
Data Book

Financial Results for the 1st Quarter of FY2017.3

August 2, 2016



Financial Results Summary (Consolidated)

Unit: Millions of Yen

Consolidated Statement	FY2016.3					FY2017.3		FY2017.3
	1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Operating revenue	1,046,577	1,105,178	1,147,276	1,167,104	4,466,135	1,130,453	24.1%	4,700,000
Operating income *2	230,998	220,432	221,012	160,141	832,583	275,112	31.1%	885,000
Operating Margin *2	22.1%	19.9%	19.3%	13.7%	18.6%	24.3%	-	18.8%
Profit for the period attributable to owners of the parent *2	143,949	133,510	131,027	86,393	494,878	167,105	30.9%	540,000
Total Assets *1 *2	5,558,485	5,575,561	5,591,826	-	5,880,623	5,839,250	-	-
Total Equity *1 *2	3,278,232	3,413,765	3,474,737	-	3,546,856	3,573,356	-	-
Ratio of equity attributable to owners of the parent to total assets *1 *2	56.4%	58.4%	59.0%	-	56.3%	57.2%	-	-
Equity per share attributable to owners of the parent *1 *2	¥1,252	¥1,300	¥1,318	-	¥1,329	¥1,347	-	-
Free cash flows	(80,136)	221,831	56,455	18,471	216,621	127,728	-	350,000
Depreciation *2	131,202	134,532	133,808	132,899	532,442	137,335	23.9%	574,000
Retirement of fixed assets	5,294	4,339	7,602	22,838	40,073	2,866	13.6%	21,000
Capex (cash flow basis)	144,937	110,118	108,790	167,589	531,434	87,860	15.7%	560,000
EBITDA	367,495	360,293	362,421	320,761	1,410,971	415,317	28.1%	1,480,000
EBITDA margin	35.1%	32.6%	31.6%	27.5%	31.6%	36.7%	-	31.5%
Interest bearing debt *1	1,274,071	1,066,840	1,091,591	-	1,235,287	1,230,974	-	-
Net debt *1	1,075,352	871,188	911,908	-	1,043,087	1,084,043	-	-
Debt / EBITDA Ratio	-	-	-	-	0.88	-	-	-
Debt / Equity Ratio *1 *2	0.41	0.33	0.33	-	0.37	0.37	-	-

*1 These figures are as of the end of each fiscal quarter or year

*2 Provisional accounting treatment was applied for the business combination conducted in the 4Q/FY2016.3 and the data has been replaced with confirmed values in the 1Q/FY2017.3.

As a result, we have changed the 4Q and full-year figures for FY2016.3 in this material.

(Ref) "Financial Statements Summary for the Three-month period ended June 30, 2016" 4. Business combination (PP.28-29)

Financial Results Summary (Personal Services / Value Services)

Unit: Millions of Yen

Personal Services segment	FY2016.3					FY2017.3		FY2017.3
	1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Operating revenue	814,576	867,975	916,125	904,578	3,503,255	868,461	24.5%	3,550,000
Revenue from external customers	791,226	843,339	891,608	878,376	3,404,547	843,987	24.5%	3,450,000
Inter-segment revenue or transfers	23,350	24,637	24,518	26,203	98,707	24,473	24.5%	100,000
Operating income	179,213	172,213	173,576	131,581	656,584	220,534	32.0%	690,000
Depreciation	115,462	118,336	118,358	116,756	468,913	118,125	24.2%	488,000
Retirement of fixed assets	5,103	3,656	6,907	20,381	36,047	2,582	11.7%	22,000
EBITDA	299,778	294,205	298,842	269,842	1,162,666	341,242	28.4%	1,200,000
EBITDA margin	36.8%	33.9%	32.6%	29.8%	33.2%	39.3%	-	33.8%

Unit: Millions of Yen

Value Services segment	FY2016.3					FY2017.3		FY2017.3
	1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Operating revenue	61,795	64,244	65,349	80,375	271,763	103,535	23.5%	440,000
Revenue from external customers	44,137	45,923	46,285	61,585	197,930	84,745	23.2%	365,000
Inter-segment revenue or transfers	17,658	18,322	19,064	18,790	73,833	18,790	25.1%	75,000
Operating income *	18,365	18,235	19,801	16,626	73,028	25,354	28.2%	90,000
Depreciation *	2,311	2,580	2,578	3,481	10,949	4,955	24.8%	20,000
Retirement of fixed assets	20	407	69	1,000	1,496	161	-	-
EBITDA	20,697	21,222	22,447	21,129	85,495	30,470	27.7%	110,000
EBITDA margin	33.5%	33.0%	34.3%	26.3%	31.5%	29.4%	-	25.0%

* Provisional accounting treatment was applied for the business combination conducted in the 4Q/FY2016.3 and the data has been replaced with confirmed values in the 1Q/FY2017.3.

