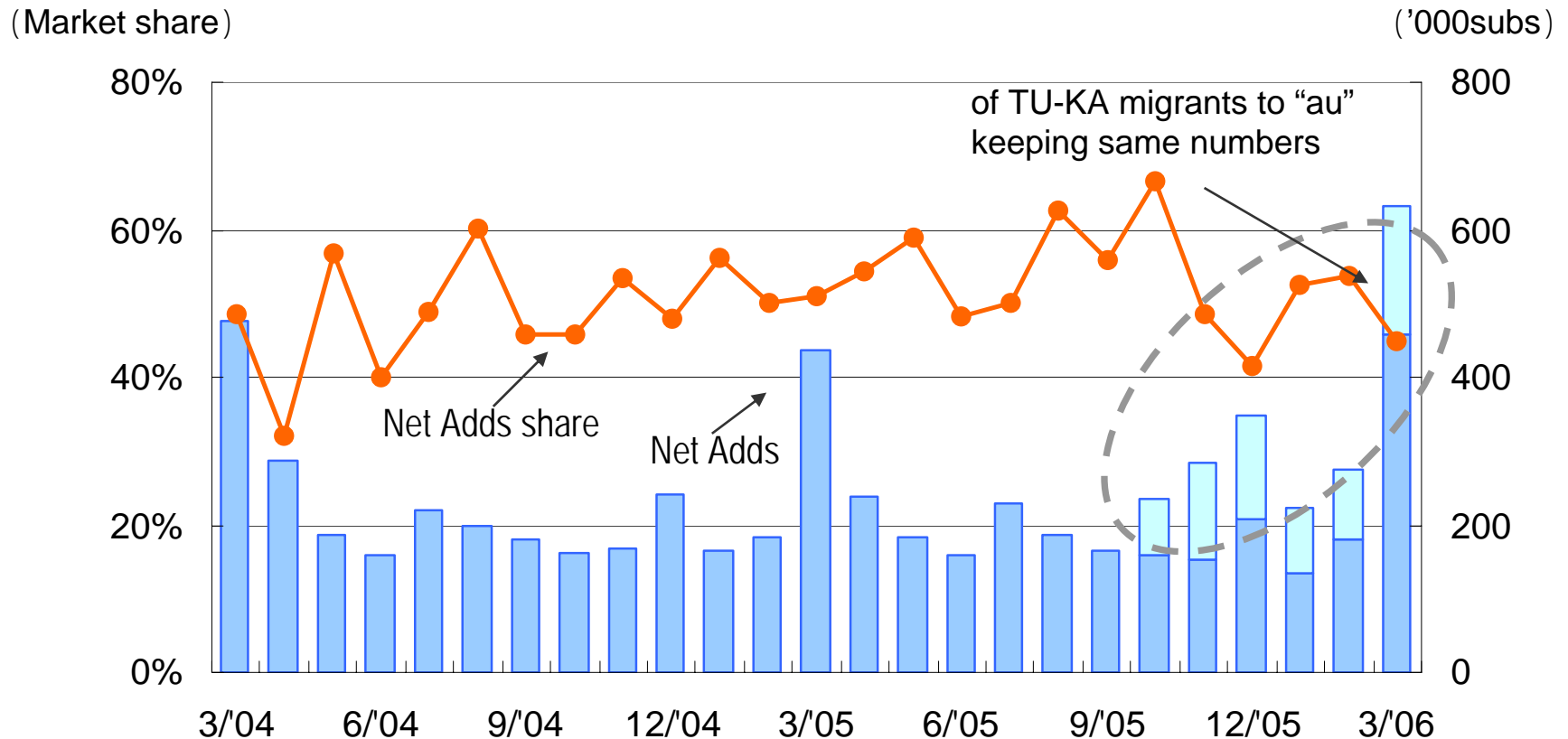


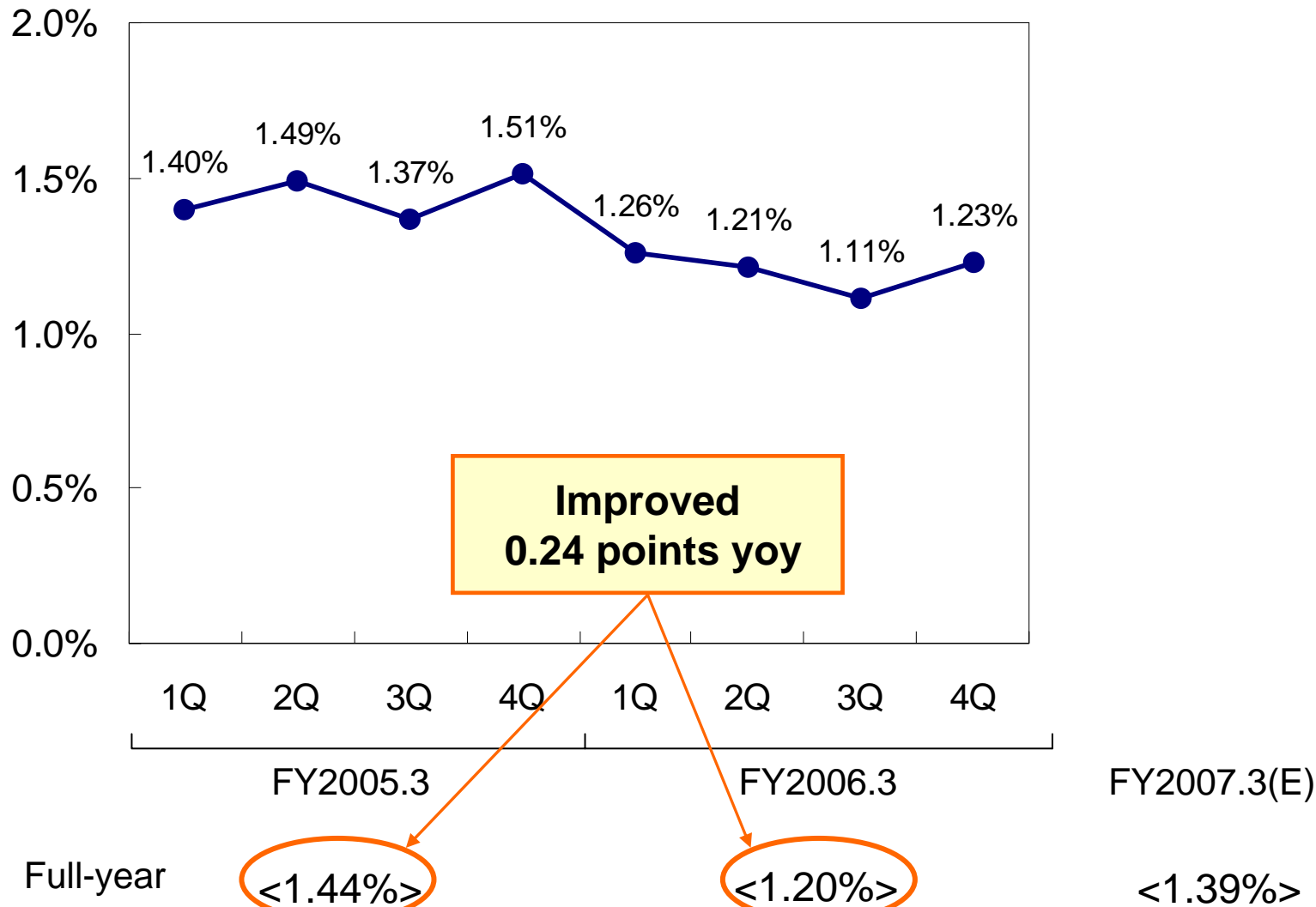
# 1.1. Net Additions



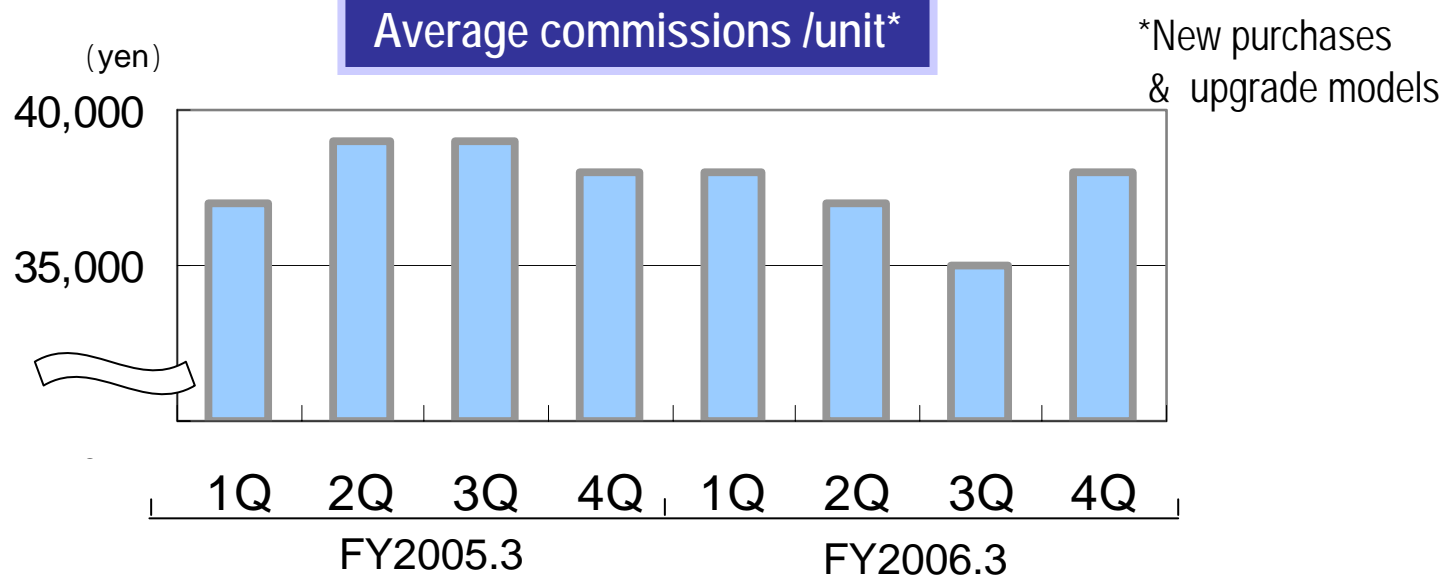
\*The line chart excludes the effect of TU-KA migration in the net-adds share.

Share of :	full-year/FY2005.3	full-year/FY2006.3
Net Adds	<50.4%>	<65.8%>
Total subs	<22.5%>	<24.7%>

