
Data Book

Financial Results for the 3rd quarter of FY 3/2006

January 24, 2006

KDDI Corporation

Financial Results for the 3rd quarter of FY 3/2006

Unit: Millions of Yen

Consolidated Statement		FY 3/05					FY 3/06					Original Forecast (Apr. 28, 2005)
		1H	2H		Total	1H+3Q	1H	3Q	Revised Forecast (Jan. 24, 2006)	1H+3Q	Progress	
			3Q									
Operating revenues		1,471,324	722,987	1,448,716	2,920,039	2,194,311	1,468,772	761,417	3,041,000	2,230,189	73.3%	2,976,000
Telecommunications business		1,179,127	563,794	1,121,439	2,300,566	1,742,920	1,172,869	602,454	2,388,000	1,775,324	74.3%	2,326,000
Voice traffic	*2	725,473	331,172	679,623	1,405,096	1,056,644	-	-	-	-	-	-
Digital and data transmission		379,518	205,852	395,058	774,576	585,370	-	-	-	-	-	-
Leased circuits		33,298	15,458	29,438	62,736	48,756	-	-	-	-	-	-
Others		40,838	11,312	17,320	58,158	52,150	-	-	-	-	-	-
Other business		292,197	159,194	327,277	619,473	451,390	295,903	158,963	653,000	454,865	69.7%	650,000
Operating income		162,427	80,049	133,749	296,176	242,476	166,670	90,924	289,000	257,594	89.1%	289,000
Ordinary income		156,275	79,361	130,069	286,344	235,636	164,920	90,960	287,000	255,880	89.2%	287,000
Extraordinary income (loss)		(20,763)	27,628	27,950	7,187	6,865	137	(0)	(101,000)	137	-0.1%	0
Net income		77,842	76,282	122,750	200,592	154,123	101,438	56,569	187,000	158,008	84.5%	187,000
Total assets	*1	2,521,547	2,559,175	-	2,472,322	2,559,175	2,480,591	2,466,544	-	2,466,544	-	-
Shareholders' equity	*1	1,078,698	1,137,664	-	1,162,192	1,137,664	1,260,916	1,259,166	-	1,259,166	-	-
Shareholders' equity ratio	*1	42.8%	44.5%	-	47.0%	44.5%	50.8%	51.0%	-	51.0%	-	-
Shareholders' equity per share (Yen)	*1	255,642	269,616	-	278,170	269,616	301,760	301,030	-	301,030	-	-
Free cash flows		113,140	297,148	289,027	402,167	410,288	99,037	69,037	113,000	168,074	148.7%	43,000
Depreciation		183,308	81,782	166,599	349,907	265,090	166,637	80,383	337,000	247,020	73.3%	335,000
Capex (cash flow basis)		115,543	84,414	226,848	342,391	199,957	176,050	111,328	440,000	287,378	65.3%	440,000
EBITDA		351,777	164,988	312,478	664,255	516,765	337,419	173,417	649,000	510,836	78.7%	643,000
EBITDA margin		23.9%	22.8%	21.6%	22.7%	23.6%	23.0%	22.8%	21.3%	22.9%	-	21.6%
Interest bearing debt	*1	1,010,574	901,634	-	864,627	901,634	788,080	742,396	-	742,396	-	-
Net debt	*1	878,178	598,162	-	642,095	598,162	556,622	500,356	-	500,356	-	-
Debt / EBITDA Ratio		-	-	-	1.3	-	-	-	-	-	-	-
Debt / Equity Ratio		0.94	0.79	-	0.74	0.79	0.63	0.59	-	0.59	-	-

*1 These figures are as of the end of each financial year.

*2 From FY 2005, KDDI no longer classifies profit according to "Voice traffic", "Digital and Data transmission", "Leased circuits" and "Others". For reference, however, we have included these figures in the consolidated statements shown here on FY2005.

