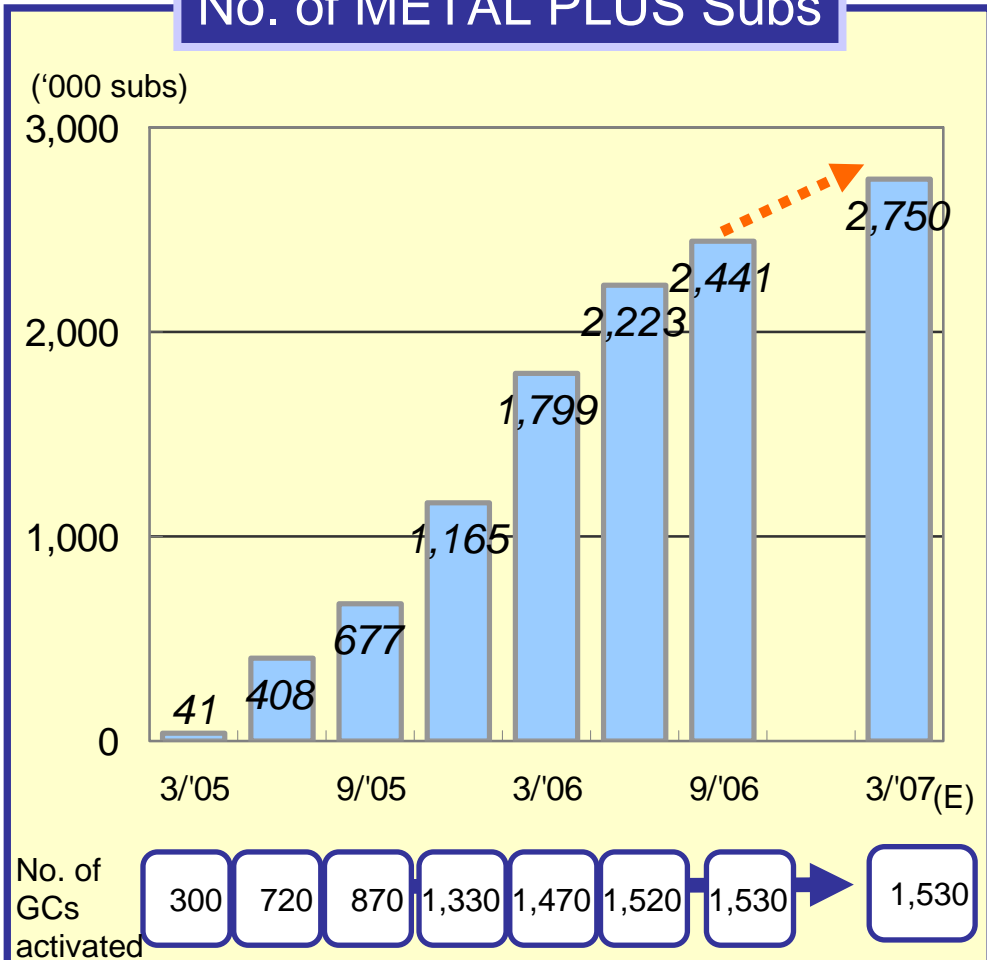


# 1. METAL PLUS

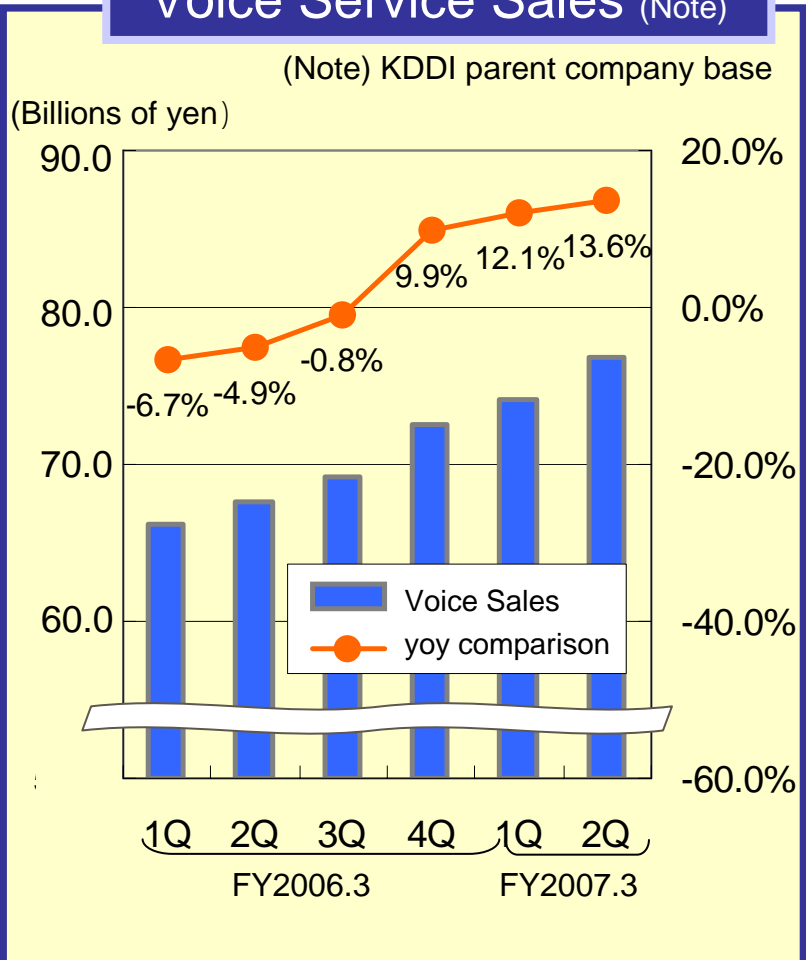
No. of activated lines of METAL PLUS increased to 2.44 million at end-Sept.  
Upbeat sales of voice services through expanded sales of METAL PLUS.



