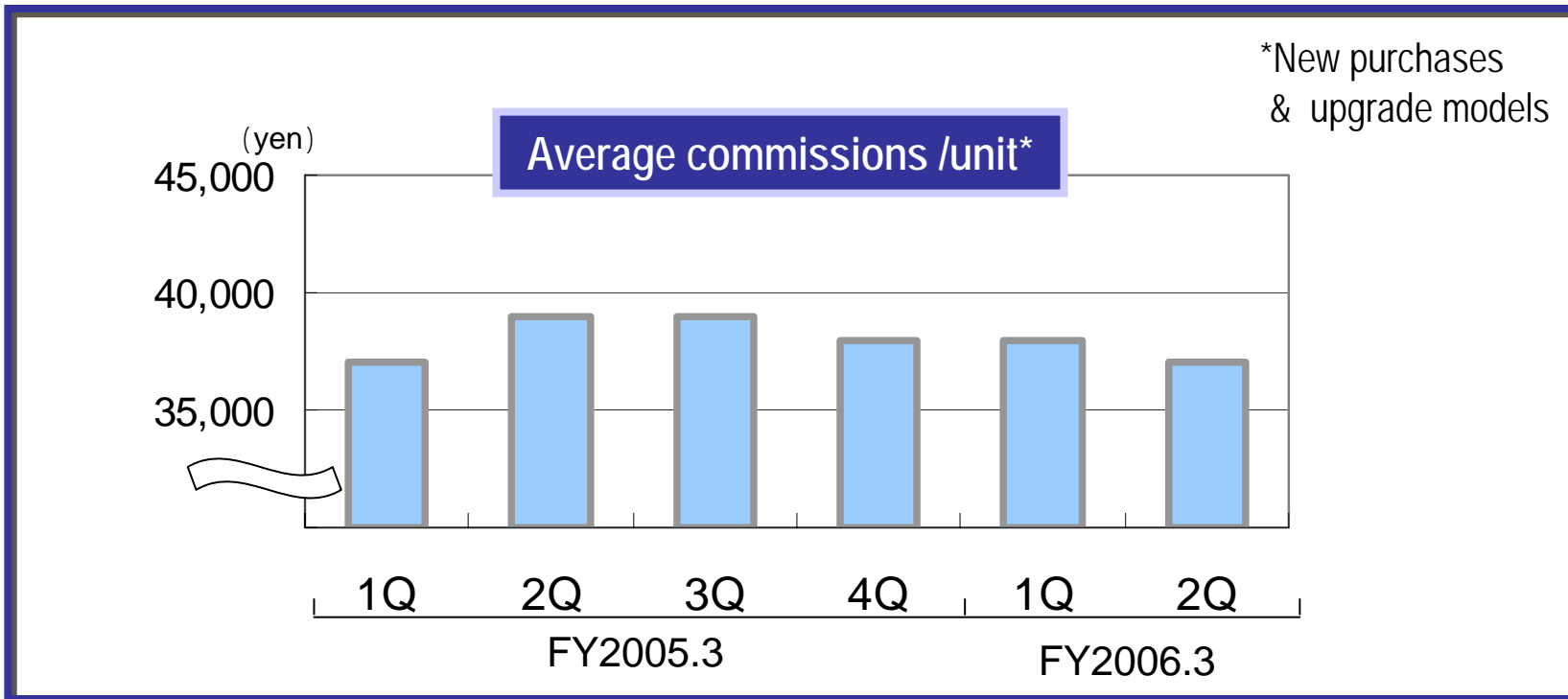


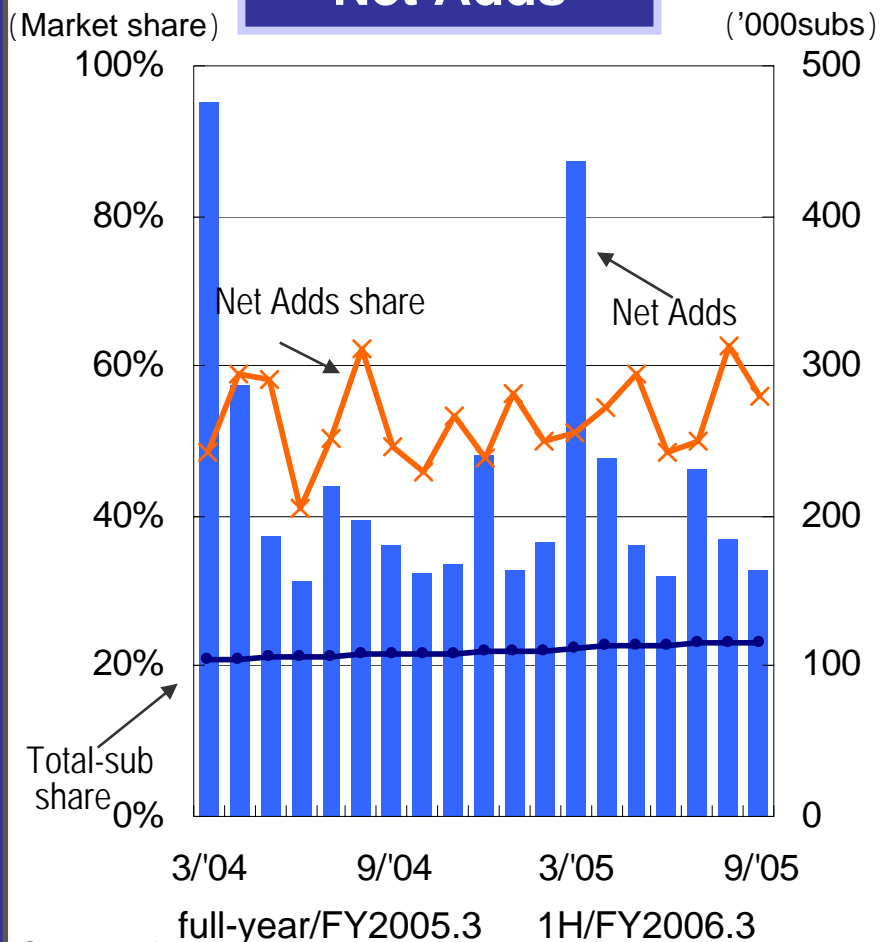
1.1. Sales Commissions



	FY2005.3					FY2006.3(E)		
	1Q	2Q	3Q	4Q		1Q	2Q	
Sales commissions (Billions of yen)	94.0	114.0	112.0	124.0	444.0	102.0	119.0	457.0
Average commissions/unit (yen)	37,000	39,000	39,000	38,000	38,000	38,000	37,000	38,000