Financial Results for the 3rd quarter of FY 3/2006

Unit: Millions of Yen

Mobile business		FY 3/05					FY 3/06			1H+3Q	Progress	Original * Forecast (Apr. 28, 2005)
		1H	2H		Total	1H+3Q	1H	Revised Forecast (Jan. 24, 2006)				
			3Q					3Q				
Operating revenues		1,125,476	591,004	1,187,062	2,312,537	1,716,480	1,213,736	631,980	2,486,000	1,845,716	74.2%	-
	Sales outside the group	1,117,417	586,713	1,176,108	2,293,525	1,704,130	1,202,184	623,039	2,465,000	1,825,223	74.0%	-
	Telecommunications business	865,733	443,433	885,319	1,751,053	1,309,166	940,000	482,669	1,897,000	1,422,669	75.0%	-
	Other business	251,684	143,280	290,789	542,473	394,964	262,184	140,370	568,000	402,554	70.9%	-
	Sales within the group	8,059	4,291	10,954	19,012	12,350	11,552	8,941	21,000	20,492	97.6%	-
Operating income		155,256	74,010	136,995	292,251	229,266	196,069	103,545	349,000	299,614	85.8%	328,000
Ordinary income		150,786	72,490	134,306	285,092	223,276	194,310	103,803	347,000	298,113	85.9%	326,000
Extraordinary income (loss)		(135)	(17)	(117)	(252)	(152)	(146)	0	(88,000)	(146)	0.2%	(1,000)
Net income		88,693	43,133	83,005	171,698	131,826	117,951	61,972	159,000	179,924	113.2%	194,000
Free cash flows		71,844	96,184	118,792	190,636	168,028	145,648	87,944	251,000	233,592	93.1%	160,000
Depreciation		123,675	61,724	124,573	248,248	185,399	123,368	56,922	239,000	180,291	75.4%	240,000
Capex (cash flow basis)		90,070	65,244	151,086	241,156	155,314	118,300	66,440	284,000	184,740	65.0%	284,000
EBITDA		282,890	137,161	265,969	548,859	420,051	322,094	161,482	602,000	483,576	80.3%	578,000
EBITDA margin		25.1%	23.2%	22.4%	23.7%	24.5%	26.5%	25.6%	24.2%	26.2%	-	-

* On April 28, 2005, before the merger of the two entities, KDDI announced forecasted operating revenues of 2,245,000 million JPY and 204,000 million JPY for the former au and TU-KA segments respectively. For the figures for operating revenues (and those categories immediately following), as the effect of consolidation of the two entities is minimal, we have simply added these au and TU-KA figures to give a combined total amount.

Financial Results for the 3rd quarter of FY 3/2006

Unit: Millions of Yen

Fixed - line business		FY 3/05					FY 3/06					Original Forecast (Apr. 28, 2005)
		1H	2H		Total	1H+3Q	1H	Revised Forecast (Jan. 24, 2006)		1H+3Q	Progress	
			3Q					3Q				
	Operating revenues	296,846	147,004	299,195	596,041	443,850	286,183	149,599	618,000	435,781	70.5%	612,000
	Sales outside the group	244,421	123,852	250,308	494,729	368,273	240,044	124,355	-	364,399	-	-
	Telecommunications business	226,542	114,542	225,090	451,632	341,084	221,085	113,432	-	334,517	-	-
	Other business	17,879	9,310	25,217	43,096	27,189	18,959	10,923	-	29,882	-	-
	Sales within the group	52,425	23,152	48,887	101,312	75,578	46,138	25,243	-	71,382	-	-
	Operating income (loss)	2,429	5,846	(2,739)	(310)	8,276	(29,486)	(14,317)	(63,000)	(43,803)	-	(42,000)
	Ordinary income (loss)	2,997	6,113	(3,367)	(370)	9,111	(29,001)	(14,819)	(64,000)	(43,819)	-	(43,000)
	Extraordinary income (loss)	(18,022)	(144)	(96)	(18,118)	(18,166)	165	47	(2,000)	212	-	0
	Net income (loss)	(8,001)	4,815	3,588	(4,413)	(3,186)	(16,222)	(6,621)	16,000	(22,843)	-	(22,000)
	Free cash flows	16,466	18,301	(19,532)	(3,066)	34,767	(49,587)	(19,430)	(138,000)	(69,017)	-	(114,000)
	Depreciation	38,574	19,037	40,145	78,719	57,611	41,495	22,637	94,000	64,132	68.2%	92,000
	Capex (cash flow basis)	17,222	16,451	69,382	86,605	33,674	55,942	43,127	150,000	99,069	66.0%	150,000
	EBITDA	42,585	26,536	44,909	87,494	69,120	13,455	9,347	40,000	22,803	57.0%	59,000
	EBITDA margin	14.3%	18.1%	15.0%	14.7%	15.6%	4.7%	6.2%	6.5%	5.2%	-	9.6%

