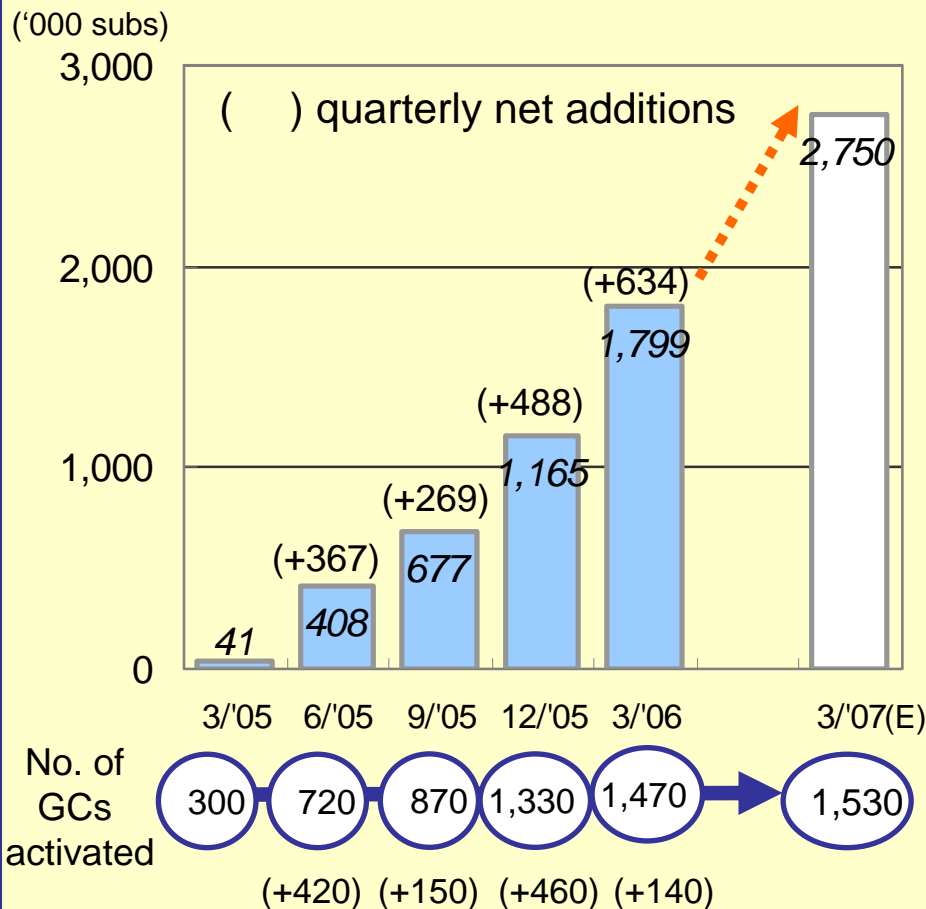


# 1. Metal Plus (1)

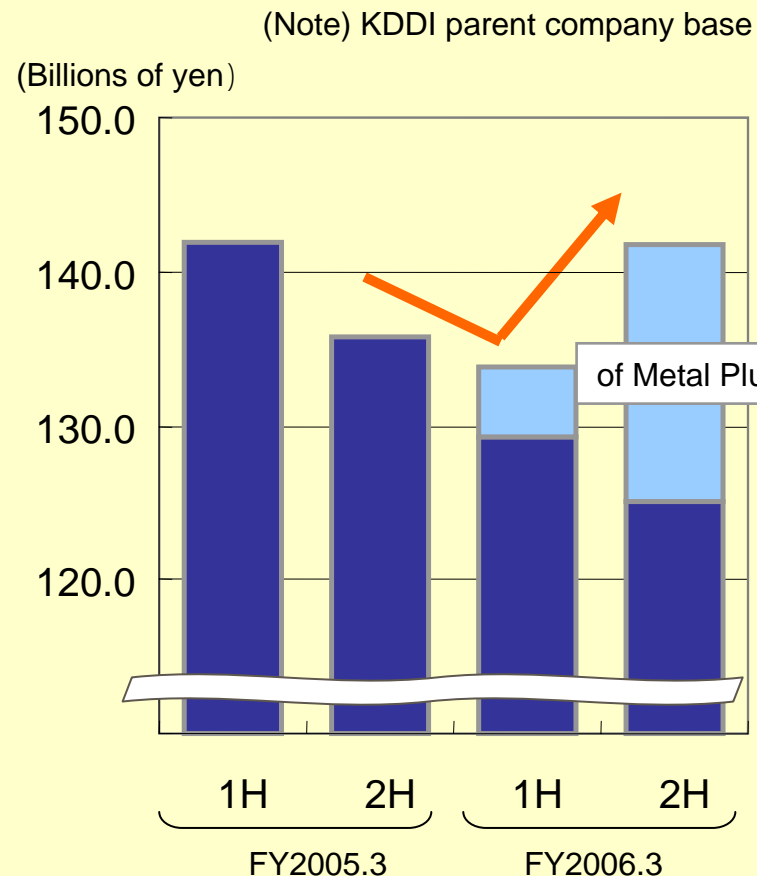
Accelerated number of activated lines of Metal Plus in 2H in line with expanded service area, reaching 1.80 million at end-March, larger than the forecast.