Number of units sold ('000 units)	2,550	2,930	2,870	3,230	11,590	2,700	3,220	12,100

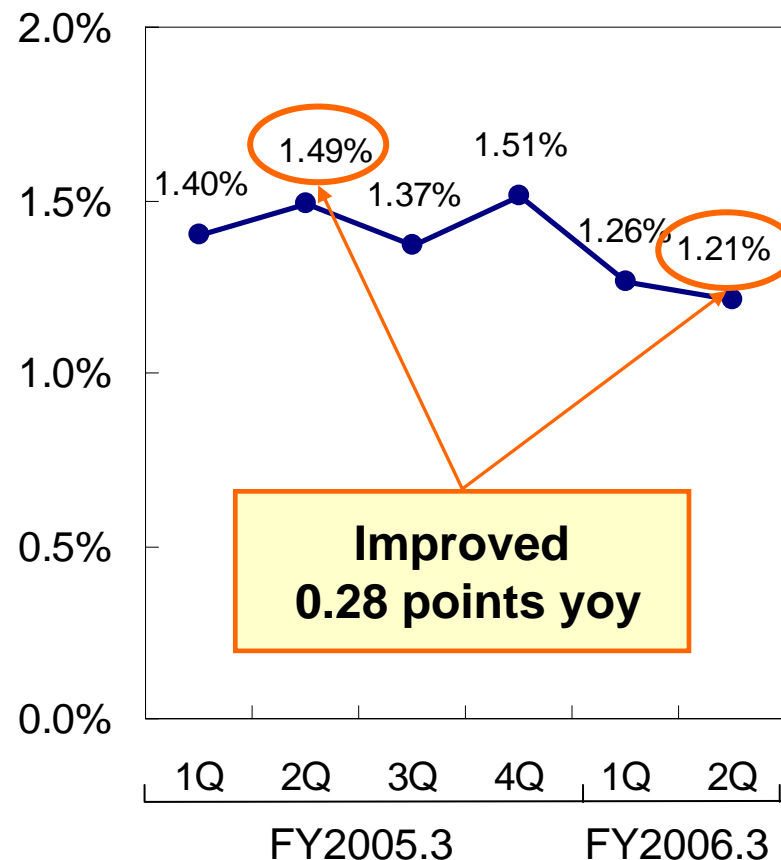
1.2. Net Adds & Churn Rate

Net Adds



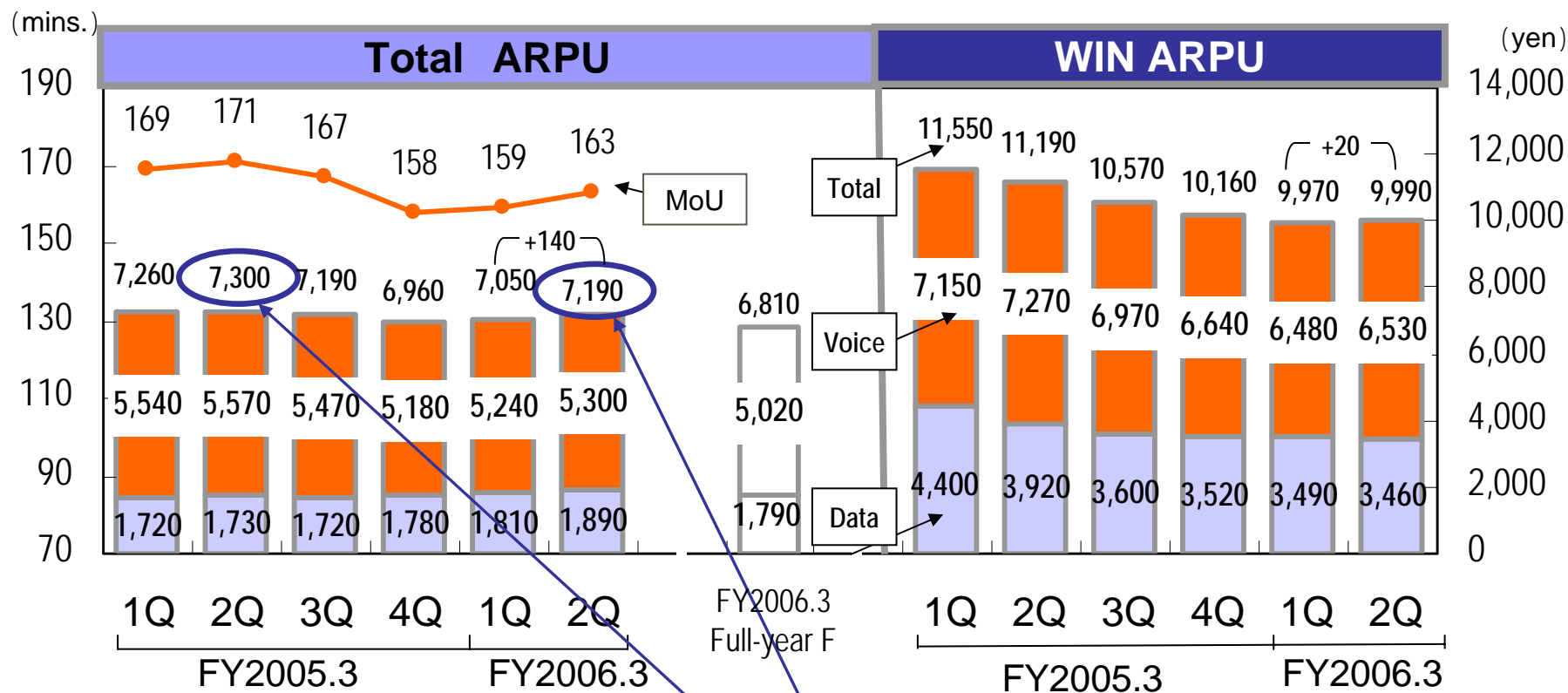
Share of :
Net Adds <50.4%> <54.5%>
Total subs <22.5%> <23.2%>

