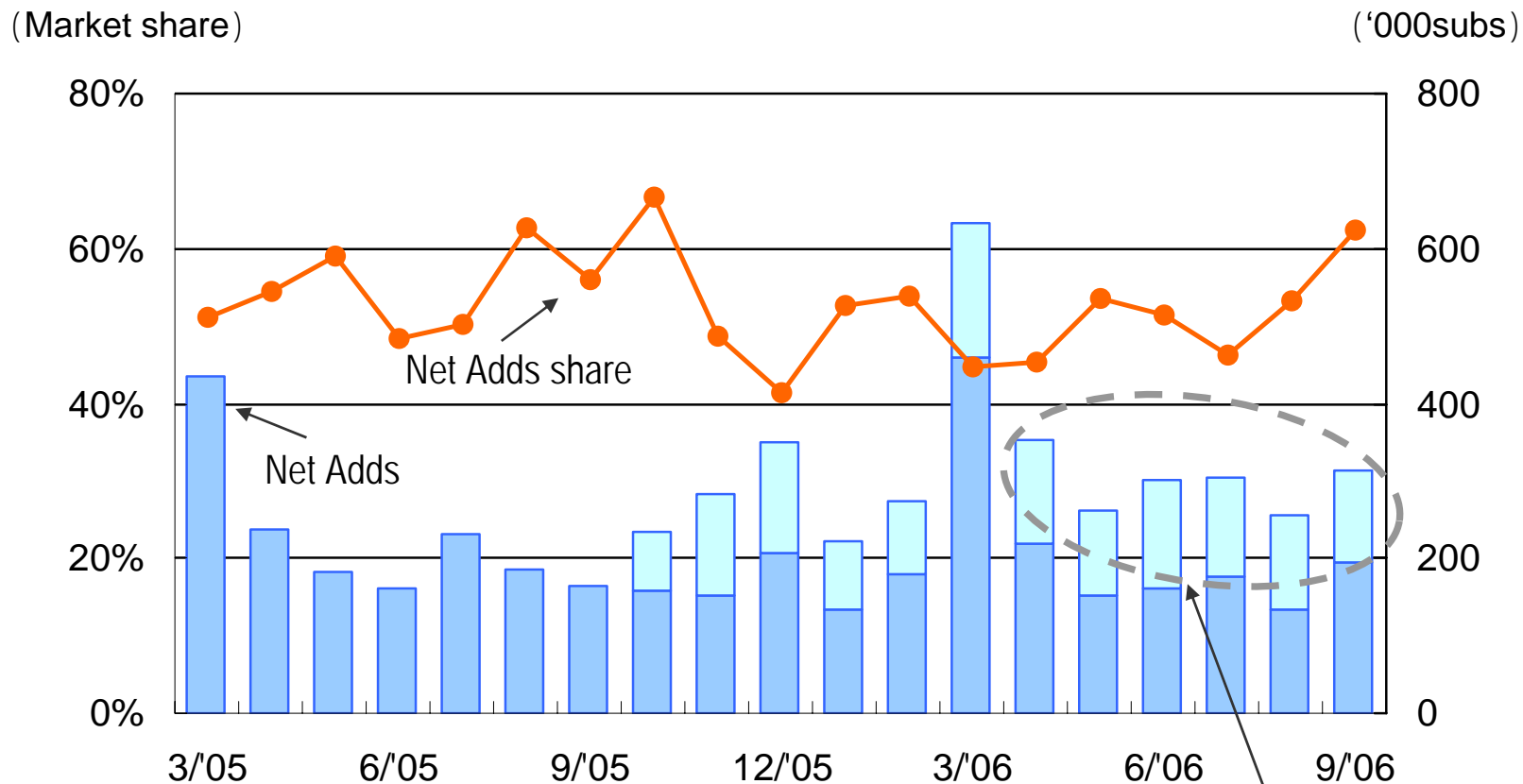


1.1. Net Additions



Share of : Full-year/FY2006.3

Net Adds <65.8%>

Total subs <24.7%>

1H/FY2007.3

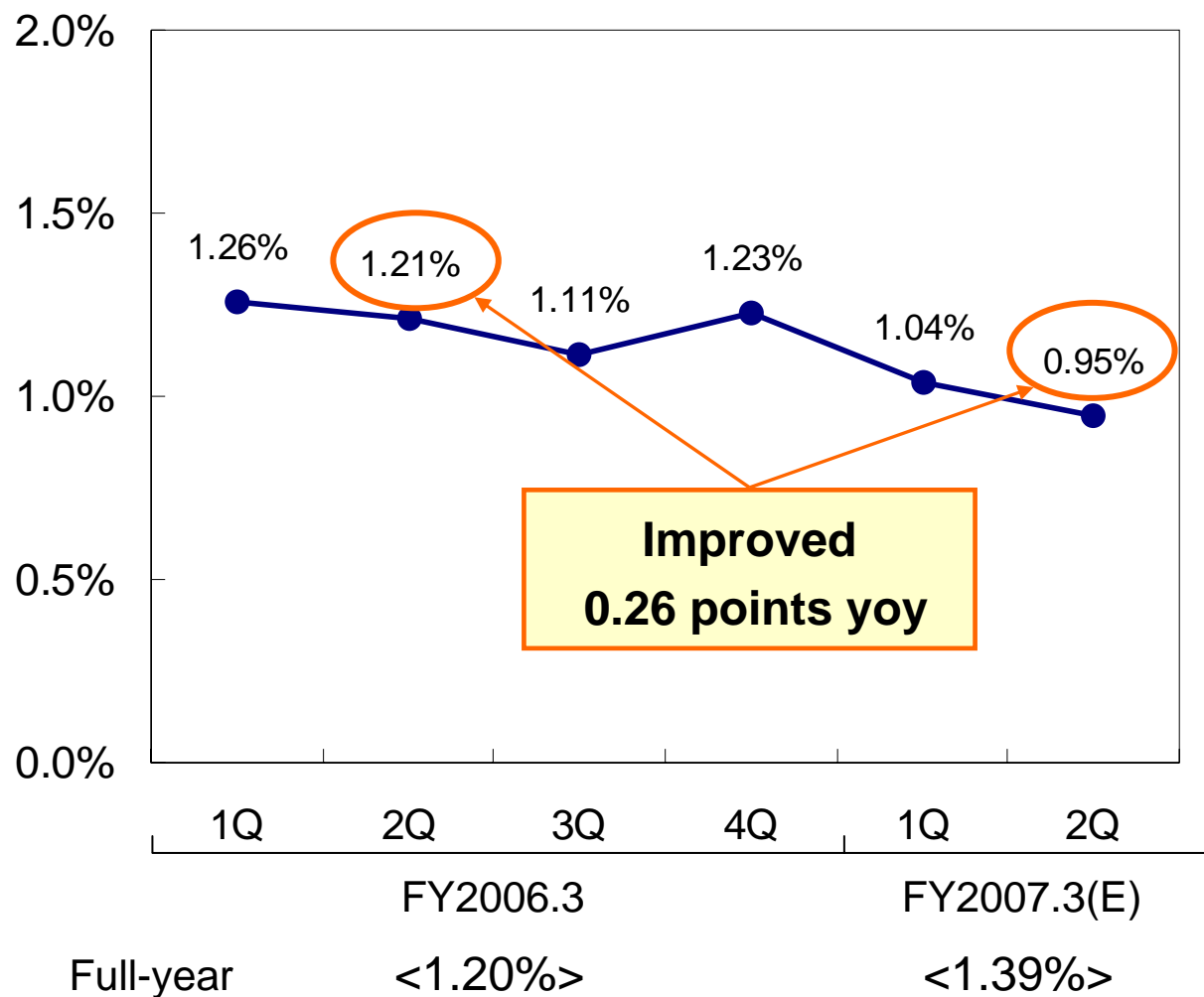