Upbeat sales of voice services through expanded sales of Metal Plus.

## No. of Metal Plus Subs



## Voice Service Sales (Note)

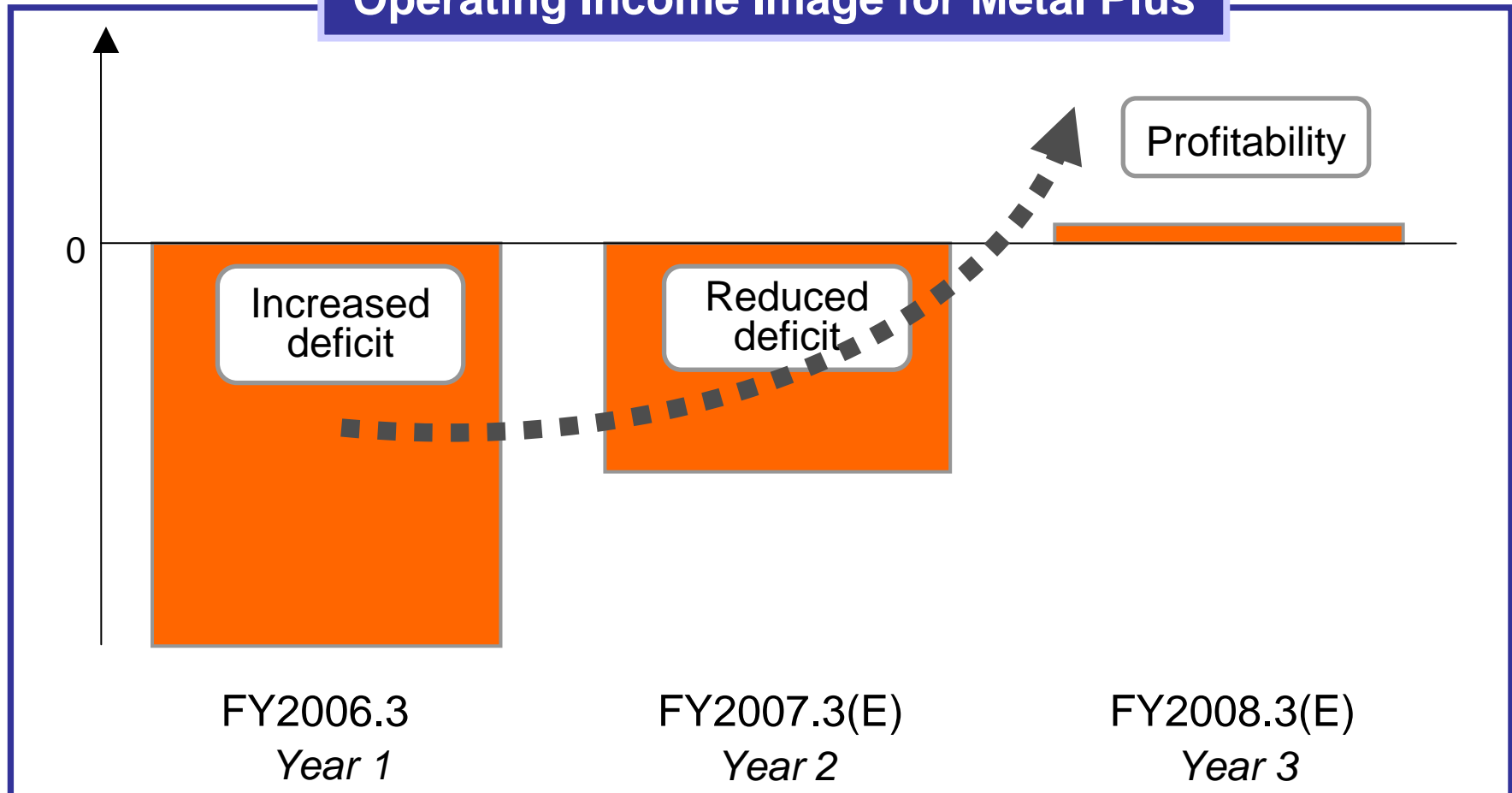


# 1. Metal Plus (2)

Continue expanding sales of Metal Plus in FY2007.3.