Churn Rate



Full-year <1.44%>

1.3. Trend of ARPU



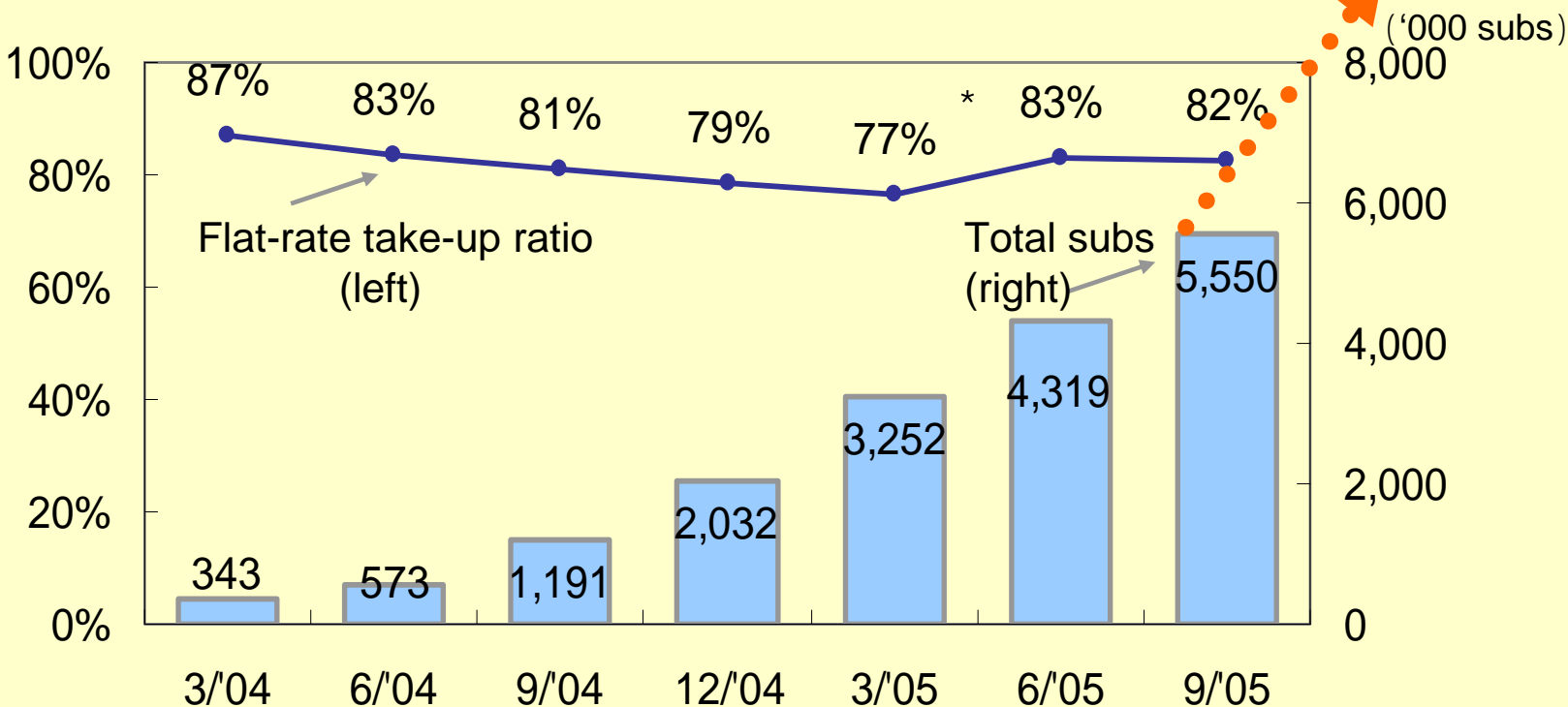
Full-year total ARPU <¥ 7,170>
of Voice <¥ 5,430>
of Data <¥ 1,740>

yoy change
total ¥ 110 (1.5%)
of Voice ¥ 270 (4.8%)
of Data + ¥ 160 (+ 9.2%)

2. Update on WIN(1)

Expanded flat-rate plan to even wider customer base through commencement of Double Teigaku “Light” in May 2005.