<88.4%>

<26.1%>

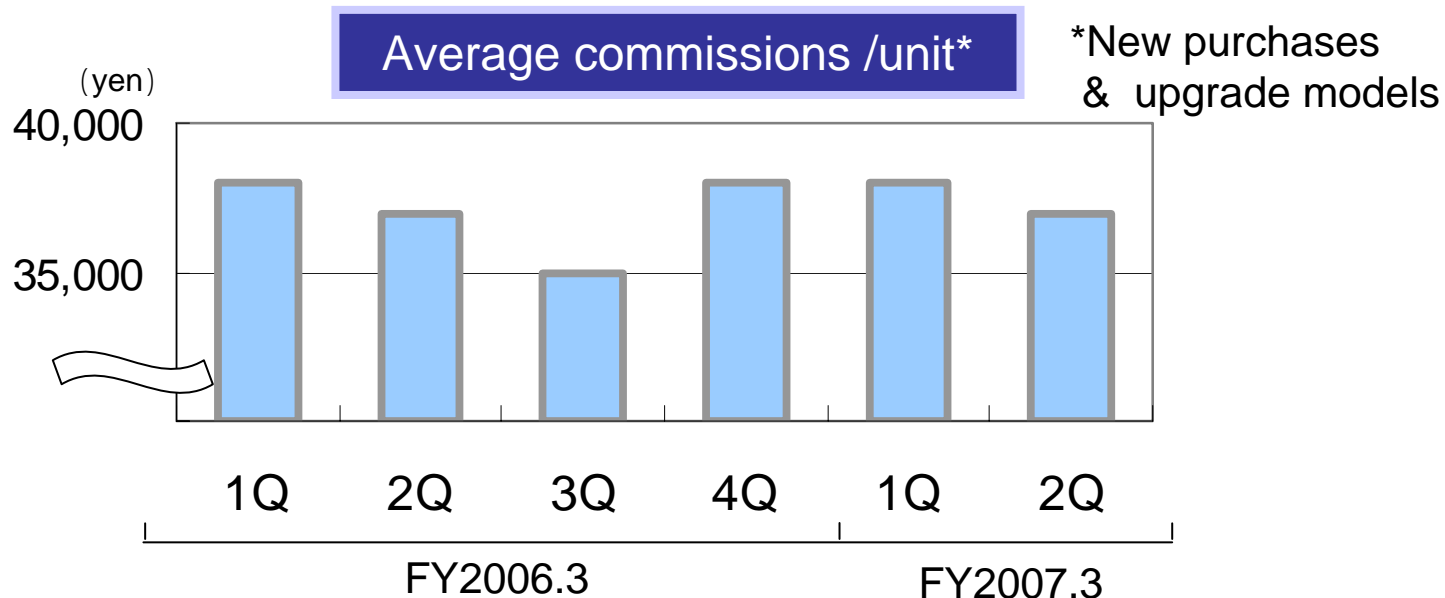
of Tu-Ka migrants to "au"
keeping same numbers

*The line chart excludes the
effect of Tu-Ka migration
in the net-adds share.

