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# **Data Book**

## **Financial Results for the 3rd Quarter of FY 2010.3**

**January 25, 2010**

**KDDI Corporation**

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# Financial Results for the 3rd Quarter of FY 2010.3

Unit: Millions of Yen

Consolidated Statement		FY 2009.3						FY 2010.3						Original Forecast (Apr. 23, 2009)
		1Q	2Q	3Q	4Q	Total	1Q-3Q	1Q	2Q	3Q	Revised Forecast (Jan. 25, 2010)	1Q-3Q	Progress	
	Operating revenues	870,520	876,813	882,365	867,810	3,497,509	2,629,699	853,730	869,357	862,221	3,480,000	2,585,307	74.3%	3,480,000
	Telecommunications business	685,209	692,854	687,172	655,440	2,720,675	2,065,235	665,734	665,217	656,251	2,650,000	1,987,201	75.0%	2,650,000
	Other business	185,311	183,960	195,193	212,370	776,835	564,464	187,996	204,140	205,970	830,000	598,106	72.1%	830,000
	Operating income	124,374	138,508	143,849	36,477	443,207	406,731	141,826	109,156	125,830	470,000	376,813	80.2%	470,000
	Ordinary income	124,827	137,403	143,588	34,637	440,455	405,818	138,447	103,064	121,315	450,000	362,827	80.6%	450,000
	Extraordinary income (loss)	(352)	(525)	35,395	(80,110)	(45,592)	34,518	5,626	34	(2,055)	(50,000)	3,605	-	0
	Net income	72,456	78,662	102,804	(31,186)	222,736	253,922	86,417	58,875	67,353	225,000	212,646	94.5%	255,000
	Total assets *1	3,004,530	3,220,041	-	-	3,429,133	3,398,174	3,365,197	3,420,390	-	-	3,514,038	-	-
	Shareholders' equity *1	1,768,786	1,846,617	-	-	1,881,329	1,922,076	1,950,710	2,013,603	-	-	2,067,867	-	-
	Shareholders' equity ratio *1	57.5%	56.1%	-	-	53.7%	55.3%	56.7%	57.6%	-	-	57.2%	-	-
	Shareholders' equity per share (Yen) *1	387,571	404,920	-	-	413,339	422,091	428,683	442,416	-	-	451,523	-	-
	Free cash flows	(74,899)	68,806	(65,580)	8,433	(63,240)	(71,673)	(76,530)	126,076	82,116	67,000	131,663	-	67,000
	Depreciation	94,310	100,780	107,269	132,265	434,623	302,358	108,435	113,543	117,443	472,000	339,420	71.9%	472,000
	Capex (cash flow basis) *2	129,982	136,133	152,883	156,075	575,072	418,997	135,157	117,353	128,054	540,000	380,564	70.5%	540,000
	EBITDA	223,388	244,146	255,323	181,174	904,030	722,857	252,326	226,774	250,416	960,000	729,515	76.0%	960,000
	EBITDA margin	25.7%	27.8%	28.9%	20.9%	25.8%	27.5%	29.6%	26.1%	29.0%	27.6%	28.2%	-	27.6%
	Interest bearing debt *1	722,765	783,351	-	-	874,951	828,142	899,428	834,070	-	-	833,833	-	-
	Net debt *1	648,371	582,805	-	-	674,641	678,154	780,628	657,508	-	-	608,033	-	-
	Debt / EBITDA Ratio	-	-	-	-	1.0	-	-	-	-	-	-	-	-
	Debt / Equity Ratio	0.42	0.43	-	-	0.48	0.44	0.47	0.42	-	-	0.41	-	-

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

\*2 Excludes ¥207.1B cost for buy-back of 4 buildings for the results of FY 2009.3.