Growth of WIN & Flat-rate Subs



3/06 Target
approx. 7,660k

('000 subs)

8,000

6,000

4,000

2,000

0

3/04

6/04

9/04

12/04

3/05

6/05

9/05

343

573

1,191

2,032

3,252

4,319

5,550

Flat-rate take-up ratio
(left)

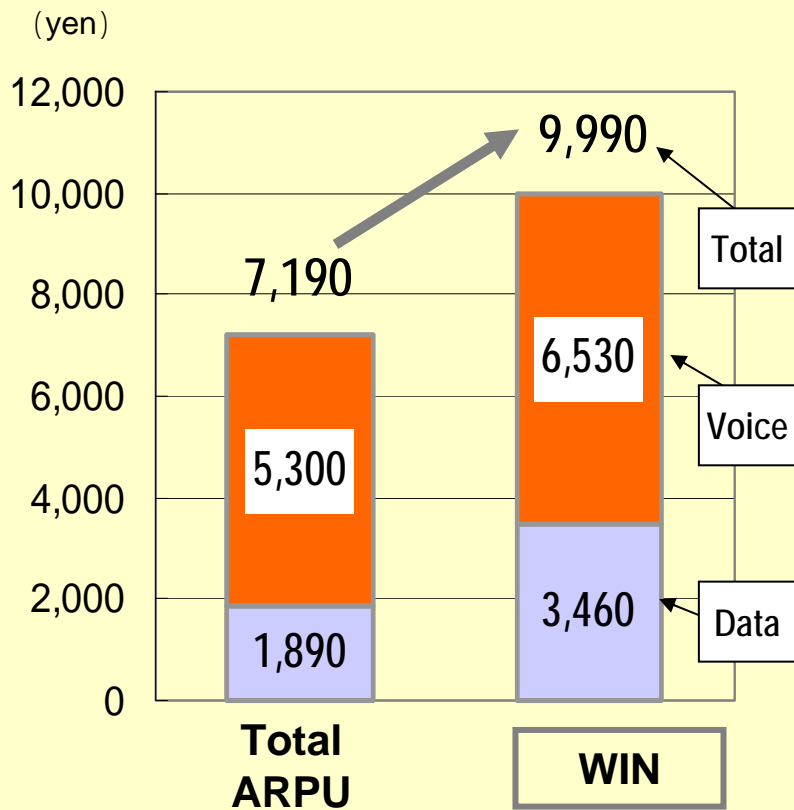
Total subs
(right)

Note: Flat-rate take-up ratio at end-June and thereafter includes Double Teigaku “Light ” subs in line with the launch of service in May 2005. Former Packet-Discount WIN subs, who were automatically shifted into Double Teigaku “Light” after May 2005, account for 6% at end-March 2005.

2. Update on WIN(2)

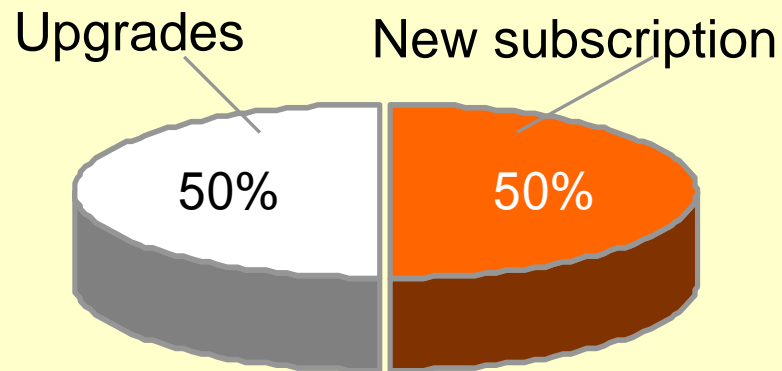
WIN has continued to capture high-end users from other companies with proportion of new subscriptions at around half.

ARPU



Note: ARPU of 2Q/FY06.3.