As a result, we have changed the 4Q and full-year figures for FY2016.3 in this material.

(Ref) "Financial Statements Summary for the Three-month period ended June 30, 2016" 4. Business combination (PP.28-29)

Financial Results Summary (Business Services / Global Services)

Unit: Millions of Yen

Business Services segment	FY2016.3					FY2017.3		FY2017.3
	1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Operating revenue	151,184	158,741	152,493	169,615	632,032	151,396	23.8%	635,000
Revenue from external customers	129,039	135,548	132,279	148,826	545,692	130,174	23.9%	545,000
Inter-segment revenue or transfers	22,145	23,193	20,214	20,789	86,340	21,222	23.6%	90,000
Operating income	20,081	19,487	19,982	1,886	61,436	20,279	32.2%	63,000
Depreciation	10,832	11,044	10,261	10,118	42,254	11,170	24.3%	46,000
Retirement of fixed assets	114	263	556	1,355	2,288	118	11.8%	1,000
EBITDA	31,027	31,780	30,799	15,844	109,450	31,567	28.7%	110,000
EBITDA margin	20.5%	20.0%	20.2%	9.3%	17.3%	20.9%	-	17.3%

Unit: Millions of Yen

Global Services segment	FY2016.3					FY2017.3		FY2017.3
	1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Operating revenue	76,765	76,092	70,274	71,279	294,409	65,780	21.2%	310,000
Revenue from external customers	68,712	68,145	62,507	63,076	262,440	58,953	21.1%	280,000
Inter-segment revenue or transfers	8,053	7,947	7,766	8,203	31,969	6,826	22.8%	30,000
Operating income	11,302	8,618	5,674	6,551	32,145	7,160	21.1%	34,000
Depreciation	2,742	2,696	2,774	2,673	10,885	3,303	23.6%	14,000
Retirement of fixed assets	2	10	46	89	147	4	-	-
EBITDA	14,046	11,324	8,494	10,564	44,428	10,466	21.8%	48,000
EBITDA margin	18.3%	14.9%	12.1%	14.8%	15.1%	15.9%	-	15.5%

Financial Results Summary (Others)

Unit: Millions of Yen

Others	FY2016.3					FY2017.3		FY2017.3
	1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Operating revenue	41,768	41,888	42,285	47,534	173,474	41,655	-	-
Revenue from external customers	13,463	12,224	14,597	15,241	55,525	12,593	-	-
Inter-segment revenue or transfers	28,305	29,664	27,687	32,293	117,950	29,062	-	-
Operating income	2,066	1,847	2,273	4,107	10,294	2,252	-	-
Depreciation	387	425	403	460	1,675	400	-	-
Retirement of fixed assets	55	3	23	14	95	1	-	-
EBITDA	2,510	2,279	2,700	4,582	12,071	2,658	-	-
EBITDA margin	6.0%	5.4%	6.4%	9.6%	7.0%	6.4%	-	-

Revenue from external customers by Segment

Unit: Millions of Yen

Personal Services segment		FY2016.3					FY2017.3		FY2017.3
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Revenue from external customers		791,226	843,339	891,608	878,376	3,404,547	843,987	24.5%	3,450,000
au ARPA revenues * 1		432,263	439,515	441,380	441,680	1,754,837	446,953	25.3%	1,770,000
Fixed-line communications fee revenues		176,439	178,176	178,837	180,159	713,611	179,721	25.0%	720,000
Handset revenues, repair revenues, etc.		150,312	187,855	228,411	213,497	780,074	174,613	22.4%	780,000
Others		32,212	37,792	42,980	43,040	156,025	42,700	23.7%	180,000

