

**(1) Consolidated Balance Sheets (1/2)**

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	September 30, 2006 (A)		September 30, 2007 (B)		Change (B)-(A)	March 31, 2007	
	Amounts	% of the total	Amounts	% of the total		Amounts	% of the total
I Fixed Assets							
A Telecommunications Assets							
Property, Plant and Equipment	1,388,906	53.9	1,478,825	51.7	89,919	1,462,110	52.2
Intangible Assets and Goodwill	173,734	6.8	234,513	8.2	60,778	227,686	8.1
Total Telecommunications Assets	1,562,641	60.7	1,713,339	59.9	150,698	1,689,797	60.3
B Other Business Assets							
Property, Plant and Equipment	35,418		70,408		34,990	38,496	
Intangible Assets	6,825		45,670		38,845	7,215	
Total Other Business Assets	42,243	1.6	116,078	4.06	73,835	45,712	1.6
C Investments and Other Assets							
Investments in securities	47,016		50,104		3,087	51,269	
Deferred income taxes	94,088		103,274		9,186	114,955	
Deposits and guarantee money	37,891		39,297		1,405	38,180	
Other Assets	134,960		117,742		(17,218)	137,983	
Allowance for loss on investments and other assets	(8,970)		(9,380)		(409)	(9,227)	
Total Investments and Other Assets	304,987	11.9	301,038	10.5	(3,948)	333,160	11.9
Total Fixed Assets	1,909,872	74.2	2,130,457	74.5	220,585	2,068,671	73.8
II Current Assets							
Cash and cash equivalents	159,223		154,983		(4,240)	174,036	
Accounts receivable	415,648		442,128		26,480	439,293	
Marketable securities	1,272		18,312		17,039	20,247	
Inventories	54,865		52,851		(2,014)	55,099	
Deferred income taxes	24,023		44,951		20,928	45,520	
Other current assets	25,067		29,139		4,072	15,379	
Allowance for doubtful accounts	(15,222)		(14,725)		496	(15,007)	
Total Current assets	664,878	25.8	727,640	25.5	62,762	734,569	26.2
Total Assets	2,574,750	100.0	2,858,098	100.0	283,348	2,803,240	100.0

**(1) Consolidated Balance Sheets (2/2)**

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	September 30, 2006 (A)		September 30, 2007 (B)		Change (B)-(A)	March 31, 2007	
	Amounts	% of the total	Amounts	% of the total	Amounts	Amounts	% of the total
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
I	Non-Current Liabilities:						
	Bonds	227,777	137,782	(89,995)	167,779		
	Long-term loans	247,173	162,475	(84,698)	192,858		
	Reserve for point service program	28,295	33,662	5,367	30,678		
	Other non-current liabilities	46,366	41,787	(4,579)	40,242		
	Total Non-Current Liabilities	549,613	21.4	375,707	13.1	(173,905)	431,559 15.4
II	Current Liabilities:						
	Short-term loans and current portion of long-term loans	121,163	271,601	150,437	259,858		
	Accounts Payable	328,597	354,518	25,921	391,937		
	Accrued expenses	10,878	9,835	(1,043)	11,419		
	Accrued income taxes	85,970	91,234	5,263	100,404		
	Allowance for bonuses	13,538	14,260	722	18,179		
	Other current liabilities	32,859	70,151	37,292	52,767		
	Total Current Liabilities	593,007	23.0	811,601	28.4	218,594	834,566 29.8
	Total Liabilities	1,142,620	44.4	1,187,309	41.5	44,688	1,266,126 45.2
<b>NET ASSETS</b>							
I	Shareholder's Equity						
	Common stock	141,851	5.5	141,851	5.0	0	141,851 5.0
	Capital surplus	305,676	11.9	367,272	12.8	61,595	367,271 13.1
	Retained earnings	969,566	37.6	1,124,088	39.3	154,521	1,000,662 35.7
	Treasury stock, at cost	(26,012)	(1.0)	(20,550)	(0.7)	5,462	(20,310) (0.7)
	Total Shareholder's Equity	1,391,081	54.0	1,612,662	56.4	221,580	1,489,475 53.1
II	Unrealized gains and Adjustment						
	Net unrealized gains on securities	20,497	0.8	21,209	0.7	711	22,322 0.8
	Foreign Currency Translation Adjustment	1,682	0.1	4,667	0.2	2,984	4,466 0.2
	Total Unrealized gains and Adjustn	22,179	0.9	25,876	0.9	3,696	26,788 1.0
III	Share Warrant						
		33	0.0	277	0.1	243	136 0.0
IV	Minority Interests						
		18,834	0.7	31,973	1.1	13,139	20,712 0.7
	Total Net Assets	1,432,129	55.6	1,670,789	58.5	238,659	1,537,113 54.8
	Total Liabilities and Net Assets	2,574,750	100.0	2,858,098	100.0	283,348	2,803,240 100.0