Breakdown of WIN Subs

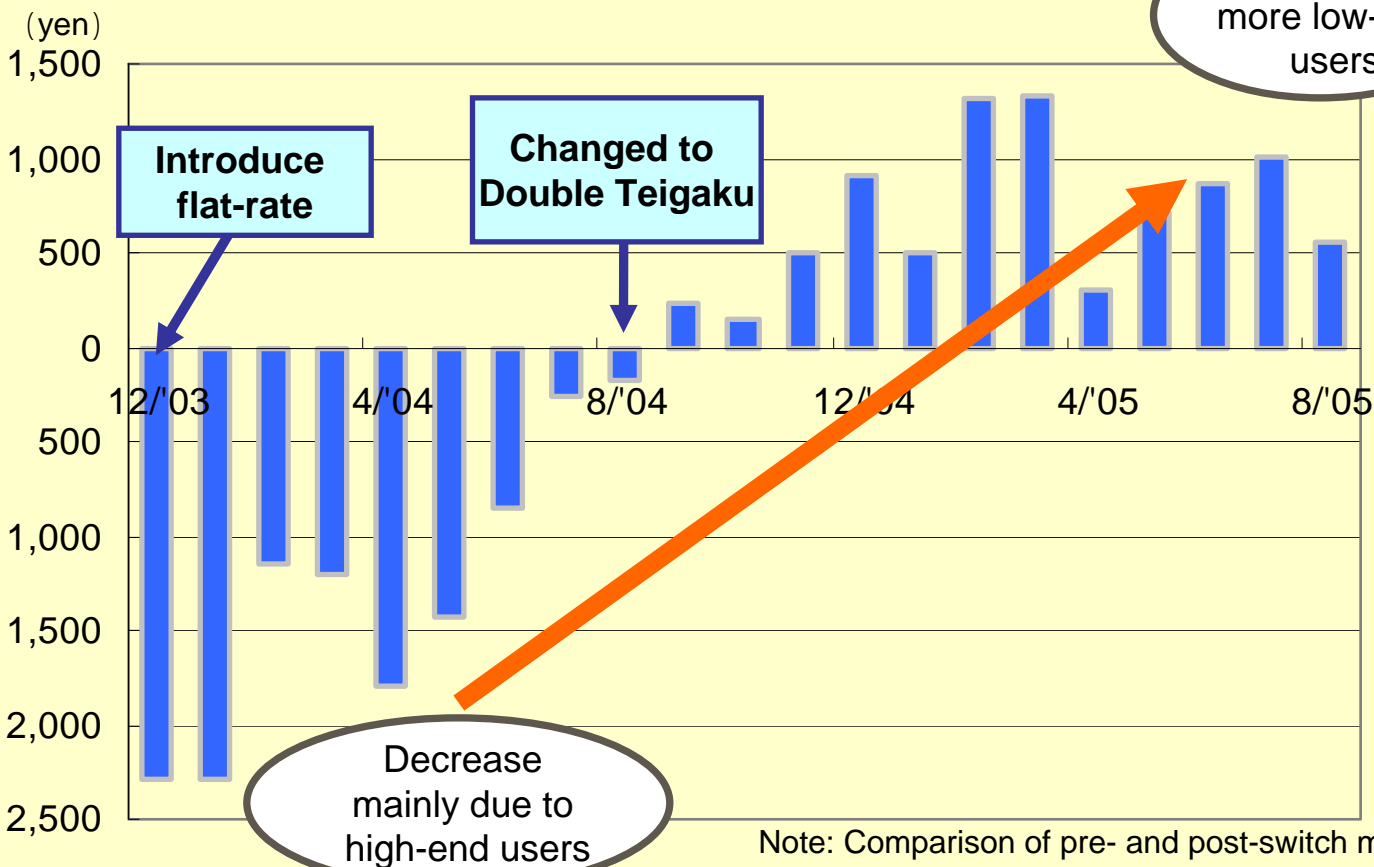


Note: Percentage of the simple total of subs who sign up in 2Q/FY06.3.

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 an upward trend since DoubleTeigaku (Two-tiered flat-rate plan) was introduced.