1.2. Churn Rate

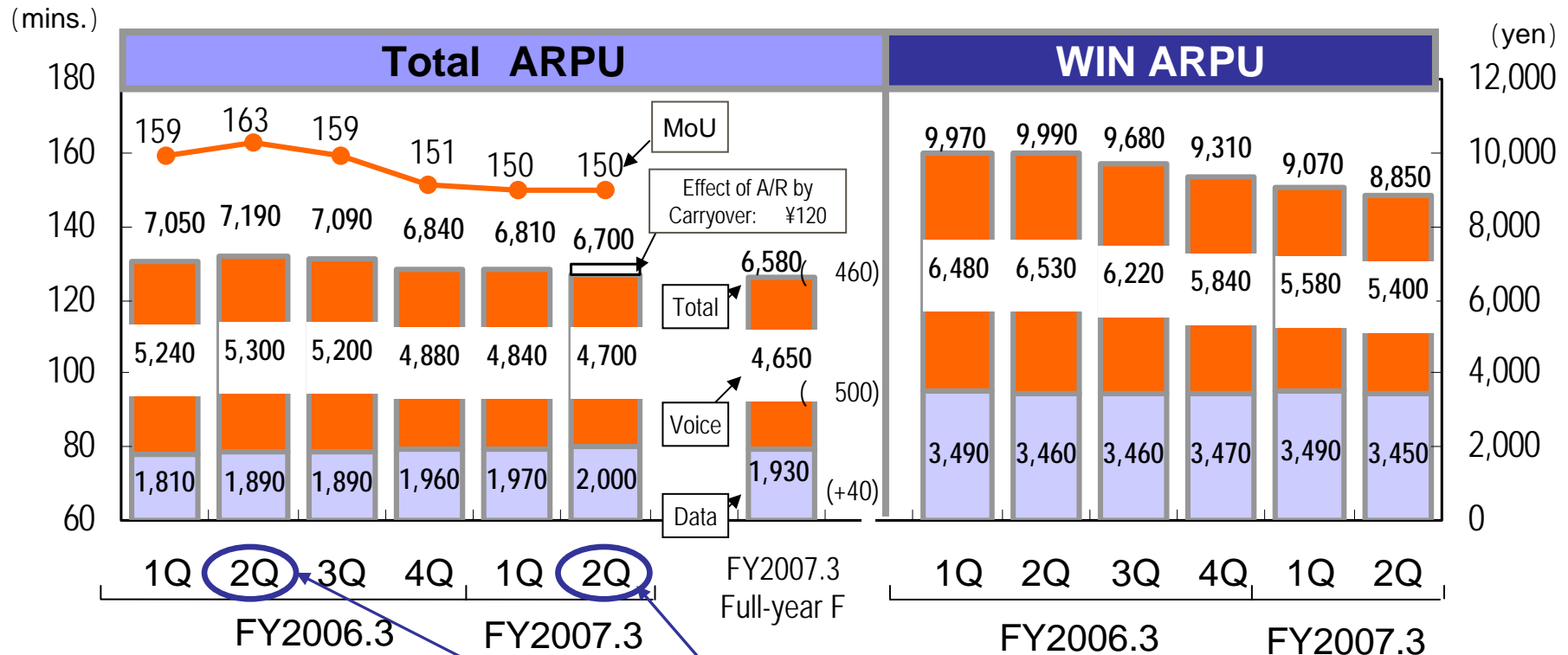


1.3. Sales Commissions



	FY2006.3					FY2007.3(E)		
	1Q	2Q	3Q	4Q		1Q	2Q	
Sales commissions (Billions of yen)	102.0	119.0	119.0	152.0	492.0	124.0	129.0	551.0
Average commissions/unit (yen)	38,000	37,000	35,000	38,000	37,000	38,000	37,000	37,000
Number of units sold ('000 units)	2,700	3,220	3,370	3,960	13,250	3,270	3,520	14,920

1.4. Trend of ARPU



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

yoy change
total ¥ 490 (6.8%)
of Voice ¥ 600 (11.3%)
of Data + ¥ 110 (+ 5.8%)