Unit: Millions of Yen

Value Services segment		FY2016.3					FY2017.3		FY2017.3
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Revenue from external customers		44,137	45,923	46,285	61,585	197,930	84,745	23.2%	365,000
Value-added ARPA revenues * 2		33,137	33,054	34,242	36,743	137,177	35,899	23.2%	155,000
Others		11,000	12,868	12,043	24,842	60,754	48,847	23.3%	210,000

Unit: Millions of Yen

Business Services segment		FY2016.3					FY2017.3		FY2017.3
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Revenue from external customers		129,039	135,548	132,279	148,826	545,692	130,174	23.9%	545,000
Mobile		54,995	56,838	57,082	62,533	231,449	55,624	24.2%	230,000
Fixed-line		70,009	72,975	69,862	78,583	291,428	68,738	23.7%	290,000
Others		4,035	5,735	5,335	7,710	22,815	5,812	23.2%	25,000

* 1 Based on the Personal Services segment. Mobile communications revenues, excluding MVNO and prepaid

* 2 Based on the Value Services segment.

“au Simple Payment” and “au WALLET” settlement commissions + Sales from KDDI services, such as “au Smart Pass,” product sales, and advertising revenues, etc.

Major Operational Data

Consolidated basis

Subscriptions			FY2016.3				FY2017.3	Mar-17 (Forecast)
			Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	
Mobile	au	(Thousand)	44,074	44,640	45,241	45,910	46,590	48,710
	UQ WiMAX	(Thousand)	11,241	13,159	15,689	18,048	19,815	

Personal Services segment / Value Services segment

Subscriptions			FY2016.3				FY2017.3	Mar-17 (Forecast)	
			Jun-15	Sep-15	Dec-15	Mar-16	Jun-16		
Mobile	au	(Thousand)	37,001	37,435	37,844	38,236	38,457	39,236	
	au smartphone penetration rate	* 1 (%)	55.1	56.0	57.0	58.2	58.9		
Fixed-line	FTTH	(Thousand)	3,508	3,573	3,643	3,699	3,752		
	CATV	Households applicable to RGU	(Thousand)	4,938	4,979	5,025	5,052	5,213	
		RGU	(Thousand)	10,086	10,229	10,375	10,461	10,760	
		Bundle ratio		2.04	2.05	2.06	2.07	2.06	
Mobile Devices per person (Units)			1.38	1.39	1.40	1.41	1.42	1.44	
au Smart Value	au subscriptions	(Thousand)	9,840	10,370	10,920	11,550	11,830		
	Households	(Thousand)	4,840	5,140	5,450	5,720	5,850		
au Smart Pass (Thousand)			13,190	13,610	14,020	14,470	14,640		

Personal Services segment / Value Services segment

Indicators * 1			FY2016.3					FY2017.3	FY2017.3
			1Q	2Q	3Q	4Q	Total	1Q	Total (Forecast)
Total ARPA	(Yen)		6,030	6,130	6,160	6,210	6,130	6,280	6,230
	au ARPA	* 2 (Yen)	5,600	5,700	5,720	5,730	5,690	5,810	5,730
	Value-added ARPA	* 3 (Yen)	430	430	440	480	440	470	500
au churn rate (%)			0.72	0.83	0.91	1.07	0.88	0.77	
Number of units sold (Thousand)			2,050	2,300	2,600	2,430	9,380	1,930	8,900
of smartphones (Thousand)			1,600	1,810	2,200	2,010	7,620	1,610	7,300
Number of units shipped (Thousand)			1,940	2,250	2,640	2,270	9,100	1,800	8,900

- * 1 Definitions of au smartphone penetration rate, au churn rate, number of units sold, and number of units shipped :
au subscriptions based on standard mobile device (smartphone, feature phone (prepaid service included)) of Personal Services segment
- * 2 Based on the Personal Services segment. Mobile communications revenues, excluding MVNO and prepaid ÷ au customers
- * 3 Value-added ARPA revenues in the Value Services segment. ("au Simple Payment" and "au WALLET" settlement commissions + Sales from KDDI services, such as "au Smart Pass," product sales, and advertising revenues, etc.) ÷ au customers

Disclaimer

The figures included in this brief, including the business performance target and the target for the number of subscribers are all projected data based on the information currently available to the KDDI Group, and are subject to variable factors such as economic conditions, a competitive environment and the future prospects for newly introduced services. Accordingly, the actual results of business performance or of the number of subscribers may differ substantially from the projections described here.