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# **Data Book**

## **Financial Results for the 3rd quarter of FY 3/2008**

**January 25, 2008**

**KDDI Corporation**

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# Financial Results for the 3rd quarter of FY 3/2008

Unit: Millions of Yen

Consolidated Statement		FY 3/07					FY 3/08					Original Forecast (Apr. 24, 2007)
		1H	2H		Total	1H+3Q	1H	3Q	Revised Forecast (Jan. 25, 2008)	1H+3Q		
			3Q								Progress	
Operating revenues	1,604,835	857,635	1,730,425	3,335,260	2,462,470	1,734,266	904,400	3,580,000	2,638,666	73.7%	3,500,000	
Telecommunications business	1,281,334	652,497	1,311,549	2,592,882	1,933,831	1,380,886	689,261	2,751,000	2,070,147	75.3%	2,739,000	
Other business	323,501	205,138	418,876	742,377	528,639	353,380	215,139	829,000	568,519	68.6%	761,000	
Operating income	229,461	86,632	115,239	344,701	316,093	249,607	121,365	414,000	370,972	89.6%	390,000	
Ordinary income	227,282	92,294	123,641	350,923	319,576	252,411	123,041	420,000	375,451	89.4%	390,000	
Extraordinary income (loss)	103	0	(41,952)	(41,849)	103	209	0	(35,000)	209	-	0	
Net income	136,031	55,007	50,716	186,747	191,038	145,739	69,026	220,000	214,765	97.6%	220,000	
Total assets *	2,574,750	-	-	2,803,240	2,571,536	2,858,098	-	-	2,853,745	-	-	
Shareholders' equity *	1,432,130	-	-	1,537,114	1,444,645	1,670,789	-	-	1,719,159	-	-	
Shareholders' equity ratio *	54.9%	-	-	54.1%	55.4%	57.3%	-	-	59.1%	-	-	
Shareholders' equity per share (Yen) *	323,013	-	-	339,806	328,255	367,230	-	-	377,786	-	-	
Free cash flows	200,611	26,815	95,874	296,485	227,426	59,778	34,789	(28,000)	94,567	-	2,000	
Depreciation	158,337	79,662	166,812	325,149	237,999	169,203	88,513	353,000	257,716	73.0%	366,000	
Capex (cash flow basis)	176,239	120,376	262,224	438,463	296,615	190,629	127,711	520,000	318,340	61.2%	500,000	
EBITDA	392,146	172,074	299,553	691,699	564,219	424,724	215,193	784,000	639,917	81.6%	770,000	
EBITDA margin	24.4%	20.1%	17.3%	20.7%	22.9%	24.5%	23.8%	21.9%	24.3%	-	22.0%	
Interest bearing debt *	596,020	-	-	620,471	554,247	572,197	-	-	508,680	-	-	
Net debt *	436,985	-	-	427,817	455,291	400,677	-	-	388,908	-	-	
Debt / EBITDA Ratio	-	-	-	0.9	-	-	-	-	-	-	-	
Debt / Equity Ratio	0.42	-	-	0.41	0.39	0.34	-	-	0.30	-	-	

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

# Financial Results for the 3rd quarter of FY 3/2008

Unit: Millions of Yen

Mobile Business		FY 3/07					FY 3/08					Original Forecast (Apr. 24, 2007)
		1H	2H		Total	1H+3Q	1H	3Q		1H+3Q	Progress	
			3Q						Revised Forecast (Jan. 25, 2008)			
	Operating revenues	1,283,373	692,656	1,394,072	2,677,445	1,976,029	1,381,183	719,216	2,846,000	2,100,399	73.8%	2,763,000
	Sales outside the group	1,272,980	690,313	1,389,570	2,662,550	1,963,293	1,375,718	716,404	-	2,092,122	-	-
	Telecommunications business	994,494	509,538	1,023,022	2,017,516	1,504,032	1,082,656	538,812	-	1,621,469	-	-
	Other business	278,486	180,775	366,548	645,034	459,261	293,062	177,592	-	470,654	-	-
	Sales within the group	10,393	2,343	4,502	14,895	12,736	5,464	2,812	-	8,277	-	-
	Operating income	242,837	93,029	142,852	385,689	335,866	273,332	138,031	468,000	411,363	87.9%	438,000
	Ordinary income	244,581	94,677	148,939	393,520	339,258	276,727	140,510	477,000	417,237	87.5%	443,000
	Extraordinary income (loss)	(249)	0	(39,590)	(39,838)	(249)	0	0	(12,000)	0	-	0
	Net income	144,795	54,626	64,663	209,458	199,421	160,033	82,382	270,000	242,415	89.8%	253,000
	Free cash flows	184,479	33,423	110,359	294,838	217,902	94,423	59,560	73,000	153,983	210.9%	126,000
	Depreciation	93,611	51,579	106,432	200,044	145,191	110,437	56,876	228,000	167,313	73.4%	234,000
	Capex (cash flow basis)	121,830	95,987	207,034	328,864	217,817	141,122	95,621	390,000	236,742	60.7%	370,000
	EBITDA	339,006	148,575	259,128	598,134	487,582	386,825	197,361	706,000	584,185	82.7%	681,000
	EBITDA margin	26.4%	21.5%	18.6%	22.3%	24.7%	28.0%	27.4%	24.8%	27.8%	-	24.6%