# Financial Results for the 3rd Quarter of FY 2010.3

Unit: Millions of Yen

Mobile Business		FY 2009.3						FY 2010.3					
		1Q	2Q	3Q	4Q	Total	1Q-3Q	1Q	2Q	3Q	Total Forecast (Apr. 23, 2009)	1Q-3Q	Progress
	Operating revenues	679,763	680,908	688,870	669,671	2,719,211	2,049,540	663,182	674,693	663,505	2,650,000	2,001,380	75.5%
	Sales outside the group	676,963	678,121	685,773	667,148	2,708,005	2,040,857	660,034	671,220	659,966	-	1,991,221	-
	Telecommunications business	529,850	535,804	530,910	503,725	2,100,289	1,596,564	514,542	515,942	505,487	-	1,535,971	-
	Other business	147,113	142,317	154,863	163,423	607,716	444,293	145,492	155,279	154,479	-	455,250	-
	Sales within the group	2,800	2,787	3,097	2,523	11,206	8,683	3,148	3,472	3,539	-	10,159	-
	Operating income	139,155	148,768	154,669	58,869	501,461	442,592	152,545	119,490	135,877	510,000	407,911	80.0%
	Ordinary income	141,260	150,611	157,045	60,210	509,126	448,916	154,799	120,629	138,225	515,000	413,653	80.3%
	Extraordinary income (loss)	0	(33)	7,673	(43,513)	(35,874)	7,640	1,839	110	(49)	0	1,900	-
	Net income	82,780	88,798	96,074	5,469	273,120	267,652	95,886	70,922	80,618	302,000	247,425	81.9%
	Free cash flows	(16,499)	72,379	87,136	36,952	179,968	143,016	(25,230)	140,461	84,992	158,000	200,223	-
	Depreciation	63,357	68,972	74,822	98,154	305,306	207,151	76,102	80,100	84,181	335,000	240,383	71.8%
	Capex (cash flow basis)	95,996	108,221	115,250	112,665	432,132	319,467	100,367	85,982	94,223	397,000	280,573	70.7%
	EBITDA	205,102	220,737	231,879	164,163	821,881	657,718	230,145	202,373	224,951	856,000	657,468	76.8%
	EBITDA margin	30.2%	32.4%	33.7%	24.5%	30.2%	32.1%	34.7%	30.0%	33.9%	32.3%	32.9%	-

# Financial Results for the 3rd Quarter of FY 2010.3

Unit: Millions of Yen

Fixed-line Business		FY 2009.3						FY 2010.3						Original Forecast (Apr. 23, 2009)
		1Q	2Q	3Q	4Q	Total	1Q-3Q	1Q	2Q	3Q	Revised Forecast (Jan. 25, 2010)	1Q-3Q	Progress	
	Operating revenues	207,236	215,871	212,146	213,459	848,712	635,253	207,168	207,686	208,906	880,000	623,759	70.9%	880,000
	Sales outside the group	187,524	191,782	189,056	190,952	759,314	568,362	185,954	185,816	187,711	-	559,482	-	-
	Telecommunications business	154,973	156,655	155,852	151,492	618,972	467,481	150,901	148,993	150,489	-	450,383	-	-
	Other business	32,550	35,127	33,204	39,460	140,341	100,881	35,053	36,824	37,222	-	109,099	-	-
	Sales within the group	19,713	24,089	23,090	22,507	89,399	66,891	21,214	21,869	21,194	-	64,278	-	-
	Operating income (loss)	(14,876)	(10,326)	(11,186)	(20,171)	(56,560)	(36,389)	(10,718)	(11,600)	(12,474)	(40,000)	(34,792)	-	(40,000)
	Ordinary income (loss)	(15,815)	(11,582)	(12,161)	(22,027)	(61,585)	(39,558)	(13,018)	(16,207)	(15,172)	(53,000)	(44,397)	-	(53,000)
	Extraordinary income (loss)	(599)	(1,087)	27,734	(30,939)	(4,891)	26,048	3,272	(209)	(2,674)	(50,000)	388	-	0
	Net income (loss)	(9,829)	(8,882)	8,072	(32,433)	(43,072)	(10,639)	(6,421)	(10,311)	(11,188)	(62,000)	(27,919)	-	(32,000)
	Free cash flows	(53,063)	(4,513)	49,149	(32,317)	(40,744)	(8,428)	(36,660)	(14,735)	6,043	(78,000)	(45,351)	-	(78,000)
	Depreciation	30,533	31,578	32,108	33,636	127,855	94,220	32,041	33,125	32,916	135,000	98,082	72.7%	135,000
	Capex (cash flow basis)	32,924	27,654	37,137	42,882	140,598	97,716	34,248	30,856	33,180	140,000	98,284	70.2%	140,000
	EBITDA	17,764	23,109	22,731	18,696	82,301	63,605	21,888	22,766	22,681	102,000	67,335	66.0%	102,000
	EBITDA margin	8.6%	10.7%	10.7%	8.8%	9.7%	10.0%	10.6%	11.0%	10.9%	11.6%	10.8%	-	11.6%