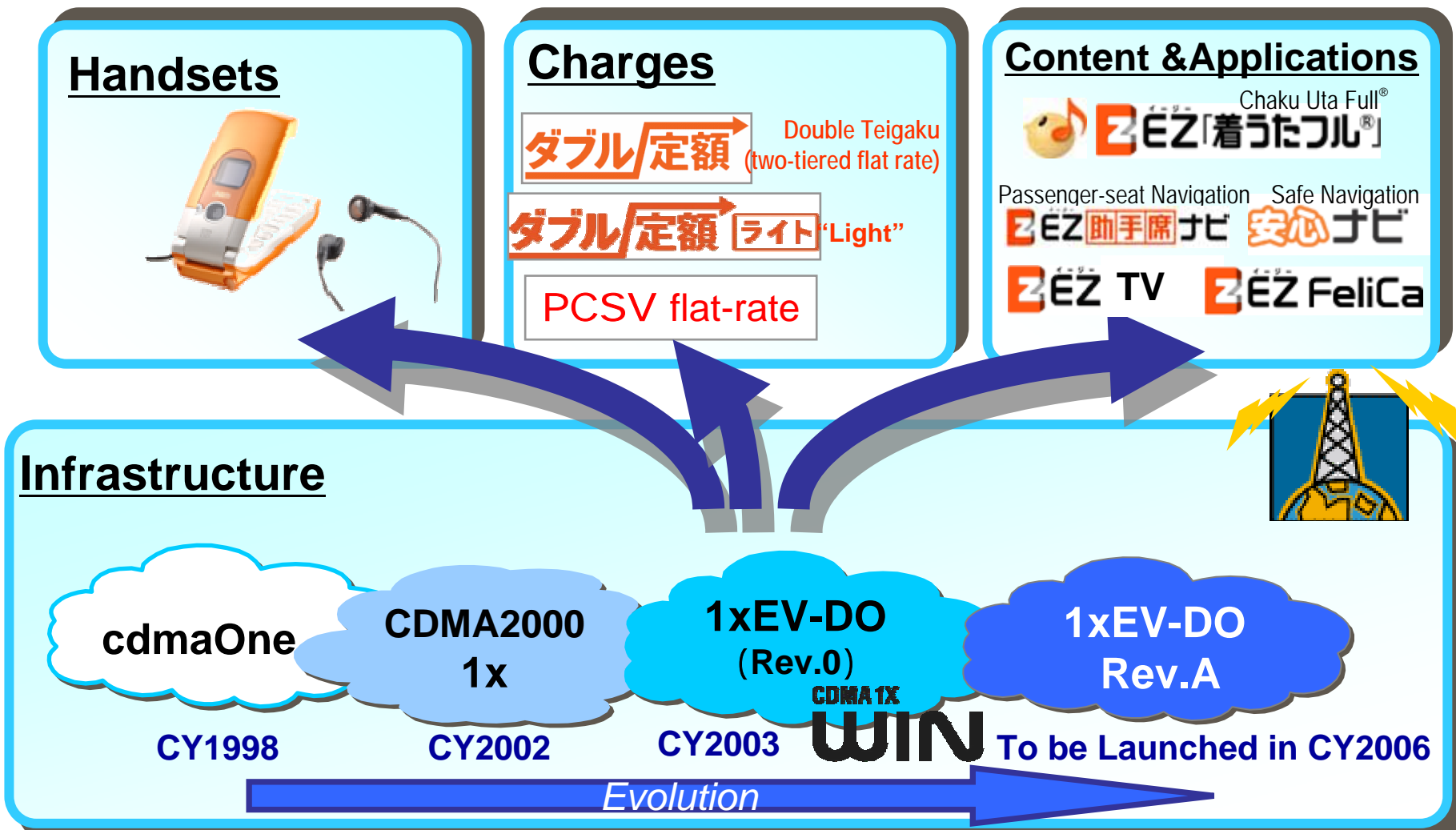
Changes of ARPU : 1X WIN



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

3. Boost All-Round Product Attractiveness (1)

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

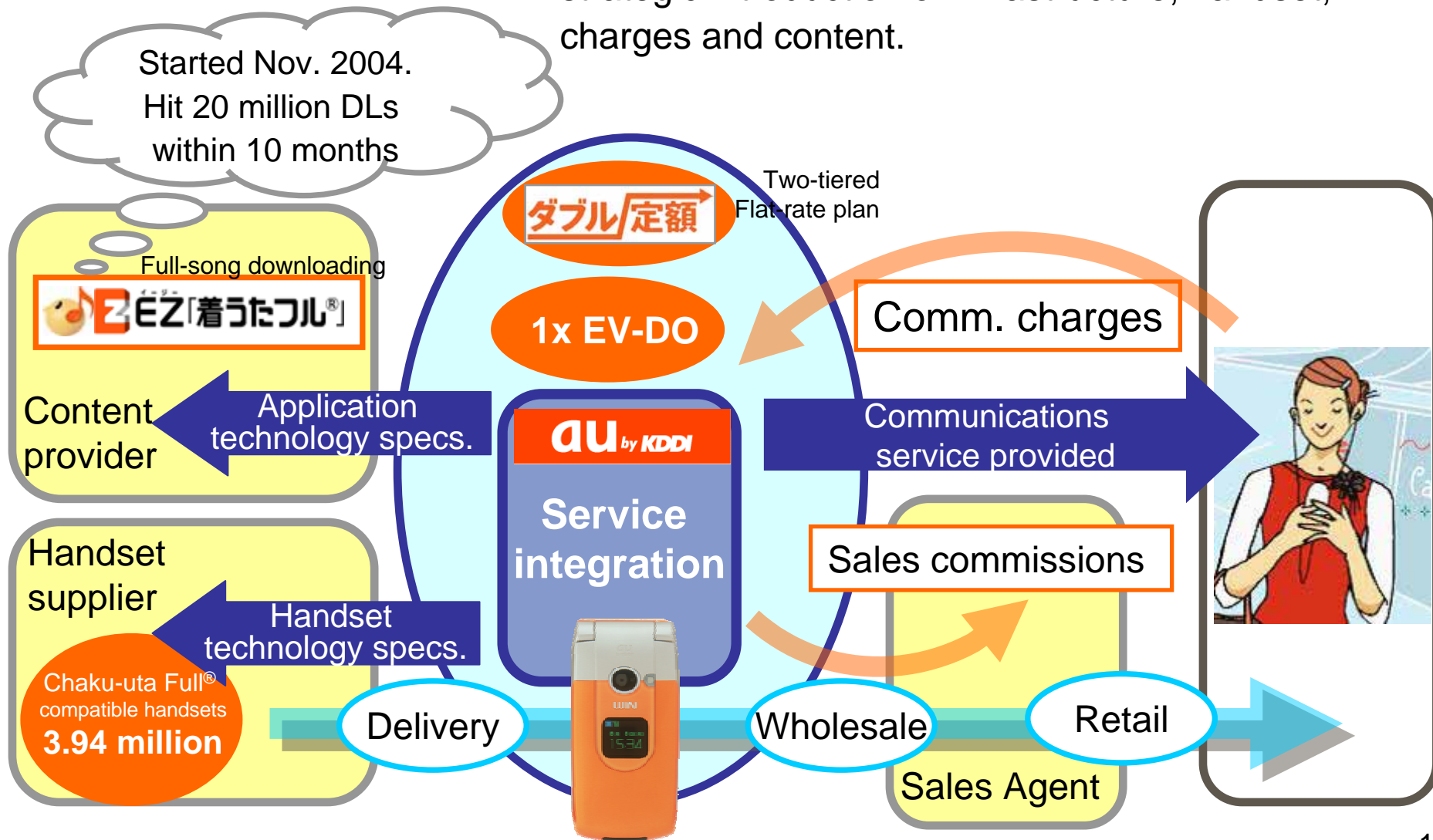


Note: PCSV stands for PC site viewer.

3. Boost All-Round Product Attractiveness (2)

Quickly proliferate attractive services through strategic introduction of infrastructure, handset, charges and content.

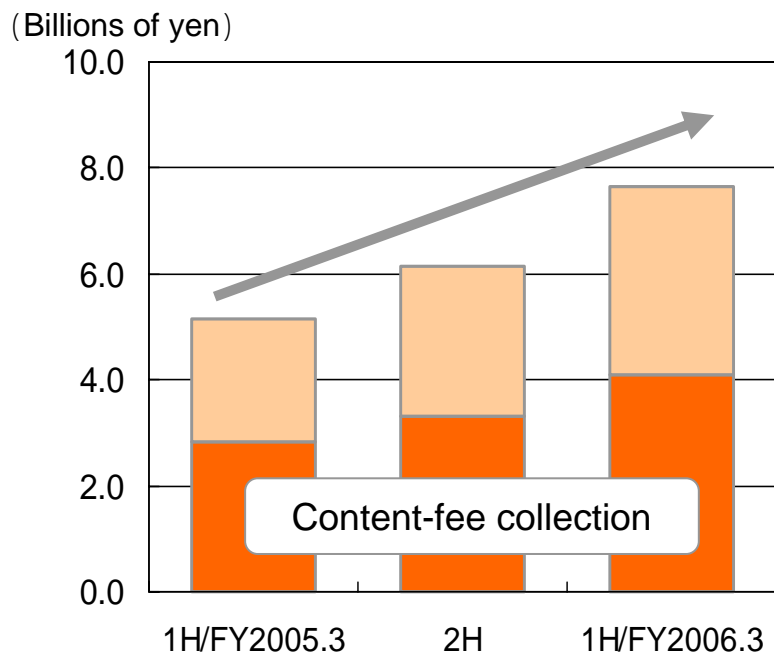
Started Nov. 2004.
Hit 20 million DLs
within 10 months