# 1.2. Churn Rate

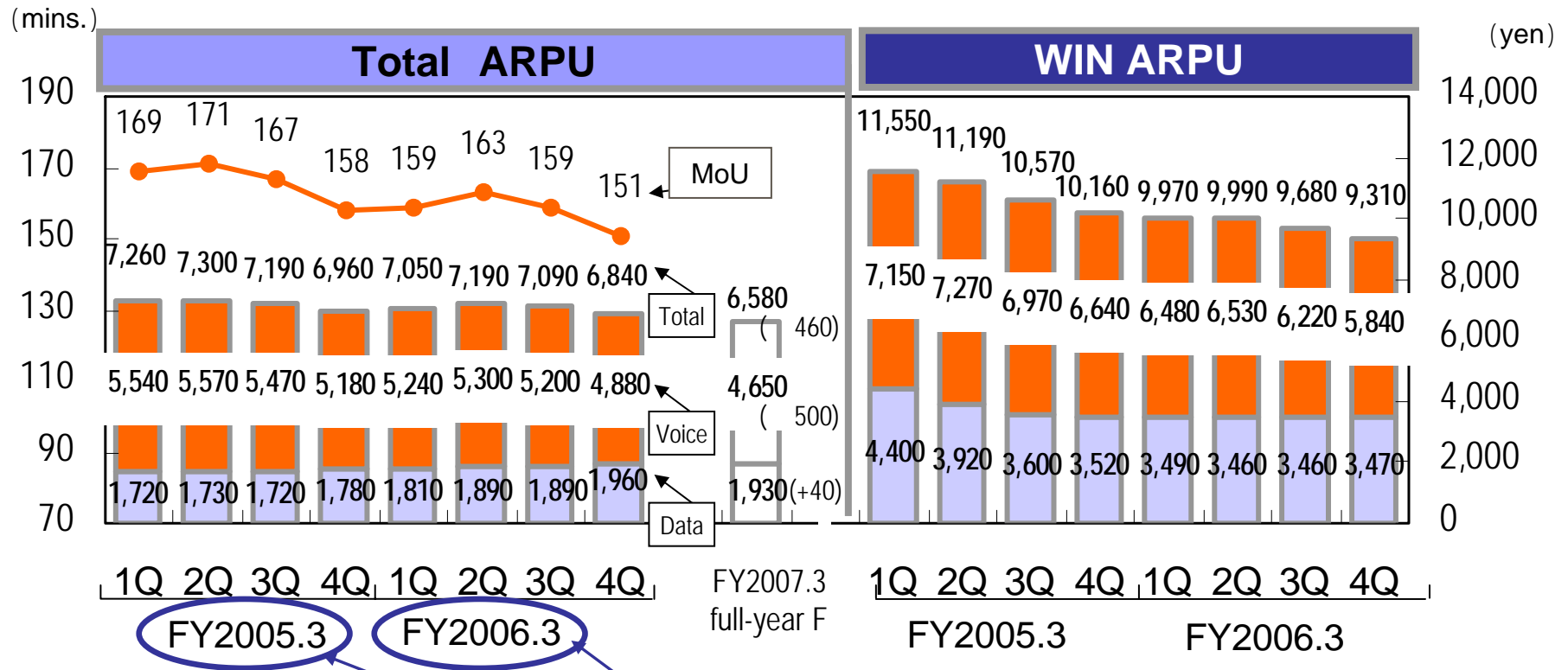


# 1.3. Sales Commissions



	FY2005.3					FY2006.3					FY2007.3(E)
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		
Sales commissions (Billions of yen)	94.0	114.0	112.0	124.0	444.0	102.0	119.0	119.0	152.0	492.0	551.0
Average commissions/unit (yen)	37,000	39,000	39,000	38,000	38,000	38,000	37,000	35,000	38,000	37,000	37,000
Number of units sold ('000 units)	2,550	2,930	2,870	3,230	11,590	2,700	3,220	3,370	3,960	13,250	14,920