Forecast profitability on a full-year basis for Metal Plus in FY2008.3 in line with the original plan.

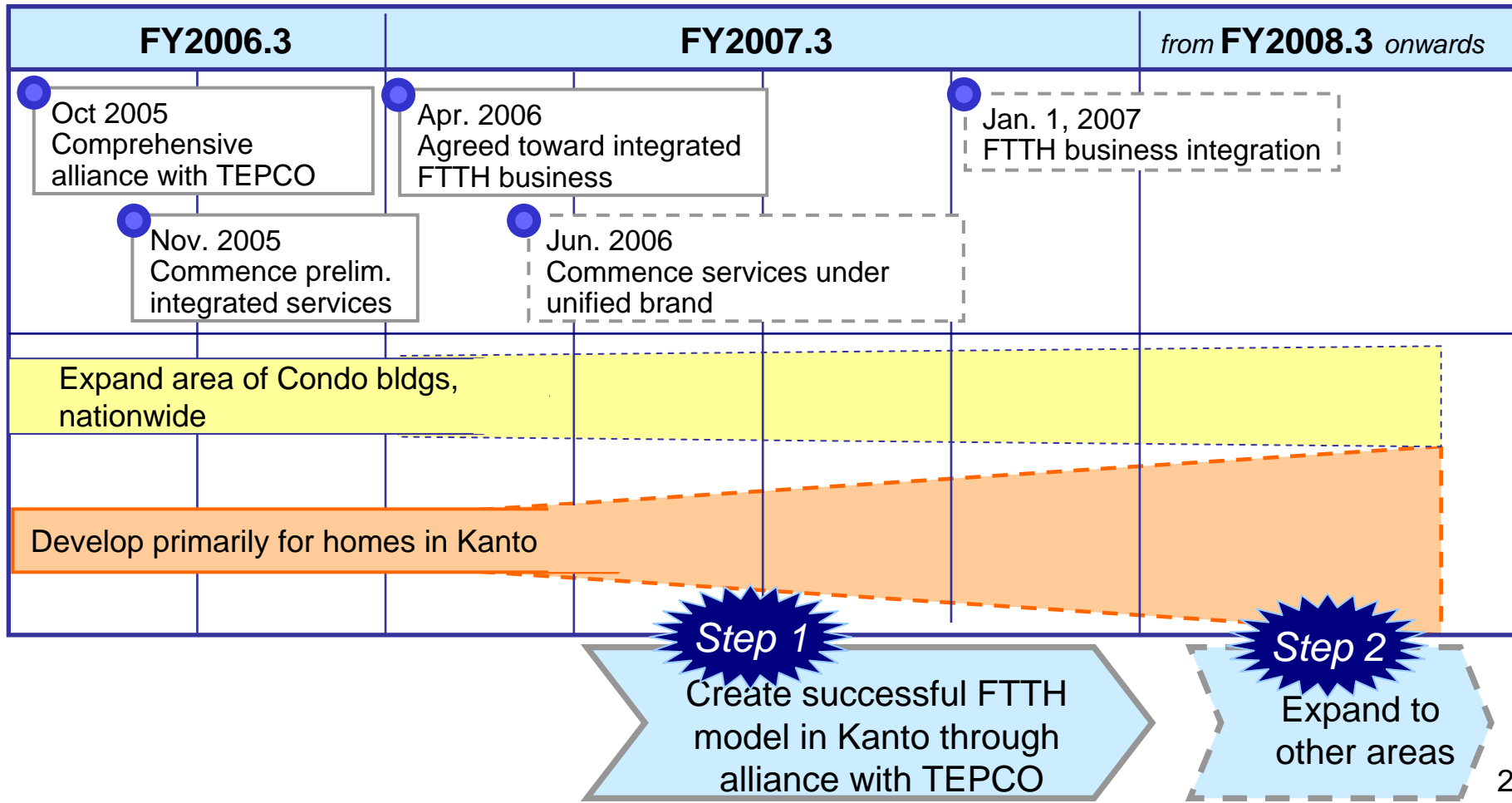
## Operating Income Image for Metal Plus



## 2. FTTH Initiatives

Promote smooth launch of FTTH services in Kanto region after commencing integrated services with TEPCO in around June 2006.