**No. of METAL PLUS Subs**

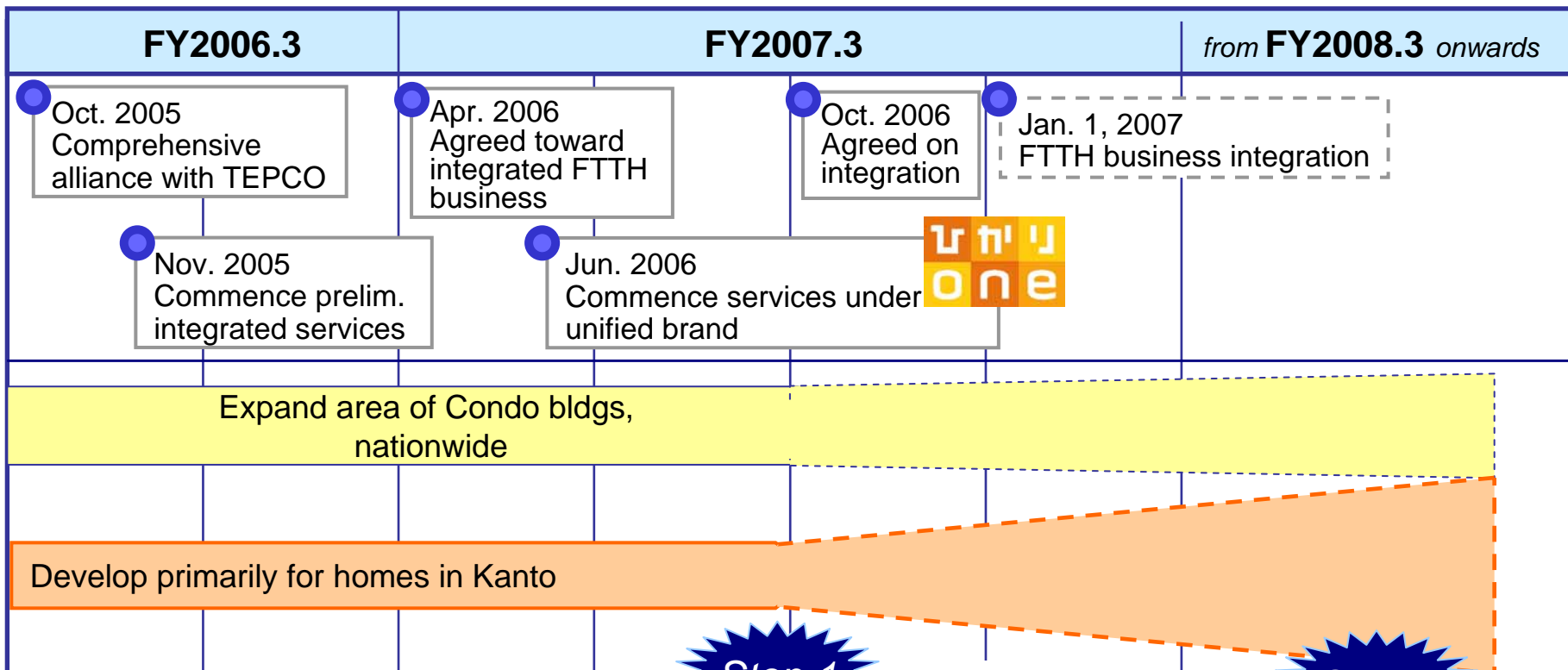


**Voice Service Sales (Note)**



# 2. FTTH Initiatives (1)

Changed name from “KDDI HIKARI PLUS” to “HIKARI-one” and started integrated FTTH services with TEPCO under new brand in June.



**Step 1**  
 Create successful FTTH model in Kanto through alliance with TEPCO



**Step 2**  
 Expand to other areas

## 2. FTTH Initiatives (2)

Agree to integrate FTTH business\* with TEPCO as of January 1, 2007.

Aim for 30% share in Metropolitan-Tokyo service area over mid-long term.

Focus on launching FTTH business in 2H.



### Benefits of Business Integration

- **Enhanced FTTH biz base; 530K lines**  
 (KDDI: 190K, TEPCO: 340K (end-Sept. '06))
- **Can flexibly expand coverage in line with demand in each area by establishing own optical access network, leading to more efficient and agile business development.**
- **Efforts with PLC** (Power Line Communications)

### Current Efforts

- **Expand sales channel**
  - Volume retailers (actively use au mobile/TEPCO sales channels)
  - “au” shops
  - Subscription on website & direct sales support
- **Expand ISPs (Multi-ISP capable)**

(Note) TEPCO figure refers only to TEPCO Hikari lines.

<b>(Ref.) *Results of Optical Network Company</b>			(Billions of yen)
Accounting period	FY2005.3	FY2006.3	FY2007.3(E)
Operating revenue	10.1	20.3	40.4
Operating income	-30.6	-35.8	-25.0