# 1.4. Trend of ARPU



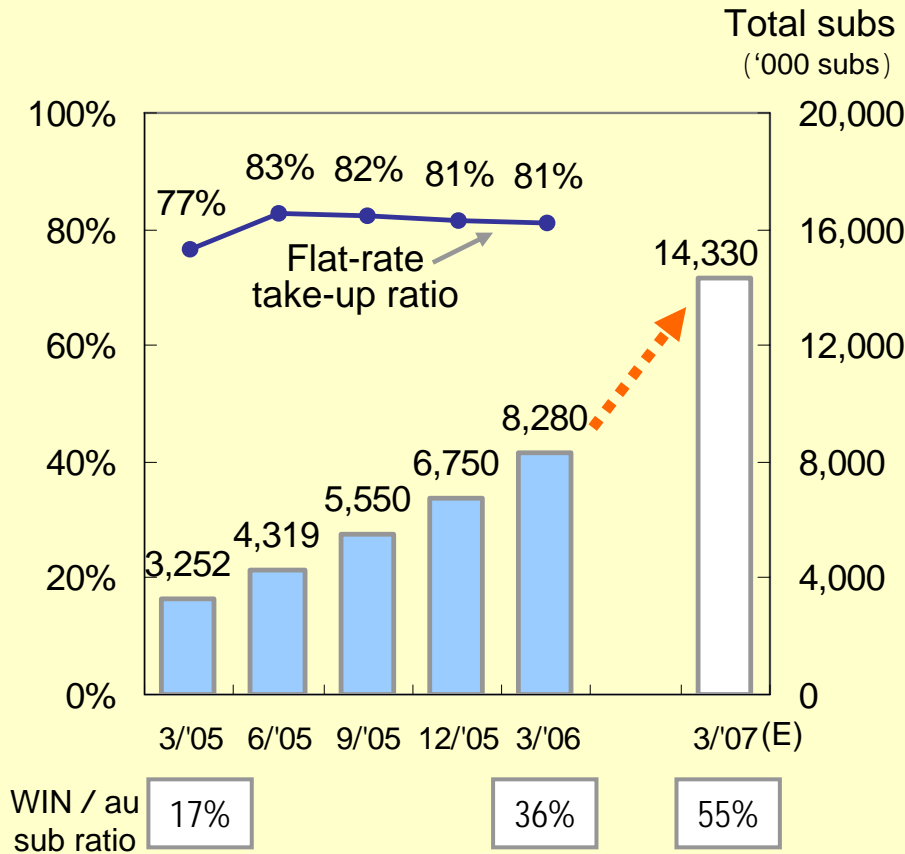
Full-year total ARPU < ¥ 7,170 >      < ¥7,040 >  
of Voice                      < ¥ 5,430 >      < ¥5,150 >  
of Data                        < ¥1,740 >      < ¥1,890 >

yoy change  
total                      ¥130 ( 1.8%)  
of Voice                ¥280 ( 5.2%)  
of Data                + ¥150 ( + 8.6%)

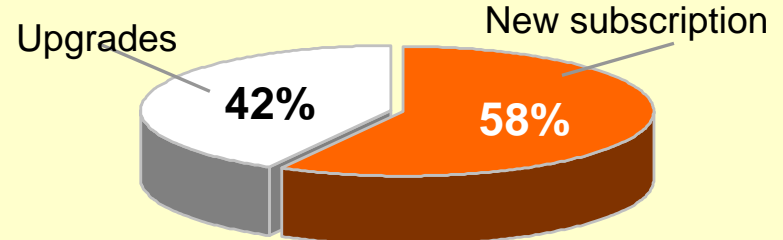
# 2. Update on WIN

Expanded flat-rate plan to even wider customer base through Double Teigaku (Light), resulting increased data ARPU among users.