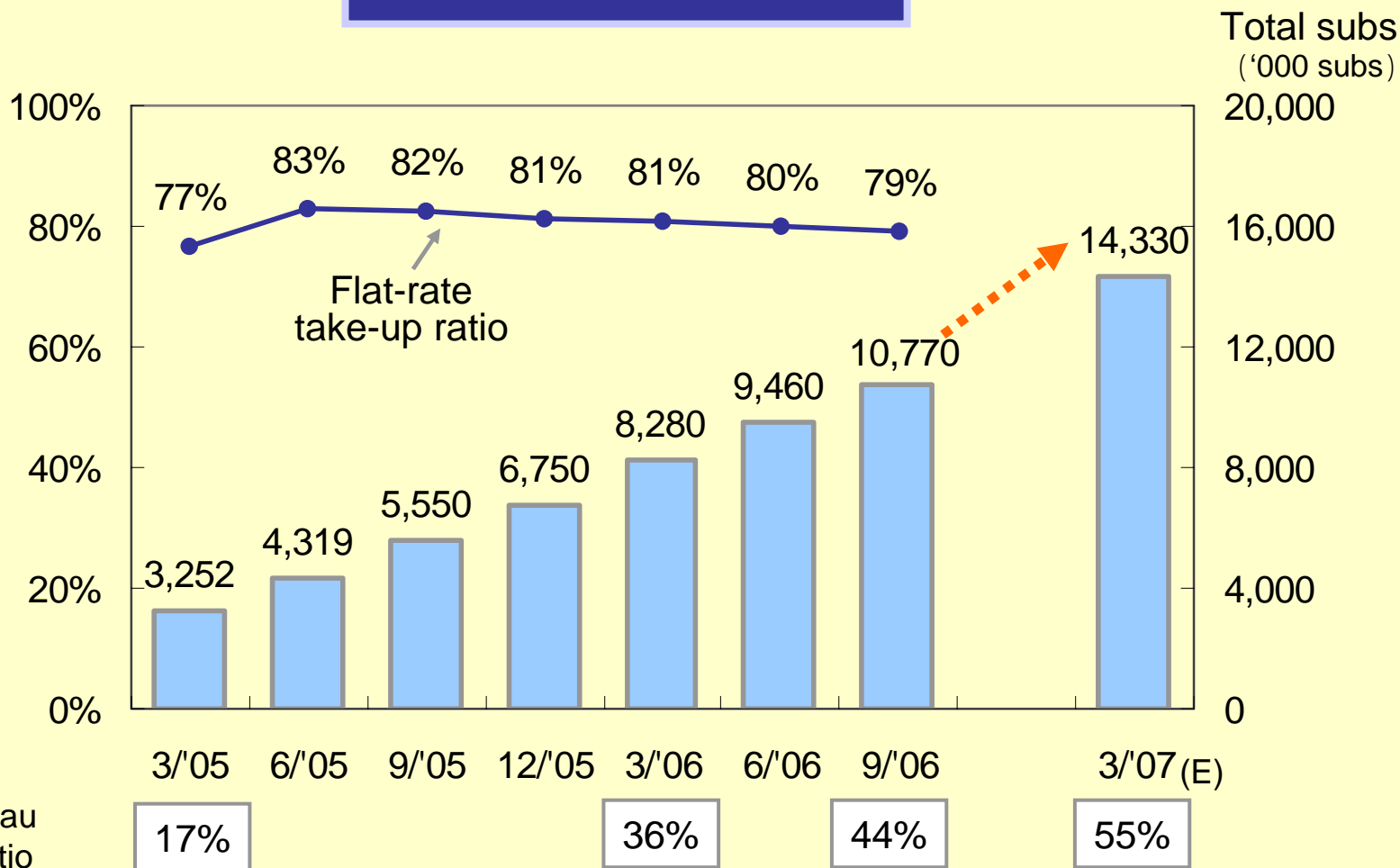
*A/R: Accounts Receivable

1.5. Update on WIN

Expanded flat-rate plan to even wider customer base through Double Flat Rates Light, resulting a high take-up ratio of 79% at end-Sept.



Growth of WIN Subs



2. MNP (Mobile Number Portability)

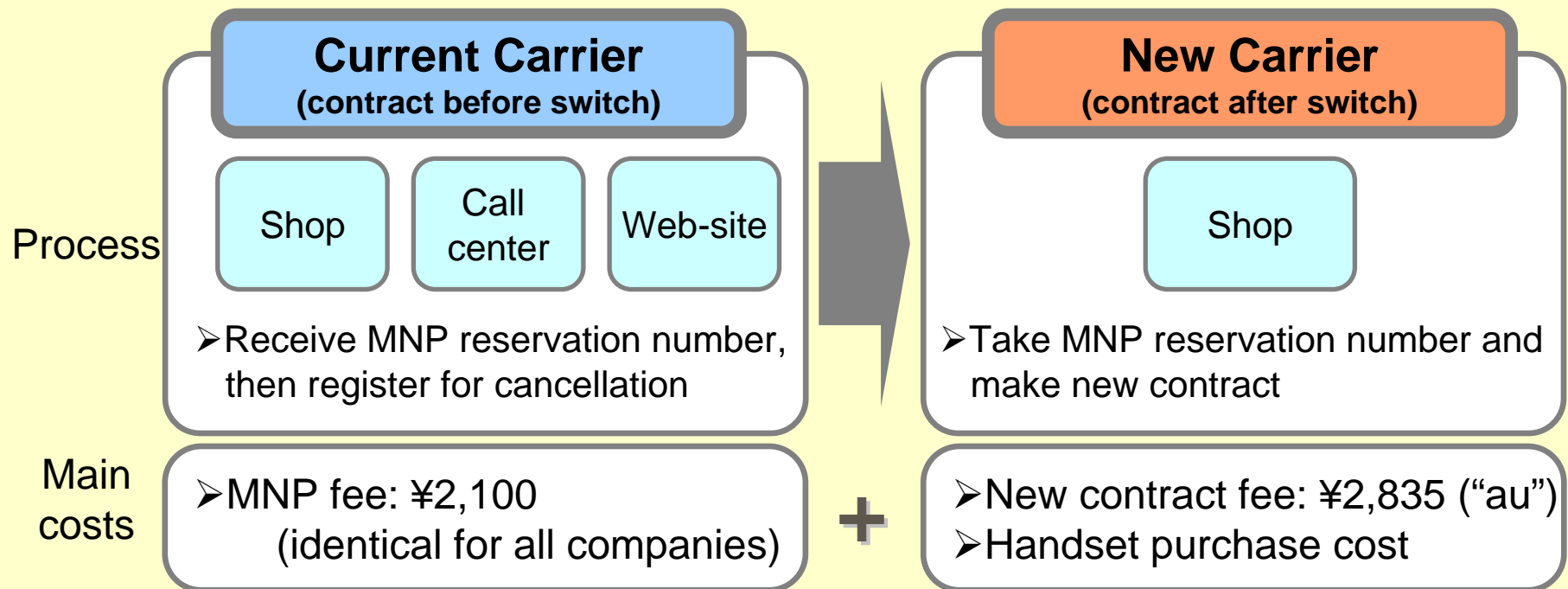
MNP starts on October 24, 2006.