Agreed to the direction of consolidating TEPCO's FTTH business (Optical Network Company) into KDDI, scheduled for Jan.1, 2007, to promote efficient and swift development of FTTH.

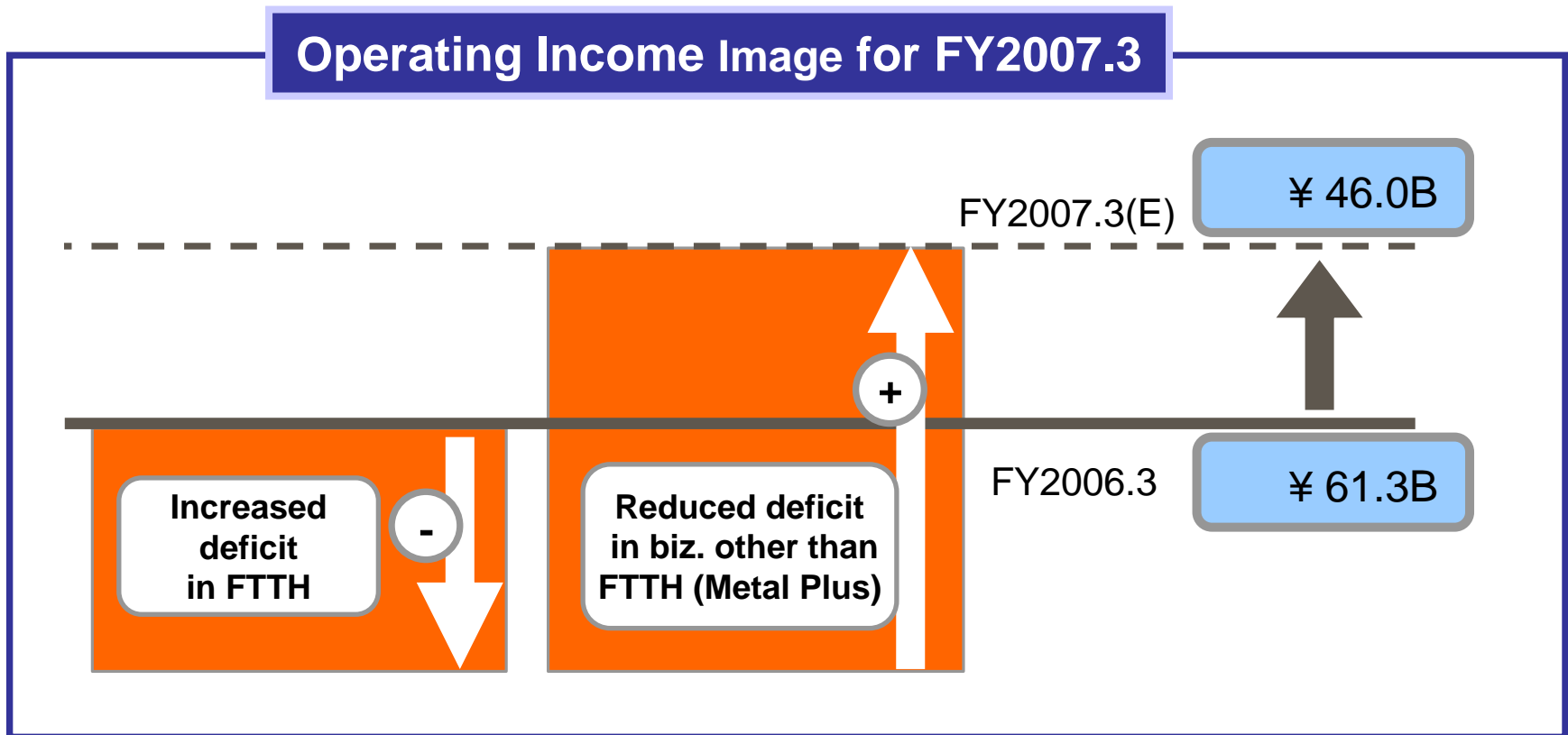


### 3. Business Outlook

In FY2007.3, forecast reduced deficit; improving profitability of Metal Plus helps to cover costs for developing FTTH.

In FY2008.3, expect to make a turnaround in Fixed-line Business (excl. FTTH).

Project operating loss to bottom out in FY2006.3, in Fixed-line Business incl. FTTH, even taking into account absorption of TEPCO's FTTH business.



# 4. Summary

Bolster business foundations of Fixed-line Business towards future development of FMC by promoting direct access services, IP and broadband.