# Financial Results for the 3rd Quarter of FY 2010.3

Unit: Millions of Yen

Fixed-line Business	FY 2009.3						FY 2010.3					
	1Q	2Q	3Q	4Q	Total	1Q-3Q	1Q	2Q	3Q	Total Forecast (Apr. 23, 2009)	1Q-3Q	Progress
<b>Details of total operating revenues</b>												
Total operating revenues	207,236	215,871	212,146	213,459	848,712	635,253	207,168	207,686	208,906	880,000	623,759	70.9%
Telecommunications Business of KDDI	141,350	142,041	140,544	137,135	561,070	423,935	136,553	134,003	133,987	561,000	404,543	72.1%
Voice Services	73,534	73,571	71,091	66,805	285,000	218,195	67,821	65,595	65,250	272,000	198,666	73.0%
Local call	6,782	6,444	6,141	5,625	24,993	19,368	5,466	5,283	5,148	-	15,897	-
Long distance call	49,740	49,155	48,347	45,904	193,146	147,241	47,240	46,048	44,883	-	138,171	-
International call	17,012	17,972	16,603	15,275	66,861	51,586	15,115	14,263	15,219	-	44,598	-
Data Services	67,816	68,470	69,454	70,330	276,070	205,739	68,732	68,408	68,737	289,000	205,877	71.2%
Internet	28,594	28,390	29,159	30,142	116,286	86,143	29,899	29,769	30,609	129,000	90,277	70.0%
Wide-area Ethernet	17,551	18,191	18,876	19,201	73,819	54,618	19,147	19,161	19,164	80,000	57,472	71.8%
Leased circuits	11,829	12,104	11,914	11,498	47,345	35,847	10,600	10,517	10,136	43,000	31,254	72.7%
IP-VPN	9,215	9,174	9,178	9,145	36,712	27,567	8,922	8,720	8,681	37,000	26,323	71.1%
Other Data Services * 1	627	611	326	345	1,909	1,564	163	240	148	-	551	-
JCN Group	13,783	14,227	14,375	15,440	57,825	42,385	18,157	18,455	19,014	74,000	55,627	75.2%
CTC	9,163	9,604	9,939	10,511	39,217	28,706	10,645	11,313	12,010	46,000	33,968	73.8%
Other Fixed-line Business * 2	42,940	50,000	47,288	50,373	190,601	140,228	41,813	43,915	43,895	199,000	129,622	65.1%
<b>Details : Metal-plus</b>	33,683	33,184	32,663	31,162	130,692	99,530	30,863	30,217	29,499	-	90,578	-
Voice Services	26,643	26,037	25,560	24,188	102,428	78,240	24,056	23,554	23,035	-	70,646	-
Data Services	5,405	5,490	5,454	5,359	21,708	16,349	5,251	5,147	4,997	-	15,395	-
Non-Telecommunications Business Services	1,636	1,656	1,649	1,615	6,556	4,941	1,556	1,516	1,466	-	4,538	-
<b>Details : FTTH</b>	12,319	13,205	15,026	16,948	57,499	40,550	17,843	18,582	20,217	-	56,642	-
Voice Services of KDDI Corporation	1,353	1,505	1,673	1,770	6,300	4,530	2,043	2,316	2,609	-	6,968	-
Data Services of KDDI Corporation	8,440	8,755	10,026	11,526	38,747	27,221	11,714	11,786	12,690	-	36,189	-
Non-Telecommunications Business Services of KDDI + CTC	2,526	2,945	3,328	3,652	12,452	8,800	4,087	4,480	4,918	-	13,485	-
Cable-plus phone	2,045	2,523	3,073	3,526	11,166	7,640	4,161	4,731	5,267	-	14,159	-

\*1 Includes Frame relay, Cell relay and Telegraph.

\*2 Includes non-telecommunications business services of the KDDI parent company, inter-segment sales within the KDDI parent company, other Fixed-line Business subsidiaries except JCN and CTC and adjustments.

## Financial Results for the 3rd Quarter of FY 2010.3

Unit: Millions of Yen

Other Business		FY 2009.3					FY 2010.3						
		1Q	2Q	3Q	4Q	Total	1Q-3Q	1Q	2Q	3Q	Total Forecast (Apr. 23, 2009)	1Q-3Q	Progress
	Operating revenues	15,289	17,020	18,782	21,687	72,777	51,090	19,064	23,619	32,411	100,000	75,093	75.1%
	Sales outside the group	6,034	6,911	7,536	9,711	30,191	20,480	7,742	12,320	14,543	-	34,605	-
	Sales within the group	9,255	10,109	11,246	11,976	42,586	30,610	11,321	11,298	17,868	-	40,488	-
	Operating income (loss)	(193)	(287)	396	(2,392)	(2,476)	(84)	(48)	979	2,170	3,000	3,101	103.4%
	Ordinary income (loss)	(137)	(396)	310	(2,141)	(2,365)	(224)	(62)	895	2,159	3,000	2,992	99.7%
	Extraordinary income (loss)	(26)	(8)	(15)	(2,436)	(2,486)	(50)	(6)	(59)	(27)	0	(92)	-
	Net income (loss)	(178)	(375)	224	(3,213)	(3,543)	(330)	(313)	454	1,203	2,000	1,344	67.2%