## (2) Consolidated Statements of Income

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	2Q Ended September 30, 2006 (A)		2Q Ended September 30, 2007 (B)		Change (B)-(A)	Year Ended March 31, 2007	
	Amounts	% of the total	Amounts	% of the total	Amounts	Amounts	% of the total
I Telecommunications Business							
Operating Revenues	1,281,333	79.8	1,380,885	79.6	99,552	2,592,882	77.7
Operating Expenses	1,062,635	66.2	1,141,920	65.8	79,284	2,277,228	68.3
Sales expenses	521,155		580,204		59,049	1,148,640	
Depreciation	153,745		163,551		9,806	315,551	
Charges for the use of telecommunications services of third parties	226,022		228,317		2,294	449,508	
Other	161,712		169,847		8,134	363,527	
Telecommunications Business Operating Income	218,697	13.6	238,965	13.8	20,267	315,654	9.4
II Other Business							
Sales of Terminal equipment and other	323,501	20.2	353,380	20.4	29,878	742,377	22.3
Cost of sales of terminal equipment and other	312,737	19.5	342,738	19.8	30,000	713,330	21.4
Other Business Operating Income	10,763	0.7	10,641	0.6	(121)	29,046	0.9
Operating Income	229,461	14.3	249,607	14.4	20,145	344,700	10.3
III Other revenues	8,103	0.5	9,786	0.6	1,682	21,514	0.7
Interest income	349		586		237	852	
Equity in profit of affiliates	-		667		667	775	
Dividend income from anonymous association	3,799		3,586		(213)	7,968	
Other	3,954		4,946		991	11,917	
IV Other expenses	10,282	0.6	6,982	0.4	(3,300)	15,292	0.5
Interest expense	6,831		5,321		(1,509)	11,841	
Other	3,451		1,661		(1,790)	3,450	
Ordinary Income	227,281	14.2	252,410	14.6	25,128	350,923	10.5
I Extraordinary profit	352	0.0	209	0.0	(143)	485	0.0
Gain on sales of securities	352		-		(352)	485	
Gain on sales of affiliate securities	-		209		209	-	
II Extraordinary loss	250	0.0	-	-	(250)	42,334	1.2
Impairment loss	-		-		-	42,083	
Loss on devaluation of securities	250		-		(250)	251	
Income before Income Taxes and Minority Interests	227,384	14.2	252,619	14.6	25,234	309,074	9.3
Income Taxes - Current	84,823	5.3	90,185	5.2	5,362	133,355	4.0
Income Taxes - Deferred	4,414	0.3	14,544	0.9	10,129	(14,922)	(0.4)
Minority Interests in Consolidated Subsidiaries	2,115	0.1	2,150	0.1	34	3,893	0.1
Net Income	136,031	8.5	145,738	8.4	9,707	186,747	5.6

### (3) Consolidated Statements of Cash Flows

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	2Q Ended September 30, 2006	2Q Ended September 30, 2007	Change (B)-(A)	Year Ended March 31, 2007
	Amounts	Amounts	Amounts	Amounts
I	Cash Flows from Operating Activities			
	227,384	252,619	25,234	309,074
	159,552	172,443	12,890	328,179
	8	(14)	(23)	58
	4,347	5,914	1,566	21,849
	-	-	-	42,083
	235	(18)	(254)	416
	220	54	(166)	(5,413)
	(351)	(1,231)	(879)	(1,702)
	6,831	5,321	(1,509)	11,841
	2,053	(667)	(2,720)	(775)
	(404)	-	404	(443)
	-	(209)	(209)	-
	250	-	(250)	251
	3,401	2,983	(417)	5,785
	(3,275)	(2,648)	627	(520)
	(9,547)	45	9,593	(38,053)
	(16,654)	1,499	18,153	(15,948)
	32,029	(68,911)	(100,940)	115,518
	-	12,157	12,157	24,058
	(6,121)	(5,065)	1,055	932
	399,958	374,272	(25,686)	797,194
	1,312	1,769	457	5,615
	(7,031)	(5,429)	1,601	(12,422)
	(17,758)	(99,442)	(81,683)	(51,683)
	376,480	271,169	(105,311)	738,703
II	Cash Flows From Investing Activities			
	(135,901)	(145,688)	(9,786)	(317,289)
	733	40	(692)	910
	(31,091)	(38,987)	(7,896)	(106,957)
	(484)	(611)	(127)	(2,055)
	858	0	(858)	1,410
	(3,601)	(17,773)	(14,172)	(9,628)
	(6,710)	(4,729)	1,981	(11,650)
	327	(3,641)	(3,969)	3,042
	(175,869)	(211,391)	(35,522)	(442,218)
	200,611	59,777	(140,833)	296,485
III	Cash Flows from Financing Activities			
	9,811	592	(9,218)	(23,013)
	10,000	-	(10,000)	93,000
	(134,519)	(29,516)	105,003	(168,153)
	(4)	-	4	-
	(60,187)	(30,000)	30,187	(76,875)
	(181)	(250)	(69)	(46,281)
	(20,008)	(22,803)	(2,795)	(40,022)
	88	533	445	88
	2,334	(85)	(2,420)	2,338
	(192,667)	(81,530)	111,136	(258,919)
IV	Translation Adjustments on Cash and Cash Equivalents			
	87	618	531	1,085
V	Net increase in Cash and Cash Equivalents			
	8,031	(21,134)	(29,165)	38,651
VI	Cash and Cash Equivalents at Beginning of Quarter/Year			
	151,003	192,654	41,651	151,003
VII	Net increase in Cash and Cash Equivalents of newly consolidated subsidiaries			
	-	-	-	2,999
	159,034	171,520	12,485	192,654