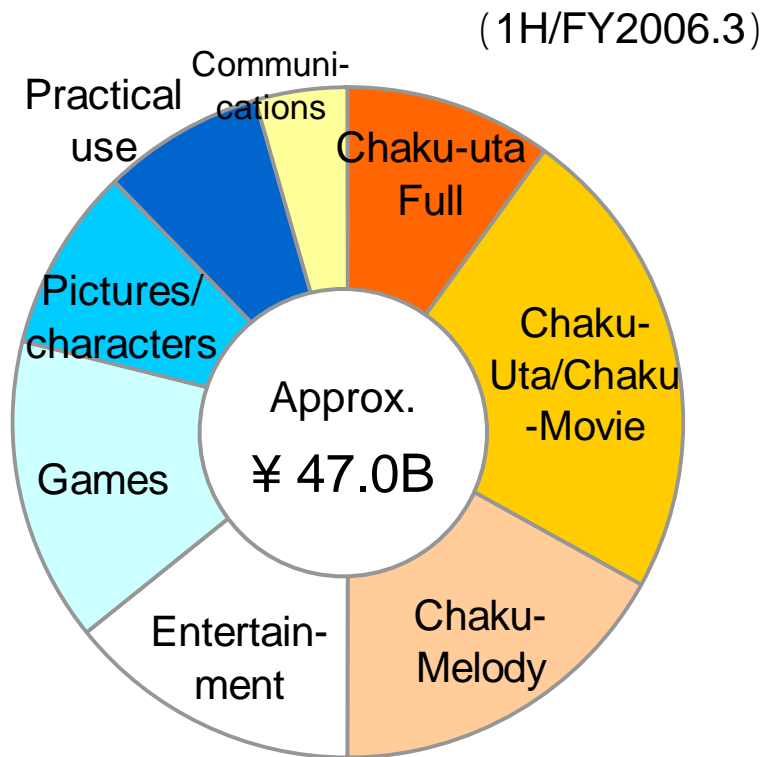
Steady growth in sales of Content/Media Business, reaching ¥7.7B in 1H.

Music content such as Chaku-uta Full® and Chaku-Uta® is strong.

Sales of Content/Media Biz

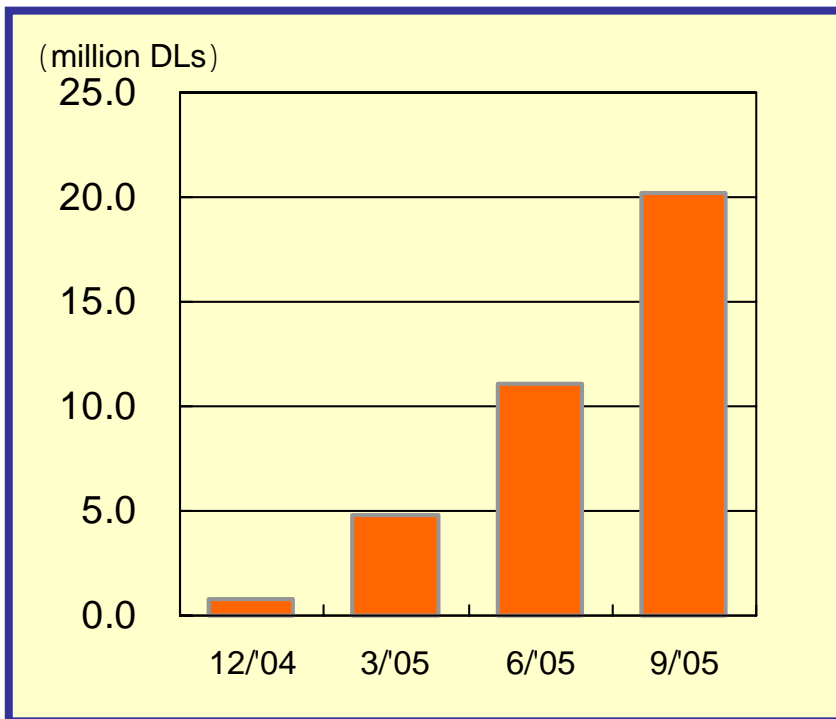


Use of Paid-Content

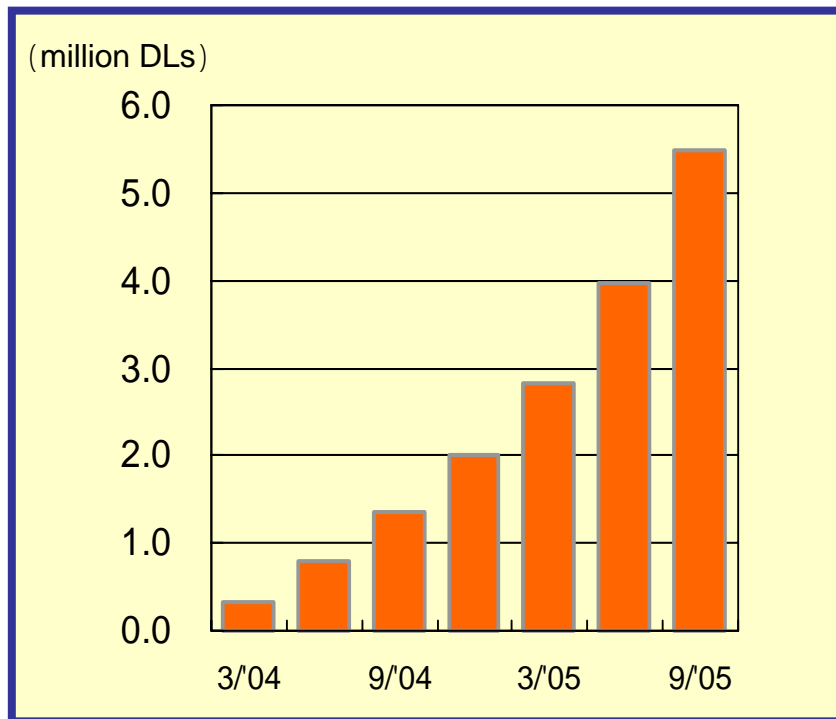


Note: Paid-content sales go to content service providers of which KDDI receives less than 10% of total as commission for fee-collection.