Operating income Details of Operating revenues		FY 3/07					FY 3/08					Original Forecast (Apr. 24, 2007)
		1H	2H		Total	1H+3Q	1H	3Q		1H+3Q	Progress	
			3Q						Revised Forecast (Jan. 25, 2008)			
	au	1,238,223	678,587	1,372,405	2,610,628	1,916,810	1,373,132	717,204	2,835,700	2,090,336	73.7%	2,756,000
	TU-KA	45,150	14,069	21,667	66,817	59,219	8,051	2,012	10,300	10,063	97.7%	7,000

# Financial Results for the 3rd quarter of FY 3/2008

Unit: Millions of Yen

Fixed - line Business		FY 3/07					FY 3/08					Original Forecast (Apr. 24, 2007)
		1H	2H		Total	1H+3Q	1H	3Q	Revised Forecast (Jan. 25, 2008)	1H+3Q		
			3Q								Progress	
	Operating revenues	362,416	173,934	351,934	714,350	536,351	354,590	179,709	716,000	534,299	74.6%	733,000
	Sales outside the group	301,509	153,229	308,855	610,364	454,738	311,557	156,640	-	468,197	-	-
	Telecommunications business	273,270	137,506	275,405	548,675	410,776	282,433	141,404	-	423,838	-	-
	Other business	28,239	15,723	33,451	61,690	43,962	29,124	15,236	-	44,360	-	-
	Sales within the group	60,908	20,705	43,079	103,986	81,613	43,032	23,069	-	66,102	-	-
	Operating income (loss)	(16,751)	(8,747)	(32,286)	(49,036)	(25,497)	(29,481)	(18,325)	(64,000)	(47,806)	-	(56,000)
	Ordinary income (loss)	(17,288)	(8,150)	(29,872)	(47,160)	(25,438)	(29,468)	(17,956)	(65,000)	(47,424)	-	(60,000)
	Extraordinary income (loss)	(3)	0	(43)	(45)	(3)	(95)	(575)	(21,000)	(670)	-	0
	Net income (loss)	(8,511)	(4,258)	(14,938)	(23,448)	(12,769)	(17,103)	(12,888)	(53,000)	(29,991)	-	(35,000)
	Free cash flows	18,781	(1,408)	(12,478)	6,303	17,373	(12,621)	(13,995)	(62,000)	(26,616)	-	(95,000)
	Depreciation	62,804	27,173	57,877	120,682	89,977	56,023	28,924	116,000	84,947	73.2%	124,000
	Capex (cash flow basis)	44,392	19,743	43,655	88,047	64,136	43,497	27,120	115,000	70,617	61.4%	117,000
	EBITDA	47,797	20,235	33,093	80,890	68,032	29,310	13,426	59,000	42,736	72.4%	73,000
	EBITDA margin	13.2%	11.6%	9.4%	11.3%	12.7%	8.3%	7.5%	8.2%	8.0%	-	10.0%

