

Financial Highlights

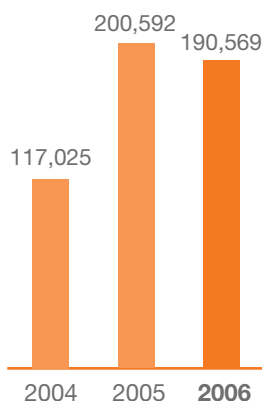
KDDI Corporation and Consolidated Subsidiaries

Years ended March 31, 2004 - 2006	Millions of Yen			Millions of U.S. dollars
	2004	2005	2006	2006
Total operating revenues	¥ 2,846,098	¥ 2,920,039	¥ 3,060,814	\$ 26,056
Operating income	292,105	296,176	296,596	2,525
Income before income taxes and minority interests	192,101	293,531	180,606	1,537
Net income	117,025	200,592	190,569	1,622
Capital expenditure (cash flow basis)	253,257	342,391	414,726	3,530
(At year end)				
Total assets	2,639,581	2,472,322	2,500,865	21,289
Interest-bearing debt	1,179,764	864,627	770,692	6,560
Total shareholders' equity	1,009,391	1,162,192	1,295,531	11,029
Per share data (yen and U.S. dollars)				
Net income	27,748	47,612	45,056	383.55
Cash dividends	3,600	6,900	8,000	68.10

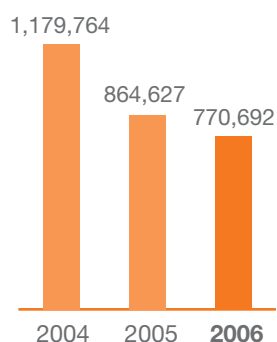
Notes: 1. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at the rate of ¥117.47 = \$1, the approximate exchange rate on March 31, 2006.

2. Interest-bearing debt consists of short-term loans and current portion of long-term loans, long-term loans, bonds and long-term accounts payable.

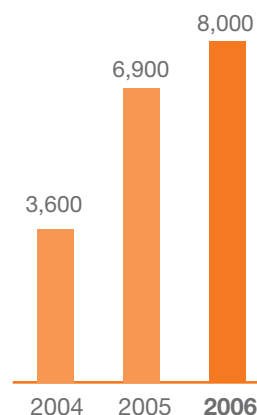
Net income (millions of yen)



Interest-bearing debt (millions of yen)



Cash dividends (yen)



Disclaimer Regarding Forward-Looking Statements

Statements contained in this annual report concerning plans, strategies, beliefs, expectations or projections about the future, and other statements other than those of historical fact, are forward-looking statements based on management's assumptions in light of information currently available and involve risks and uncertainties. Actual results may differ materially from these statements. Potential risks and uncertainties include, but are not limited to, domestic and overseas economic conditions; fluctuations in currency exchange rates, particularly those affecting the U.S. dollar, euro and other overseas currencies in which KDDI or KDDI Group companies do business; and the ability of KDDI and KDDI Group companies to continue developing and marketing services that enable them to secure new customers in the communications market—a market characterized by rapid technological advances, the steady introduction of new services and intense price competition.

KDDI, the sole provider of both mobile and fixed-line services in Japan, has created a gateway to a whole new world of ubiquitous solutions

Page Index

01	Financial Highlights
03	Introduction to KDDI
09	Message to Shareholders and Investors
12	Special Feature: Strategic Direction in Core Business Segments
19	Overview of Operations
	Mobile Business
	Fixed-line Business
29	Corporate Governance and Social Contribution
31	Technology and R&D
33	Financial Section
62	Corporate Data