## Growth of WIN Subs

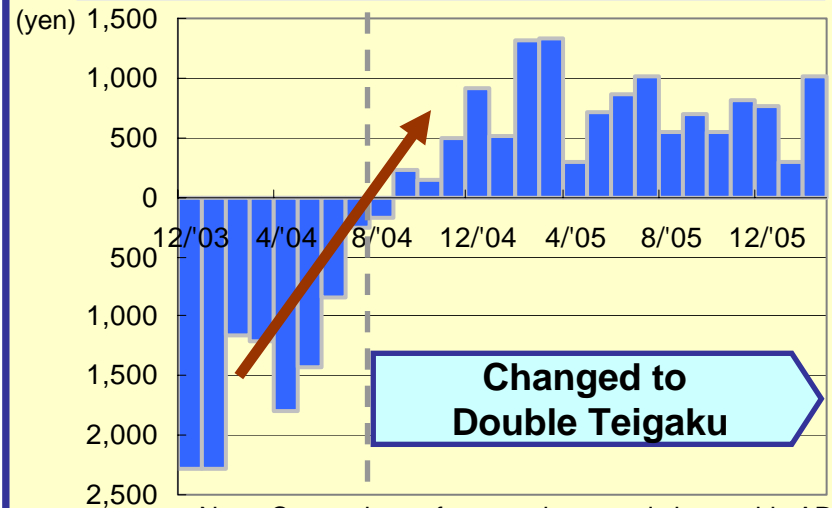


## Breakdown of WIN Subs



Note: Percentage of the simple total of subs who sign up in 4Q/FY06.3.