# Financial Results for the 3rd quarter of FY 3/2008

Unit: Millions of Yen

Fixed - line Business Details of Total operating revenues	FY 3/07					FY 3/08					Original Forecast (Apr. 24, 2007)
	1H	2H		Total	1H+3Q	1H	3Q	Revised Forecast (Jan. 25, 2008)	1H+3Q		
		3Q							Progress		
<b>Total operating revenues</b>	362,416	173,934	351,934	714,350	536,351	354,590	179,709	716,000	534,299	74.6%	733,000
<b>Operating revenues of KDDI Corporation</b>	275,752	139,381	280,293	556,045	415,133	286,754	144,348	577,000	431,101	74.7%	589,000
<b>Voice Services</b>	150,954	77,315	152,098	303,052	228,268	151,535	75,997	305,000	227,532	74.6%	314,000
Local call	16,833	8,485	16,265	33,097	25,317	15,373	7,405	-	22,777	-	-
Long distance call	96,339	50,751	99,712	196,051	147,090	100,730	51,531	-	152,261	-	-
International call	37,782	18,079	36,122	73,903	55,861	35,432	17,061	-	52,494	-	-
<b>Data Services</b>	124,611	62,253	127,948	252,559	186,864	135,053	68,244	272,000	203,298	74.7%	272,000
<b>Data Transmissions</b>	53,379	26,431	57,009	110,388	79,811	60,845	30,253	121,000	91,098	75.3%	127,000
Internet * 1	50,738	25,290	54,861	105,600	76,028	59,124	29,473	-	88,597	-	-
Frame relay, Cell relay and Other data transmission	2,641	1,142	2,148	4,789	3,783	1,721	780	-	2,501	-	-
Leased circuits	27,702	13,118	25,654	53,356	40,820	26,384	12,880	51,000	39,264	77.0%	51,000
IP-VPN	16,734	8,264	16,747	33,481	24,998	17,029	8,510	35,000	25,539	73.0%	33,000
Wide-area Ethernet	26,796	14,171	28,537	55,333	40,967	30,796	16,601	65,000	47,396	72.9%	62,000
Telegraph and other telecommunications services	187	82	247	434	269	166	106	-	272	-	-
<b>Operating revenues of KNSL</b>	30,079	13,797	25,781	55,860	43,876	23,768	7,979	32,000	31,747	99.2%	54,000
<b>Others</b> * 2	56,585	20,757	45,860	102,445	77,342	44,068	27,382	107,000	71,451	66.8%	90,000
<b>Details : Metal-plus of KDDI Corporation (Voice+Data)</b> * 3	41,131	24,977	51,380	92,511	66,108	58,608	31,920	-	90,528	-	-
<b>Details : HIKARI-one (FTTH) of KDDI Corporation (Data+Voice+TV)</b>	-	-	-	-	-	* 4 15,523	7,956	-	23,479	-	-

\*1 We add the internet revenues of Metal-plus (including ADSL one) and HIKARI-one on "Internet" and show the TV service of HIKARI-one (FTTH) in the "Other Business".

\*2 "Others" includes the revenues of other business of the KDDI parent company, sales within the KDDI parent company, other KNSL revenue, company revenue in the Fixed-line business and adjustments in the Fixed-line business.

\*3 Including ADSL one.

\*4 Corrected as follows.

	2Q	1H
< Before correction >	8,100	15,804
< After correction >	7,819	15,523

# Financial Results for the 3rd quarter of FY 3/2008

Unit: Millions of Yen

Other Business		FY 3/07				FY 3/08					Original Forecast (Apr. 24, 2007)	
		1H	2H		Total	1H+3Q	1H	3Q	Revised Forecast (Jan. 25, 2008)	1H+3Q		
			3Q							Progress		
	Operating revenues	52,078	27,376	56,625	108,704	79,454	71,358	44,456	164,000	115,814	70.6%	156,000
	Sales outside the group	30,346	14,093	31,999	62,345	44,438	46,990	31,356	-	78,346	-	-
	Sales within the group	21,733	13,283	24,626	46,359	35,016	24,367	13,100	-	37,467	-	-
	Operating income (loss)	3,053	2,333	3,805	6,858	5,386	5,188	1,426	8,000	6,614	82.7%	8,000
	Ordinary income (loss)	2,997	2,236	4,071	7,068	5,233	4,864	1,800	8,000	6,665	83.3%	8,000
	Extraordinary income (loss)	(37)	(23)	(441)	(478)	(60)	34	13	(3,000)	47	-	0
	Net income (loss)	1,931	1,114	1,640	3,571	3,045	2,137	368	1,000	2,505	250.5%	3,000

# Business Details: Mobile

Subscribers (Thousand)		FY 3/07					FY 3/08				Mar-08 (Original Forecast)
		Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08 (Revised Forecast)		
KDDI Total		25,957	26,403	27,226			28,188	28,709	29,217	29,555	30,250
au		23,616	24,486	25,798	27,317		28,110	28,744	29,196	30,000	30,000
CDMA 1X WIN		9,460	10,770	12,520	14,549		15,753	17,063	18,126	19,000	18,750
CDMA 1X		13,367	12,997	12,622	12,170		11,805	11,177	10,613	-	-
cdmaOne		789	719	656	597		552	503	456	-	-
TU-KA		2,341	1,916	1,428	872		600	473	359	250	0
EZweb		21,023	21,509	22,459	23,533		24,086	24,567	24,891	25,480	25,620
au		20,171	20,895	22,053	23,322	23,945	24,472	24,841	25,480	25,620	
TU-KA		852	614	406	211	140	95	50	0	0	