Financial Results for the 3rd quarter of FY 3/2006

Unit: Millions of Yen

Fixed - line business Details of Operating revenues	FY 3/05					FY 3/06					Original Forecast (Apr. 28, 2005)
	1H	2H		Total	1H+3Q	1H	Revised Forecast (Jan. 24, 2006)		1H+3Q	Progress	
		3Q					3Q				
KDDI Corporation	233,836	118,408	233,395	467,231	352,243	229,381	115,349	482,000	344,730	71.5%	469,000
Voice Services	141,974	69,791	135,725	277,699	211,765	133,741	69,208	275,000	202,949	73.8%	278,500
Local call	21,429	10,189	19,352	40,781	31,618	17,620	9,269	-	26,889	-	-
Long distance call	80,867	39,905	76,369	157,236	120,772	76,754	40,702	-	117,456	-	-
International call	39,678	19,697	40,004	79,682	59,375	39,367	19,237	-	58,605	-	-
Data Services	91,666	48,516	97,272	188,939	140,182	95,253	46,062	206,000	141,315	68.6%	190,000
Data Transmissions	43,890	24,566	49,650	93,540	68,456	48,551	23,237	98,000	71,788	73.3%	97,300
Frame relay / Cell relay	3,863	1,857	3,488	7,351	5,721	2,953	744	-	3,697	-	-
Internet	39,822	22,601	45,974	85,795	62,423	45,496	22,447	-	67,943	-	-
Other data transmission	205	107	188	393	312	102	47	-	149	-	-
Leased circuits	22,020	10,235	19,533	41,553	32,255	17,950	8,729	42,000	26,679	63.5%	37,400
IP-VPN	21,439	10,943	22,316	43,755	32,382	21,472	10,341	41,000	31,813	77.6%	42,200
Ether VPN	4,318	2,772	5,773	10,091	7,090	7,280	3,755	25,000	11,034	44.1%	13,100
Others	196	101	398	593	297	387	79	-	466	-	-
KNSL	40,358	19,570	38,740	79,097	59,928	38,532	19,179	74,000	57,711	78.0%	58,000

* We revise the figure of "Data Transmissions", "Frame relay/Cell relay" and "Leased circuits" on Interim Financial Result of FY 3/2006 because of mistake.

	Original	Revised
Data Transmissions	49,079	48,551
Frame relay/Cell relay	3,482	2,953
Leased circuits	17,422	17,950

Financial Results for the 3rd quarter of FY 3/2006

Unit: Millions of Yen

Other Business		FY 3/05					FY 3/06					Original Forecast (Apr. 28, 2005)
		1H	2H		Total	1H+3Q	1H	Revised Forecast (Jan. 24, 2006)		1H+3Q	Progress	
			3Q					3Q				
	Operating revenues	38,451	21,278	42,930	81,381	59,729	45,237	26,732	109,000	71,969	66.0%	107,000
	Sales outside the group	24,099	12,423	22,300	46,399	36,522	26,544	14,022	-	40,566	-	-
	Sales within the group	14,352	8,855	20,631	34,982	23,207	18,693	12,710	-	31,403	-	-
	Operating income (loss)	(200)	1,715	1,151	951	1,516	1,508	1,397	7,000	2,905	41.5%	4,000
	Ordinary income (loss)	(234)	1,735	953	719	1,501	1,575	1,483	7,000	3,057	43.7%	4,000
	Extraordinary income (loss)	(3,011)	(303)	5,104	2,093	(3,314)	(293)	(55)	32,000	(348)	-	32,000
	Net income (loss)	(3,994)	1,047	5,559	1,565	(2,947)	959	793	36,000	1,752	4.9%	35,000

Business Details: Mobile

Subscribers (Thousand)		Sep-04	Dec-04	Mar-05	Sep-05	Dec-05	Mar-06 (Revised Forecast)	Mar-06 (Original Forecast)
KDDI Total		21,777	22,359	23,132	24,231	24,695	25,280	25,030
au		18,189	18,759	19,542	20,704	21,571	22,610	21,540
CDMA 1X WIN		1,191	2,032	3,252	5,550	6,750	8,180	7,660
CDMA 1X		14,667	14,797	14,683	13,997	13,833	-	-
cdmaOne		2,331	1,930	1,608	1,156	987	-	-
TU-KA		3,588	3,600	3,590	3,528	3,125	2,670	3,490
EZweb		16,965	17,526	18,259	19,311	19,799	20,500	20,130
au		15,125	15,697	16,469	17,609	18,387	19,280	18,450
TU-KA		1,848	1,829	1,790	1,702	1,412	1,220	1,680

ARPU, MOU, Churn			FY 3/05				FY 3/06			Total (Original Forecast)
			1H	2H		Total	1H	3Q	Total (Revised Forecast)	
	3Q									
au	ARPU (Total)	(Yen)	7,280	7,190	7,070	7,170	7,120	7,090	7,000	6,810
		Voice	5,560	5,470	5,320	5,430	5,270	5,200	5,120	5,020
		Data	1,720	1,720	1,750	1,740	1,850	1,890	1,880	1,790
	MOU	(Minutes)	170	167	162	166	161	159	158	152
	Churn rate	(%)	1.45	1.37	1.44	1.44	1.23	1.11	1.20	1.35
TU-KA	ARPU	(Yen)	4,630	4,460	4,310	4,470	4,080	3,960	3,940	4,040
	MOU	(Minutes)	131	124	120	126	111	102	-	-
	Churn rate	(%)	2.1	1.9	2.0	2.0	2.1	5.0	3.7	2.3