Chance for KDDI to expand customer base to swiftly achieve 30% share and 30 million subs.

Aim for “au” to continue being the brand of choice among customers by strengthening overall product competitiveness.

Consider customer convenience

- Customers only need to visit practically one shop to start a new contract with MNP.
- Time to transfer at new-carrier shops to be same as making new contract or replacing models.



3. Boost All-Round Product Attractiveness

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

Handsets



14 Autumn/Winter models are on sale/upcoming

Charges

ダブル/定額 ライト
Double Flat Rates Light

PCSV flat-rate



My Plan Discount

無期限(くりこし)

INDEFINITE-PERIOD CARRY OVER (Aug.'06 ~)

Content & Applications



au LISTEN MOBILE SERVICE



Chaku-uta Full®

EZチャンネルプラス
Channel Plus



EZニュースフラッシュ
News Flash

au My Page

Infrastructure

cdmaOne

CY1998

CDMA2000
1x

CY2002

1xEV-DO
(Rev.0)

CY2003

BCMCS

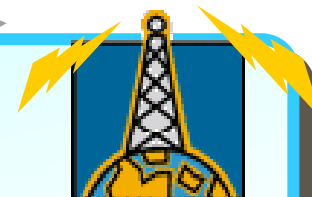
CDMA 1X

WIN

1xEV-DO
Rev.A

To be Launched
in Dec.2006

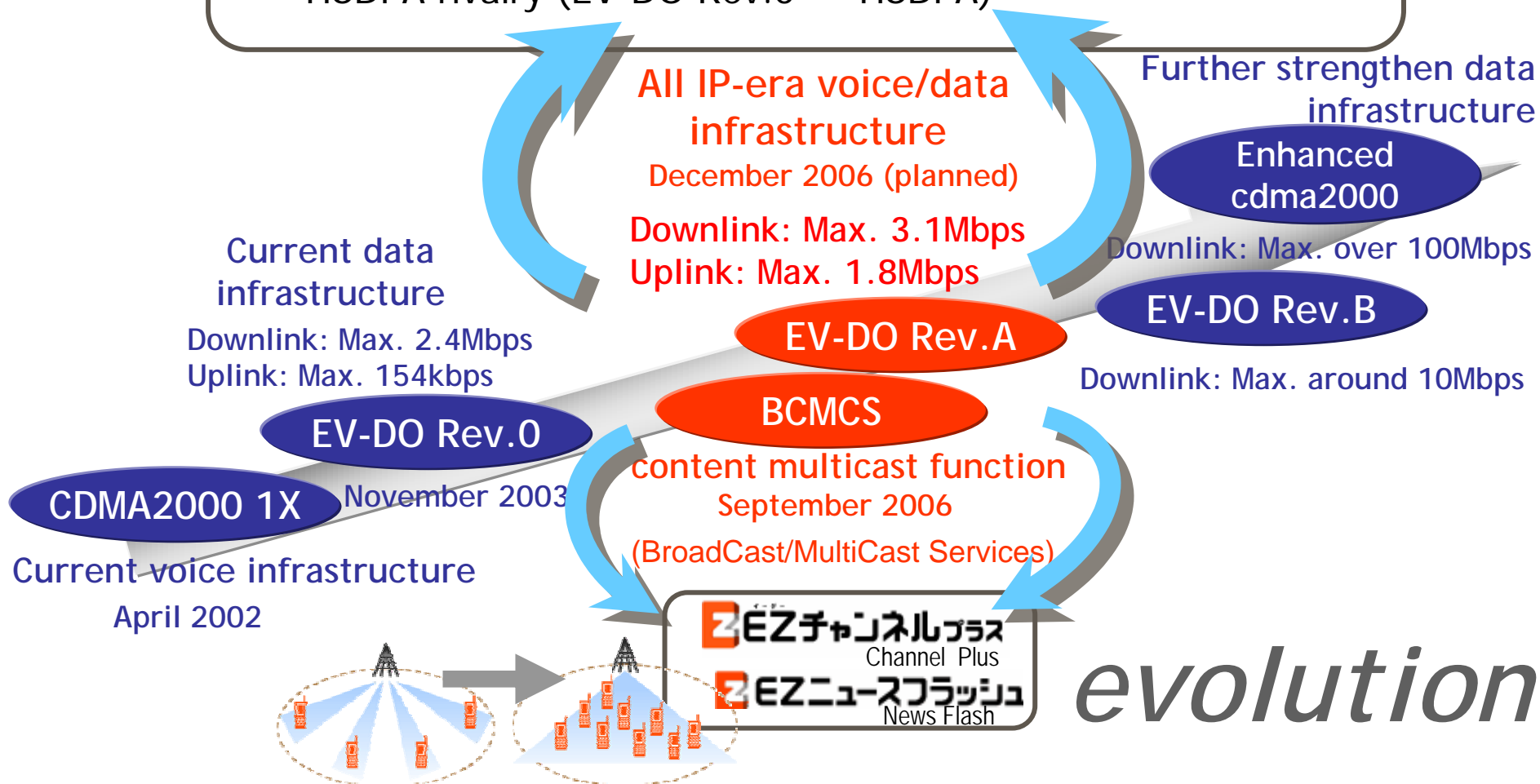
Sept. 2006



Evolution

4. Further Evolve Network

- = Enhance functions to expand interactive real-time services
 - = Start development of All IP infrastructure
- HSDPA rivalry (EV-DO Rev.0 HSDPA)



5. Effect of Google Search Engine(1)

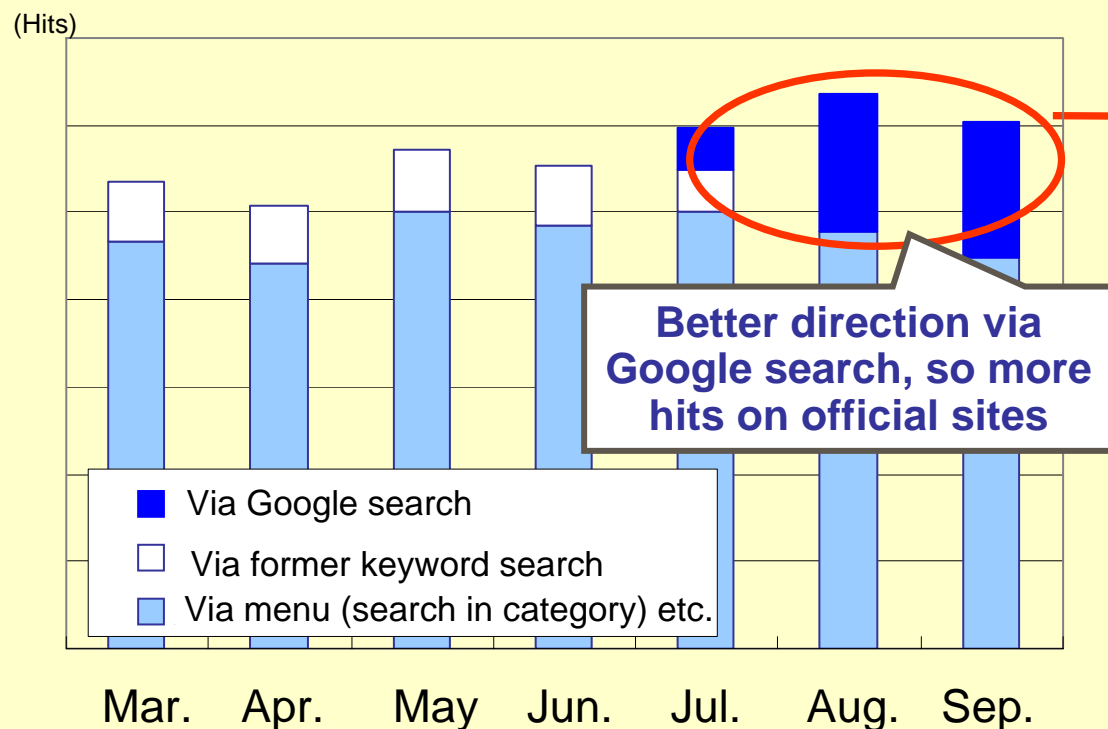
[Aim 1] Increase use by enabling direct access to official content

- ➡ Increase hits on official sites from EZweb portal by enhancing search route.