ARPU, MOU, Churn		FY 3/07					FY 3/08				Total (Original Forecast)
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total (Revised Forecast)	
au	ARPU (Yen)	6,810	6,700	6,600	6,380	6,610	6,430	6,400	6,230	6,240	6,150
	Voice (Yen)	4,840	4,700	4,570	4,320	4,590	4,350	4,270	4,090	4,120	4,100
	Data (Yen)	1,970	2,000	2,030	2,060	2,020	2,080	2,130	2,140	2,120	2,050
	MOU (Minutes)	150	150	148	140	147	139	139	137	136	133
	Churn rate (%)	1.04	0.95	1.00	1.07	1.02	0.97	1.03	0.89	1.00	1.04
TU-KA	ARPU (Yen)	3,380	3,050	2,790	2,120	2,960	2,170	1,900	1,520	-	-
	MOU (Minutes)	78	68	61	50	67	44	39	30	-	-
	Churn rate (%)	5.7	6.4	9.2	15.1	8.2	11.8	7.6	8.7	-	-

## Business Details: Fixed - line (Part 1)

Active Lines	*1	FY 3/07					FY 3/08				Total (Original Forecast)
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total (Revised Forecast)	
Voice Domestic Active Line	(Thousand)	5,203	4,883	4,576	4,272	4,734	4,048	3,869	3,538	-	-
Voice International Active Line	(Thousand)	380	361	335	310	346	286	272	251	-	-

ARPU for Fixed Line			FY 3/07					FY 3/08				Total (Original Forecast)
			1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total (Revised Forecast)	
Voice Domestic Active Line	*1	(Yen)	1,410	1,410	1,430	1,360	1,400	1,370	1,350	1,420	-	-
Voice Int'l Active Line	*1	(Yen)	3,370	3,620	3,480	3,610	3,520	3,840	3,490	3,850	-	-
Metal-plus (Voice+Data)	*2	(Yen)	3,090	3,370	3,400	3,380	3,320	3,390	3,400	3,430	-	-
HIKARI-one (FTTH) (Data+Voice+TV)		(Yen)	-	-	-	-	-	4,600	4,600	4,590	-	-
au one net	*3	(Yen)	2,190	2,320	2,320	2,350	2,290	2,340	2,380	2,400	-	-

\* 1 Does not include revenue from DDL direct lines, Metal-plus phone, HIKARI-one, FreeCall DX/S, DOD or other direct connections.

\* 2 Including ADSL one.(ADSL used over Metal-plus)

\* 3 Does not include services such as DDL direct lines, Metal-plus phone, HIKARI-one, Super World Card or International mobile.

Number of Subscribers to Fixed Line Services			FY 3/07					FY 3/08				Mar-08 (Original Forecast)
			Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08 (Revised Forecast)		
Myline Registration	*4	(Thousand)	6,780	6,410	6,080	5,790	5,520	5,280	5,050	-	-	
Local		(Thousand)	4,407	4,145	3,908	3,710	3,528	3,381	3,232	-	-	
In-prefecture Long Distance		(Thousand)	5,446	5,144	4,866	4,630	4,412	4,226	4,042	-	-	
Out-prefecture Long Distance		(Thousand)	6,055	5,731	5,429	5,167	4,931	4,722	4,504	-	-	
International		(Thousand)	6,473	6,130	5,807	5,530	5,271	5,050	4,821	-	-	
Metal Plus	*2	(Thousand)	2,223	2,441	2,607	2,813	3,010	3,172	3,271	3,270	3,200	
HIKARI-one (FTTH)		(Thousand)	181	192	216	592	635	668	698	730	900	
au one net		(Thousand)	2,829	2,785	2,751	2,725	2,702	2,671	2,626	-	-	
of which ADSL		(Thousand)	1,555	1,545	1,531	1,512	1,495	1,471	1,437	1,400	1,500	
KDDI Internet (Corporate use)		(Thousand)	55	57	58	60	61	62	64	-	-	
IP-VPN	*5	(Thousand)	58	58	58	59	61	65	68	-	-	
Wide-area Ethernet	*5	(Thousand)	40	42	44	46	47	49	51	-	-	

\*4 Each individual access circuit to the network is counted here.

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



## Business Details: Fixed - line (Part 2)

Local call traffic *1	FY 3/07					FY 3/08		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Calls (million)	689	647	613	542	2,491	524	494	486
Minutes (million)	1,286	1,161	1,083	971	4,501	931	860	831

Long-distance calls traffic *1	FY 3/07					FY 3/08		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Calls (million)	2,518	2,553	2,555	2,436	10,062	2,484	2,490	2,287
Minutes (million)	2,764	2,621	2,521	2,289	10,194	2,271	2,217	2,135

International call traffic *2	FY 3/07					FY 3/08		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Calls (million)	136	147	137	141	561	140	160	198
Minutes (million)	704	767	735	763	2,970	760	886	870

\*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.

( Does not include figures from Metal-plus phone, HIKARI-one, 050IP and other VoIPs )

\*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.

( Does not include figures from Metal-plus phone and HIKARI-one )