Chaku Uta Full®
EZ「着うたフル」 total downloads



e-book
EZブック total downloads



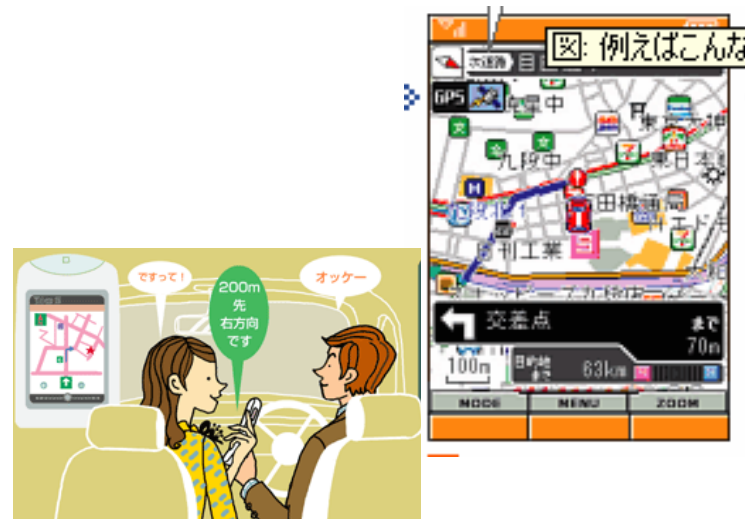
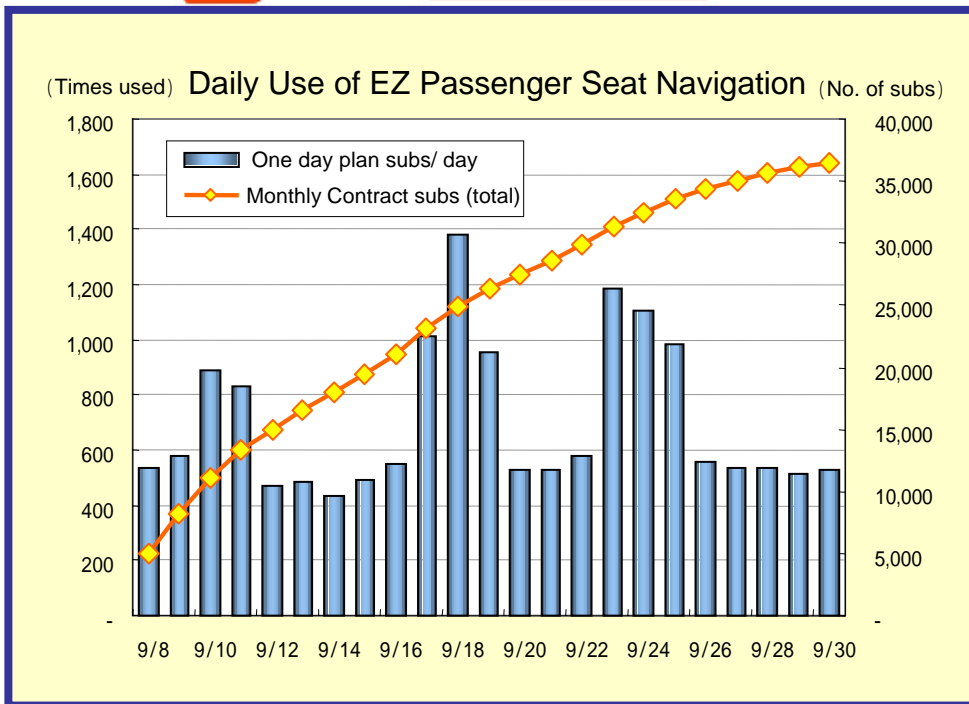
Total downloads topped 20 million songs on Sept. 28, 2005.
Over 60,000 songs available
3.94 million handsets at end-Sept. 2005

Total downloads reached approx. 5.5 million units at end-Sept. 2005.

* Total No. of downloads using KDDI Official e-book viewer (ComicsSurfing).



Route to destination displayed on map then voice guide begins



Commenced service on Sept. 8, 2005; solid start with results far exceeding initial targets.

Uncover potential needs by proposing new usage with driving.

Provide two types of service plans; monthly / one-day plan considering use of customers

5. Measures to Reduce Handset Costs

Handset Cost Reduction

- Co-develop handsets with an overseas supplier for Japanese market.
- Standardize hardware and software between handset makers using KCP.

Procure from Korea’s Pantech & Curitel

- Utilize 5th largest CDMA maker’s economies of scale for component procurement & production.
- Jointly developed simple and convenient user interface as well as handset design customized for Japanese market.



Planned release: Late Nov. 2005

Promote KCP (KDDI Common Platform)

- Compatible with WIN 05 summer models by 2 suppliers.
- To be followed by all suppliers in FY06



KDDI Task Mgr.

KCP(BREW+KTM)

OEM layers

Baseband chip

6. “Family Discount-Wide Support-” Plan

Family Discount -Wide Support-



Introduce “Family Discount-Wide Support-” plan to make it easier for the whole family, from primary and junior high school students to the over 60s agegroup, to use “au” mobile phones together

Automatically apply discount to the customers who meet all three conditions

1. Primary and junior high school students, and the over 60s agegroup
2. CDMA 1X “support plan” subs
3. Family and yearly discount plan subs

CDMA 1X “Support Plan”

Monthly basic charge

¥ 3,400

¥ **1,500** (¥ **1,575** with tax)*

(¥ **3,570** with tax)

No free minutes

Call charge ¥10/10sec. (¥10.5 with tax)

* Applied to “au” subs beyond their 4th month.
Within three months ¥2,000 (¥2,100 with tax).

Increase upper limit of family discount plan from 6 to 10 lines