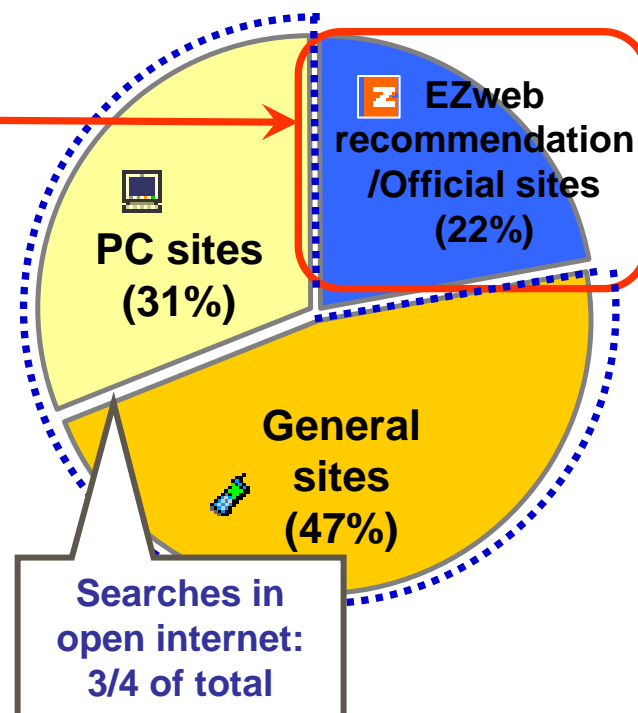
[Aim 2] Promote initiatives for open internet ahead of other companies

- ➡ Satisfy search needs in open environment as 3/4 of searches are for general and PC sites.

Hits on Official Sites from EZweb Portal



Site-visit after Google Search



(Note) Period: July 20-Sept. 30

5. Effect of Google Search Engine(2)

[Aim 3] Increase ad sales through search-related ads (AdWords)

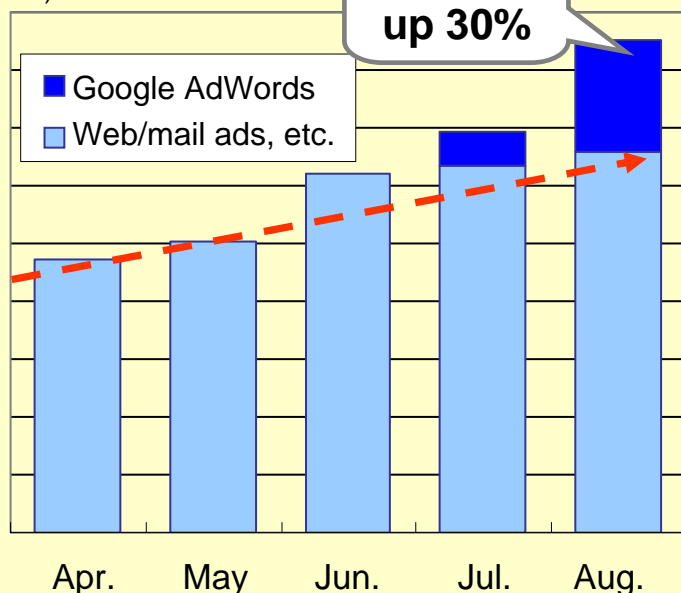
- ➡ No. of searches tripled in EZweb menu and month after start, ad sales jumped 30% (Note). Scope for high growth as no. of searches and ad sales are on the rise.

[Aim 4] Create new usage scenario: search anytime with your mobile phone

- ➡ Searches increase dramatically directly after broadcast ads, inspired by contact with media. Vitalize content use and e-commerce by capitalizing on affinity of media & mobile search.

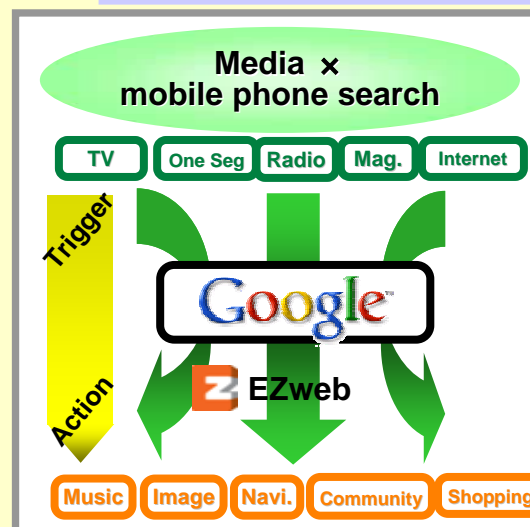
EZweb Ad Sales

(Sales)