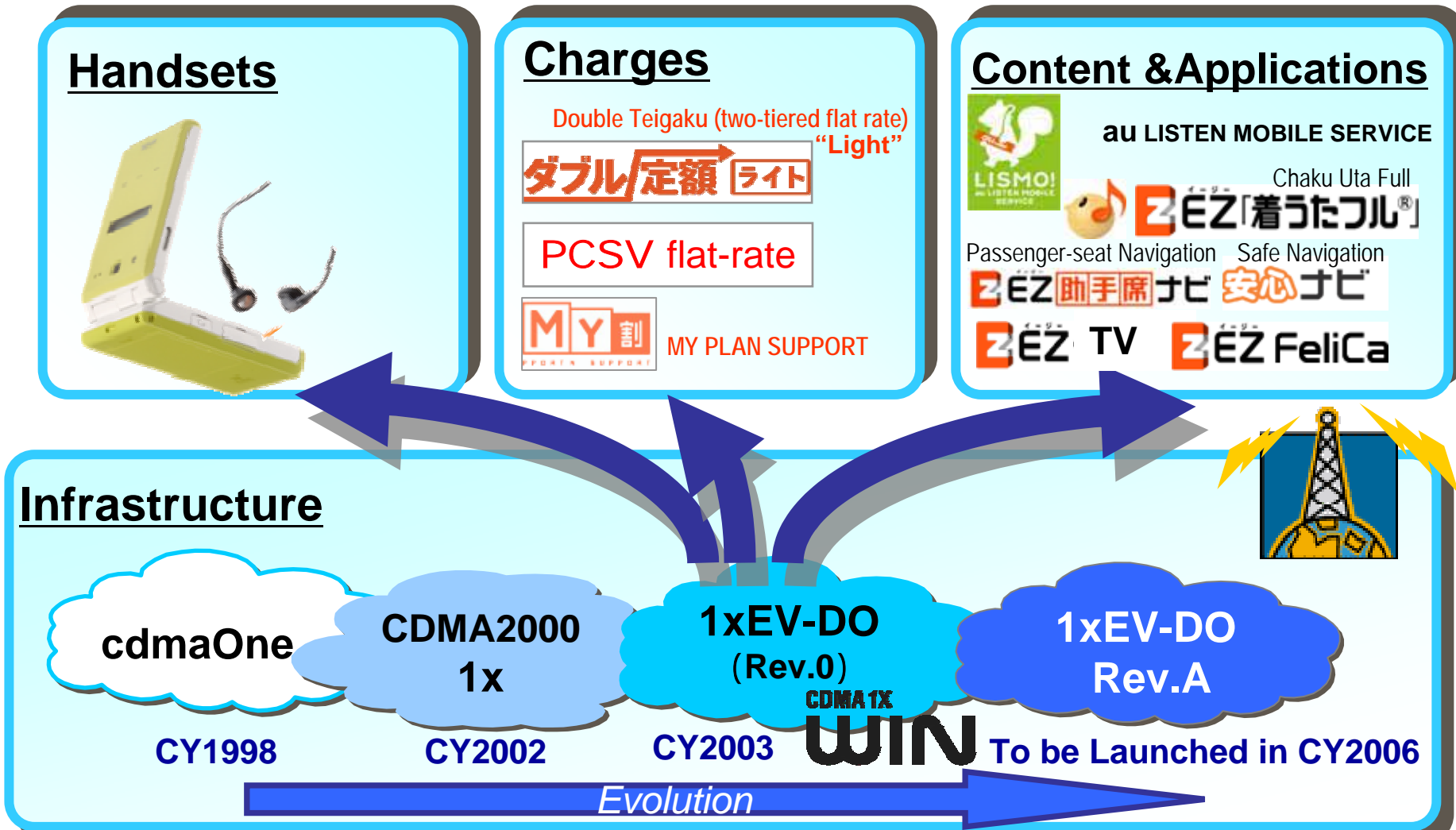
## Changes of ARPU : 1X WIN



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

# 3. Boost All-Round Product Attractiveness(2)

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



\* PCSV : PC site viewer

# 3. Boost All-Round Product Attractiveness (2)

Boost all-round product attractiveness in spring selling season via 7 new WIN spring models, MY Discount Plan and LISMO.

## LISMO: Link with PCs

### au Music Port

About 20% of LISMO-capable handset-users installed special software in PCs

(Note) No. of subs downloaded and updated latest software from the website during March 17 – 31, 2006.



## Chaku-Uta Full®

- No. of total downloads: approx. 4.7 million  
\* downloads of free-content included.
- No. of downloads per active user  
\* only downloads of paid content included.

- W41T (HDD-enabled) : 4.9DL
- Ave. LISMO-capable models: 3.8DL
- Ave. Chaku-uta Full® models: 2.9DL



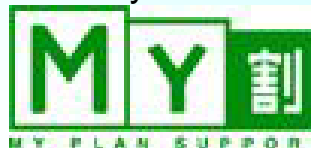
(Note) Results for March 2006.

## harmonization

### 7 WIN Spring Models



Individuals Given  
Family Discount Rate  
(with two-year contract)