Business Details: Fixed - line (Part 1)

Active Lines *1	FY 3/05				FY 3/06			Total (Original Forecast)
	1H	2H		Total	1H	3Q	Total (Revised Forecast)	
		3Q						
Voice Domestic Active Line (Thousand)	7,855	7,552	7,368	7,612	6,571	6,060	-	-
Voice International Active Line (Thousand)	590	563	548	569	486	442	-	-

*1 Includes any line making a minimum of one call. (Figures shown are the average monthly figures over the period).

ARPU for Fixed Line	FY 3/05				FY 3/06			Total (Original Forecast)
	1H	2H		Total	1H	3Q	Total (Revised Forecast)	
		3Q						
Voice Domestic Active Line *2 (Yen)	1,510	1,500	1,440	1,470	1,390	1,405	-	-
Voice Int'l Active Line *3 (Yen)	3,810	3,740	3,660	3,770	3,680	3,472	-	-
DION (includes ADSL) *4 (Yen)	2,000	2,170	2,240	2,120	2,300	2,280	-	-

*2 Does not include revenue from DDL direct lines, FreeCall DX/S, DOD or other direct connections.

*3 Does not include services such as DDL direct lines, Super World Card or International mobile.

*4 ARPU from KDDI's consumer ISP.

Number of Subscribers to Fixed Line Services	Sep-04	Dec-04	Mar-05	Sep-05	Dec-05	Mar-06 (Revised Forecast)	Mar-06 (Original Forecast)
Mylene Registration *5 (Thousand)	9,200	9,050	8,690	8,000	7,650	-	-
Local (Thousand)	6,143	6,061	5,768	5,228	5,049	-	-
In-prefecture Long Distance (Thousand)	7,572	7,466	7,108	6,490	6,192	-	-
Out-prefecture Long Distance (Thousand)	8,224	8,112	7,770	7,176	6,853	-	-
International (Thousand)	8,756	8,632	8,280	7,654	7,316	-	-
Metal Plus (Thousand)	-	-	41	677	1,165	1,700	2,200
DION (Thousand)	2,873	2,874	2,885	2,850	2,848	2,850	2,880
of which ADSL (Thousand)	1,428	1,497	1,494	1,495	1,510	1,500	1,500
FTTH (Thousand)	60	78	91	138	156	180	180
of which KDDI Hikari Plus (Thousand)	44	61	79	134	153	-	-
KDDI Internet (Corporate use) (Thousand)	37	40	42	45	47	-	-
FR/CR *6 (Thousand)	11	10	9	7	6	-	-
VPN (IP-VPN, Ether-VPN) *6 (Thousand)	63	62	70	69	67	-	-

*5 Each individual access circuit to the network is counted here.

*6 Each local access circuit to the network is counted here.

*7 DION subs of Hikari Plus have been included in the number of DION from the end of Mar-05

*8 Ether-VPN access circuits have been included in the number of VPN from the end of Mar-05

Business Details: Fixed - line (Part 2)

Local call traffic *1	FY 3/05				FY 3/06	
	1H	2H		Total	1H	3Q
		3Q				
Calls (million)	1,838	909	1,729	3,567	1,554	773
Minutes (million)	4,247	1,971	3,755	8,002	3,210	1,495

Long-distance calls traffic *1	FY 3/05				FY 3/06	
	1H	2H		Total	1H	3Q
		3Q				
Calls (million)	4,847	2,358	4,661	9,508	4,744	2,479
Minutes (million)	7,317	3,476	6,692	14,009	6,320	3,154

International call traffic *2	FY 3/05				FY 3/06	
	1H	2H		Total	1H	3Q
		3Q				
Calls (million)	282	152	307	589	277	138
Outgoing	96	47	91	187	91	45
Incoming	139	73	142	281	118	59
Relayed	47	32	74	121	68	34
Minutes (million)	1,352	740	1,510	2,862	1,417	713
Outgoing	476	241	477	953	487	243
Incoming	628	330	645	1,273	529	265
Relayed	248	169	388	636	401	204

*1 Domestic (local and long-distance) call traffic figures include those for direct connections such as DDL direct line, Free Call DX/S and DOD.

*2 International call traffic includes figures for services such as DDL direct lines, Super World Card and international calls made from mobile phones over the KDDI network.