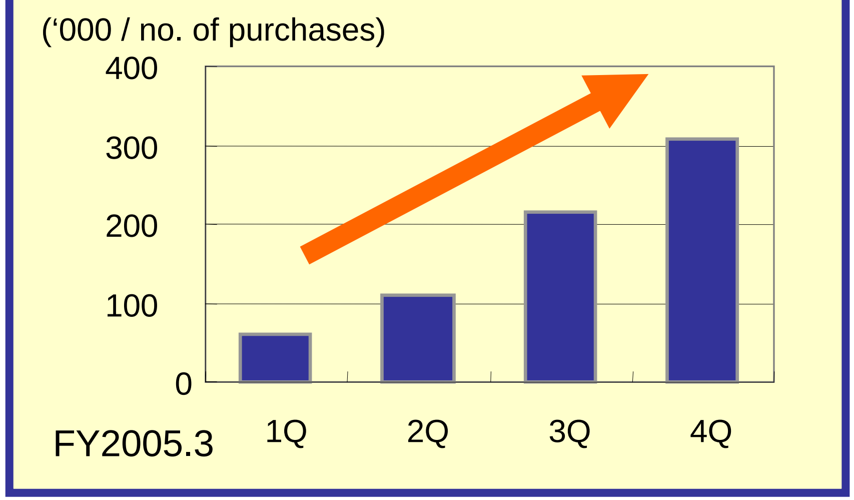
To purchase of real goods (CDs)

From expanded sales of digital content

Chaku Uta & Chaku Uta Full

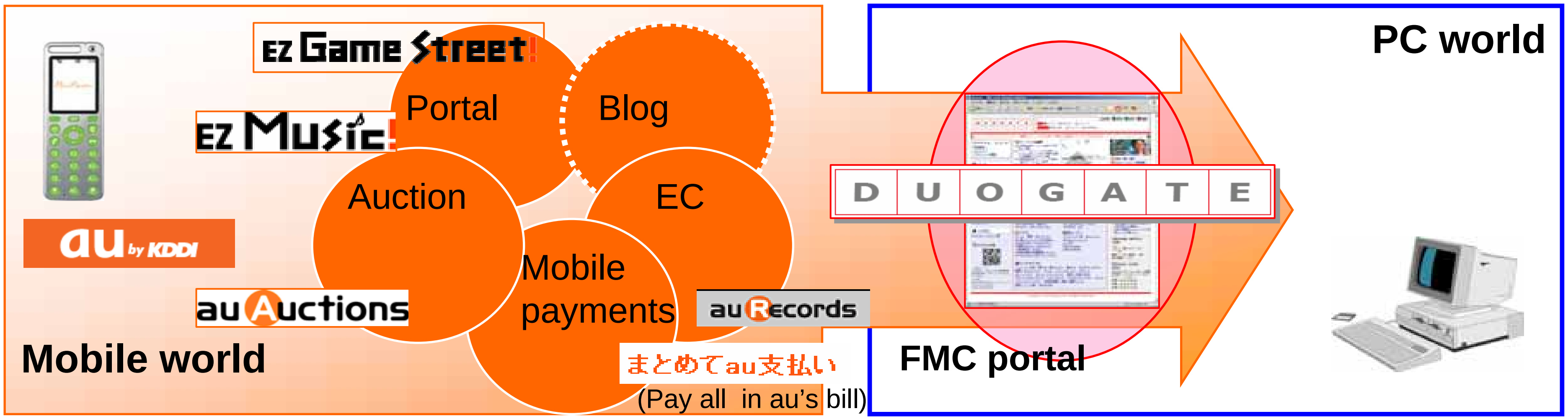


E-Books

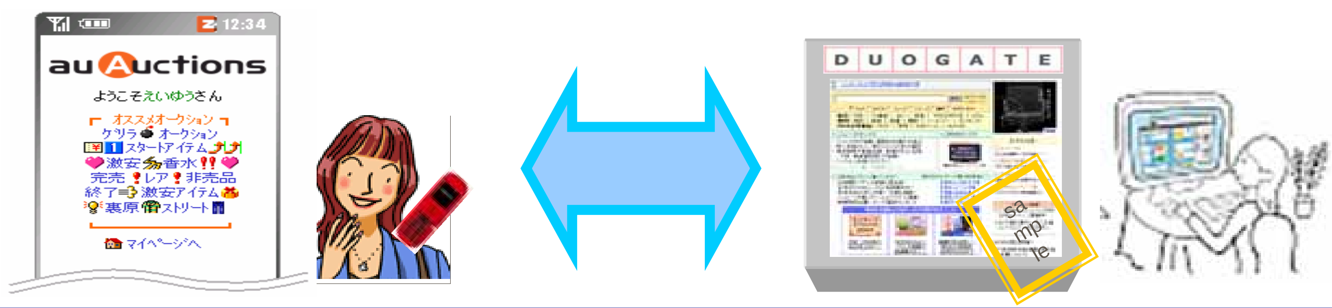


4. Boost Sales from Content/Media Biz. (5)

■ Create easy-to-use portals and FMC portals by leveraging strengths of mobile phones (mobility, convenience, secure payment etc.) and strengths of PCs (home-use, large screen etc.)



(Example) Confirm product on PC’s large screen and take part in auction via mobile phone.



5. Measures to Reduce Handset Costs

Handset Cost Reduction

- Select handset functions specific to target market
- Standardize software and hardware between handset suppliers

■ Example of Development Cost Reduction

Standardize Software Platforms via BREW

- Reduce verification time in handset development
- Reduce application development time for application vendors
- Enable swift development of attractive services

-To be cmpatible with WIN 05 Summer Models by 2 suppliers

- To be followed by all suppliers in FY06