### Music Content



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

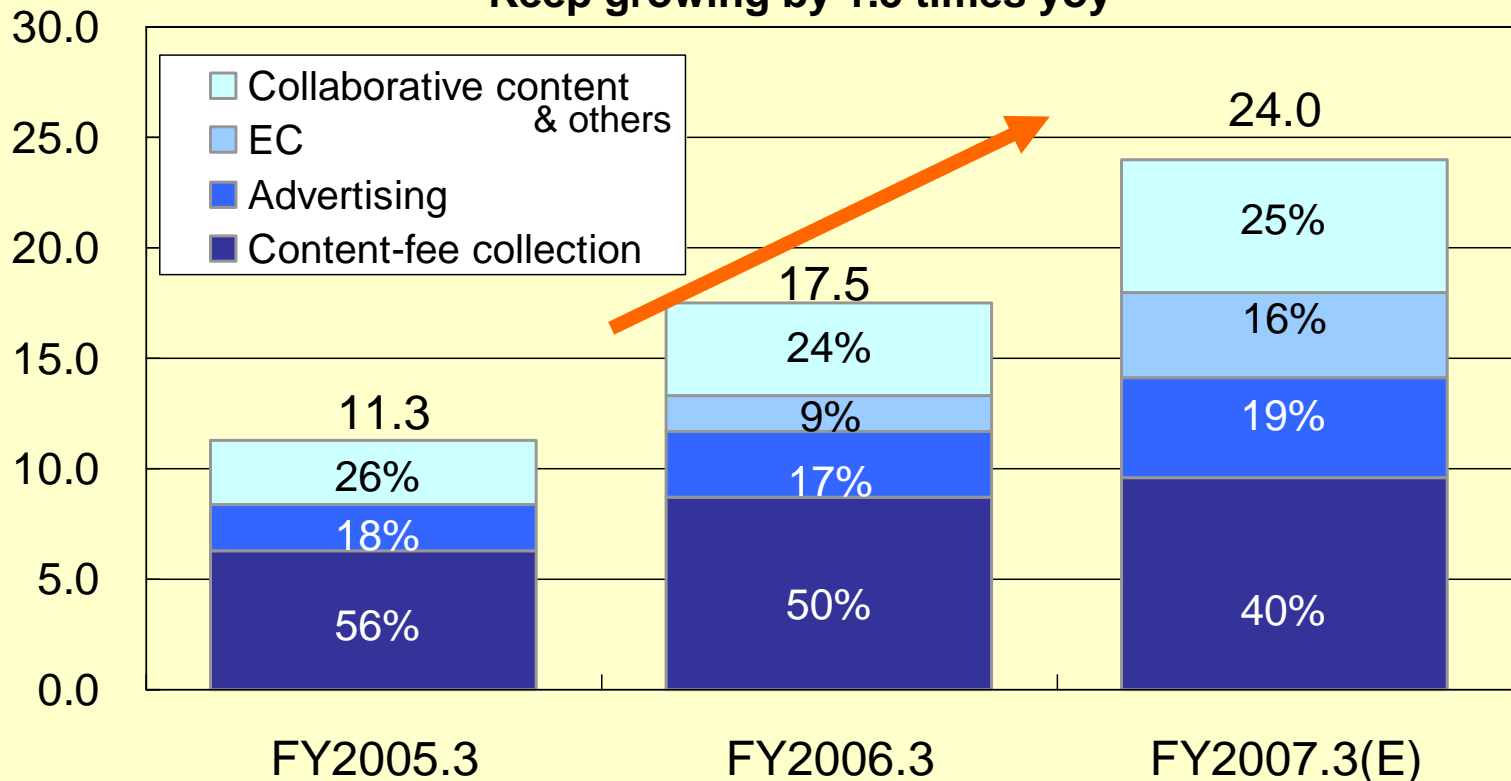
Steady growth in sales of Content/Media Business, reaching ¥17.5B in FY2006.3.

Shift from focus on content-fee collection and aim for growth in new areas including advertising businesses, EC(e-commerce), and collaborative content.

## Sales of Content/Media Biz

(Billions of yen)