## Business Details: Mobile

Subscriptions (Thousand)		FY 2009.3				FY 2010.3			
		Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10 (Forecast)
au		30,305	30,452	30,550	30,843	30,996	31,233	31,393	31,600
	CDMA 1X WIN	20,473	21,096	21,799	22,722	23,440	24,391	25,149	26,700
	CDMA 1X	9,444	8,980	8,405	7,805	7,257	6,558	5,974	-
	cdmaOne	389	375	347	316	299	284	271	-
EZweb		25,704	25,834	25,913	26,190	26,319	26,510	26,597	26,700

		FY 2009.3					FY 2010.3			
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total (Forecast)
ARPU	(Yen)	5,900	5,940	5,870	5,500	5,800	5,600	5,600	5,470	5,420
	Voice (Yen)	3,710	3,730	3,650	3,280	3,590	3,350	3,330	3,210	3,170
	Data (Yen)	2,190	2,210	2,220	2,220	2,210	2,250	2,270	2,260	2,250
MOU	(minutes)	136	139	140	135	138	138	142	150	136
Churn rate	(%)	0.87	0.75	0.65	0.77	0.76	0.64	0.72	0.67	0.55
Number of units sold	* 1 (Thousand)	2,860	2,700	2,450	2,800	10,810	2,210	2,560	2,330	10,000
Number of units shipped	* 2 (Thousand)	2,680	2,420	2,470	2,570	10,140	2,170	2,360	2,590	9,690

\*1 Number of units sold to users.(new+upgrade)

\*2 Number of units shipped to retailers from KDDI.

## Business Details: Fixed - line

Subscriptions	FY 2009.3					FY 2010.3			
	Jun-08	Sep-08	Dec-08		Mar-09	Jun-09	Sep-09	Dec-09	Mar-10 (Forecast)
ADSL (Thousand)	1,347	1,303	1,265		1,224	1,181	1,135	1,027	1,080
FTTH (Thousand)	916	967	1,025		1,099	1,211	1,319	1,426	1,520
Metal-plus (Thousand)	3,269	3,251	3,201		3,130	3,065	3,000	2,927	2,850
Cable-plus phone (Thousand)	355	429	517		604	697	778	871	1,020
CATV *1 (Thousand)	683	697	712		722	882	896	913	920
<b>Fixed access lines</b> *2 (Thousand)	<b>5,082</b>	<b>5,178</b>	<b>5,265</b>		<b>5,342</b>	<b>5,587</b>	<b>5,700</b>	<b>5,813</b>	<b>5,950</b>
Myline Registration *3 (Thousand)	4,650	4,460	4,270		4,090	3,890	3,750	3,560	-
Local (Thousand)	2,984	2,866	2,743		2,630	2,517	2,436	2,318	-
In-prefecture Long Distance (Thousand)	3,728	3,573	3,417		3,275	3,125	3,018	2,867	-
Out-prefecture Long Distance (Thousand)	4,148	3,976	3,802		3,638	3,461	3,339	3,174	-
International (Thousand)	4,443	4,262	4,079		3,901	3,708	3,577	3,405	-
Voice Domestic Active Line *4 (Thousand)	3,294	3,164	3,008		2,830	2,700	2,593	2,480	-
Voice International Active Line *4 (Thousand)	214	200	186		170	158	149	141	-
KDDI Internet (Corporate use) (Thousand)	65	65	66		68	70	72	74	-
IP-VPN (Thousand)	68	69	71		72	73	74	74	-
Wide-area Ethernet (Thousand)	53	55	57		59	59	60	60	-

ARPU for Fixed-line	FY 2009.3					FY 2010.3			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total (Forecast)
FTTH (Yen)	4,560	4,630	4,770	4,770	4,690	4,560	4,410	4,480	-
Metal-plus (Yen)	3,430	3,390	3,370	3,280	3,370	3,310	3,310	3,300	-
Voice Domestic Active Line *4 (Yen)	1,340	1,320	1,310	1,230	1,300	1,310	1,240	1,150	-
Voice International Active Line *4 (Yen)	3,870	4,320	3,800	3,920	3,980	3,940	3,700	3,930	-

\* 1 Cable TV subs includes number of households with at least one contract via broadcasting, Internet, or telephone.

\* 2 Fixed Access Lines is total of FTTH, direct-revenue telephone (Metal-plus, Cable-plus) and Cable TV, counting multiple lines as one access line.

\* 3 Each individual access circuit to the network is counted here.

\* 4 Excludes figures of Metal-plus, FTTH, 050-prefix IP phone, etc and lines with which no calls made.