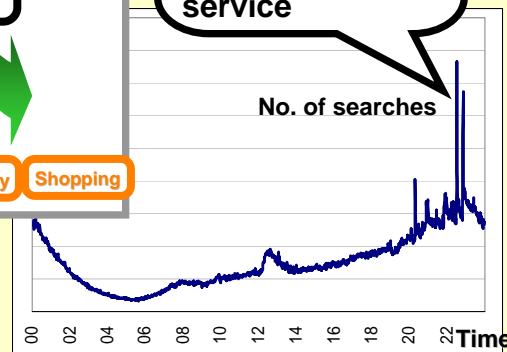


Ad sales
up 30%

Promote Use through Media x Search



Over twofold
jump in searches
straight after ad
for pictogram
service

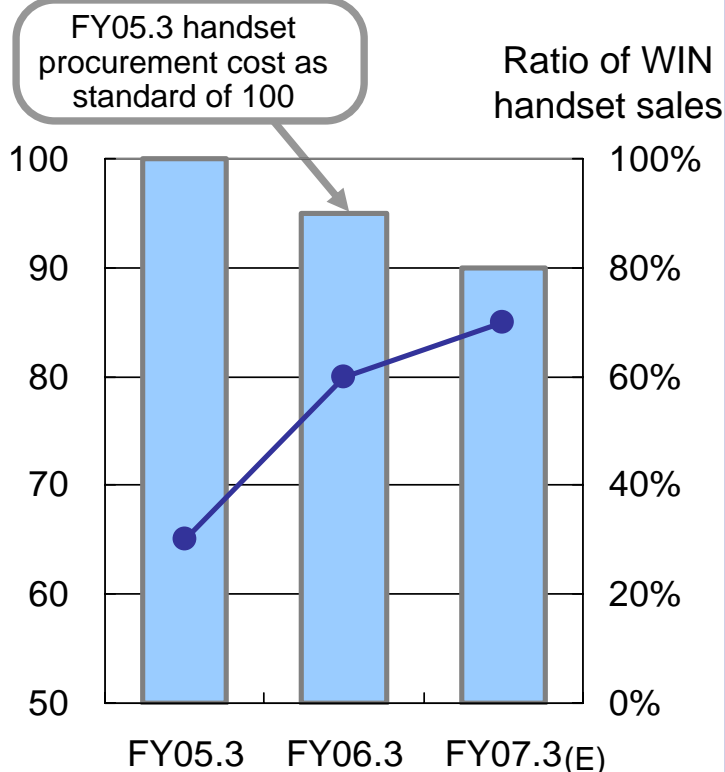


6. Measures to Reduce Handset Costs

Average "au" handset procurement costs/unit is expected to be below previous year's result thanks to cost reduction through KCP despite enhancing lineup, adding functions and increasing the salesratio of WIN handsets.

Aim to strengthen cost competitiveness in mobile phone development by creating an integrated platform during 2007 to deal with more complex, sophisticated software.

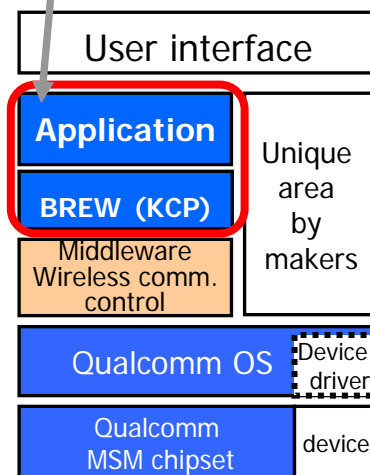
Reduce "au" Handset Procurement Cost



Create New Integrated Platform

KCP

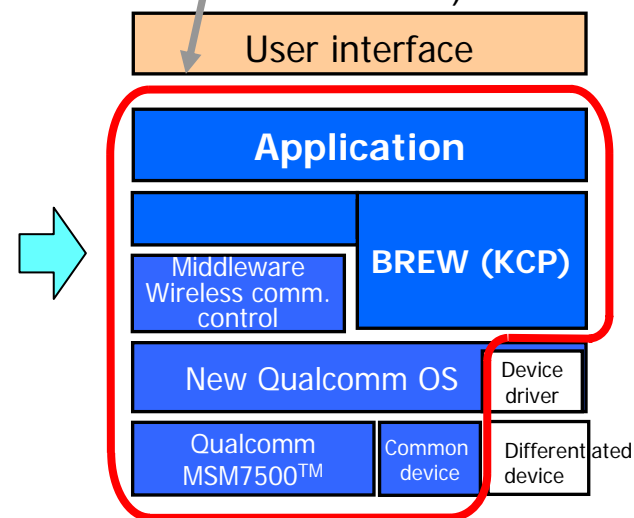
(KDDI Common Platform)



Standardized areas

New development scheme

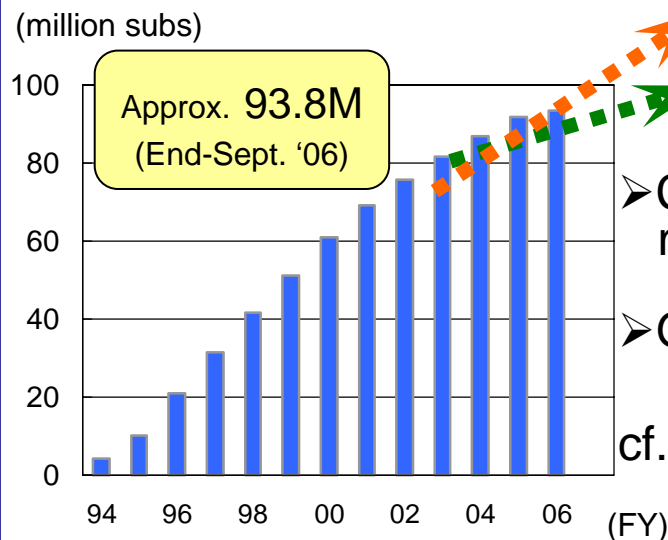
(Expand standardized areas)



Standardized Partially standardized Non-standardized

7. Initiatives in Business Mobile Market

Japan's Mobile Macro Market



New markets (corporate, module etc.)

Individual market

➤ Corporate contracts make up approx. 10%* of macro market (over 9 million)

➤ Growth rate of corporate market in 2006: +11%*

cf. growth rate of macro market in past year: +5.3%

*KDDI estimate

Evolution of Business Mobile

au's first business mobile, B01K with high battery capacity and high security



OFFICE FREEDOM

E02SA

au's first wireless LAN capable handset E02SA out now



E03CA realizes toughness

To be continued...