Keep growing by 1.5 times yoy

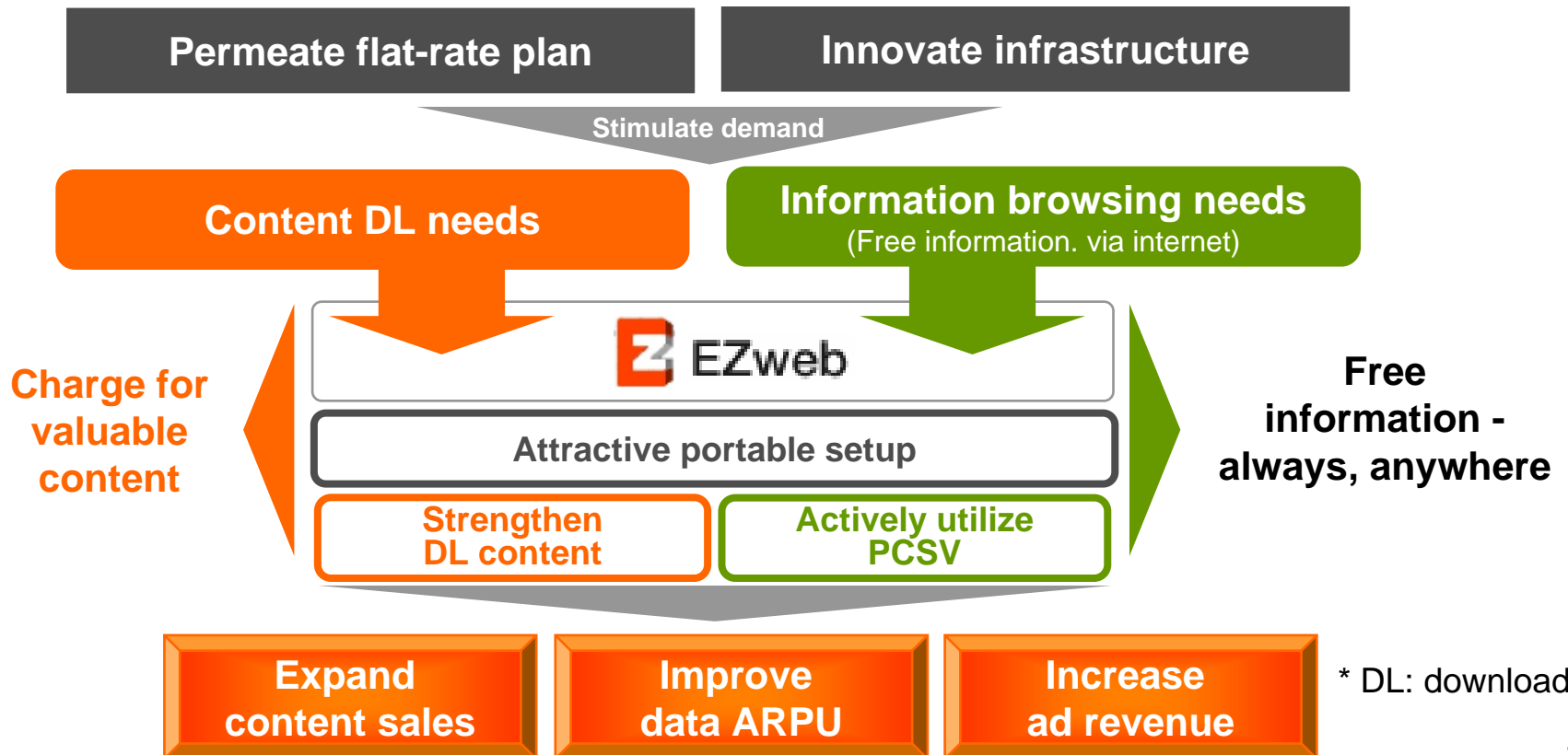




# 4. Boost Sales from Content/Media Biz. (2)

Introduction of flat-rate plan have stimulated a desire to download rich content (high quality, high capacity) and need for information browsing along with growing number of free sites.

Improve business model and maximize sales by developing measures to address changing customer needs.



# 5. Measures to Reduce Handset Costs

Reduce WIN handset costs through KCP (KDDI Common Platform) etc.

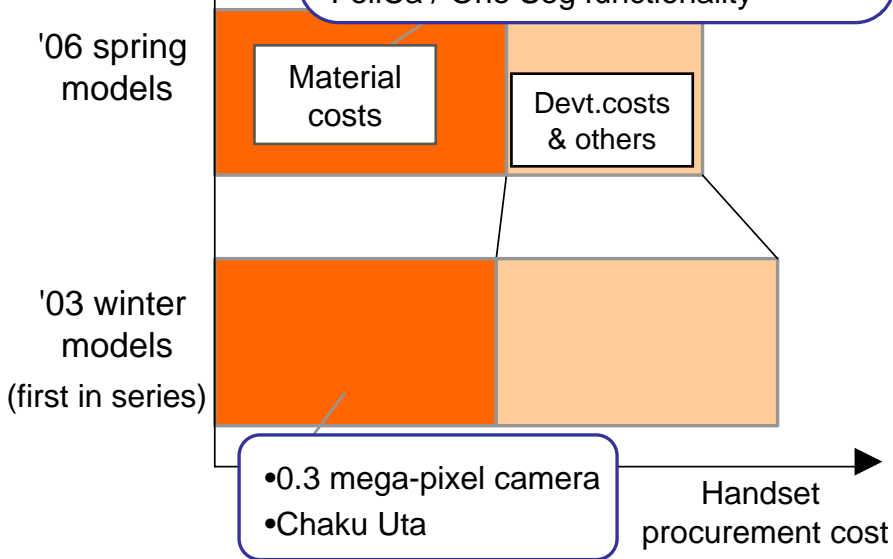
Average "au" handset procurement costs/unit is expected to be below previous year's result despite enhancing lineup, adding functions and increasing the sales ratio of WIN handsets.

## WIN handset cost reduction

- Reduce development costs via KCP

Enhance functions

- Max. 3 mega-pixel camera
- Standard equipped with LISMO / Chaku-uta Full
- Some models with HDD / PCSV / FeliCa / One Seg functionality



## WIN:1X - ratio of handset sales

- Increase ratio of WIN handsets

