(1) Consolidated Balance Sheets (1/2)

KDDI Corporation and Consolidated Subsidiaries

		September 3 (A)	30, 2006	September 30, 2007 (B)		Change (B)-(A)	March 31,	2007
		Amounts	% of the total	Amounts	% of the total	Amounts	Amounts	% of the total
	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
В	Other Business Assets	1,302,041	00.7	1,715,557	J7.7	150,090	1,007,777	00.5
	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	45,070	4.06	73,835	45,712	1.6
С	Investments and Other Assets	42,243	1.0	110,078	4.00	13,035	43,712	1.0
C	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
11	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

						· · ·	(11	minutis of yerr
		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 tota
LIABI	ILITIES AND SHAREHOLDERS' EQUITY							
Ι	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
Ш	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
NET ASSI	ETS							
Ι	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 Shoreholder'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
111	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 Liabilites 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

							(initions 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
111	Other revenues	8.103	0.5	9,786	0.6	1.682	21.514	0.7
	Interest income	349	010	586	0.0	237	852	011
	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
	Extraordinary profit	352	0.0	200	0.0	(1.42)	405	0.0
I	Extraordinary profit Gain on sales of securities	352	0.0	209	0.0	(143) (352)	485 485	0.0
	Gain on sales of affiliate securitie	302		- 209		(332)	400	
11	Extraordinary loss	- 250	0.0	209	-	(250)	42,334	1.2
11	Impairment loss	200	0.0	-	-	(200)	42,083	1.2
	Loss on devaluation of securities	250		-		(250)	42,003	
	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	0.0	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	2Q Ended	Change	
	September 30,	September 30,	Change	Year Ended
	2006	2007	(B)-(A)	March 31, 2007
			American	A
	Amounts	Amounts	Amounts	Amounts
I Cash Flows from Operating Activities	007.004	050 (10	05 00 4	200.074
Income before income taxes and minority interests	227,384	252,619	25,234	309,074
Depreciation and amortization	159,552	172,443	12,890	328,179
(Gain)loss on sales of PPE	8	(14)	(23)	58
Loss on disposal of PPE	4,347	5,914	1,566	21,849
Impairment Loss	-	-	-	42,083
(Increase) decrease in allowance	235	(18)	(254)	416
for doubtful accounts	220	Γ.4	(1//)	(F 412)
Increase (decrease) in reserve for retirement benefits	220	54	(166)	(5,413)
Interest and dividend income	(351)	(1,231)	(879)	(1,702)
Interest expenses	6,831	5,321	(1,509)	11,841
Equity in (gain) of affiliates	2,053	(667)	(2,720)	(775)
Loss on sales of investment securities	(404)	-	404	(443)
Gain on sales of affiliate securities	-	(209)	(209)	-
Investment securities write off	250	-	(250)	251
Increase in reserve for point services	3,401	2,983	(417)	5,785
(Increase) decrease in prepaid pension cost	(3,275)	(2,648)	627	(520)
(Increase)decrease in notes and accounts receivable	(9,547)	45	9,593	(38,053)
(Increase) decrease in inventories	(16,654)	1,499	18,153	(15,948)
Increase(decrease) in notes and accounts payable	32,029	(68,911)	(100,940)	115,518
Increase in advances	-	12,157	12,157	24,058
Other, net	(6,121)	(5,065)	1,055	932
Sub total	399,958	374,272	(25,686)	797,194
Interest and dividend income received	1,312	1,769	457	5,615
Interest expenses paid	(7,031)	(5,429)	1,601	(12,422)
Income taxes paid	(17,758)	(99,442)	(81,683)	(51,683)
Net cash provided by operating activities	376,480	271,169	(105,311)	738,703
II Cash Flows From Investing Activities	(405.004)	(1 15 (00)	(0,70,()	(017,000)
Payments for purchase of PPE	(135,901)	(145,688)	(9,786)	(317,289)
Proceeds from sale of PPE	733	40	(692)	910
Payments for other intangible assets	(31,091)	(38,987)	(7,896)	(106,957)
Acquisition of investment securities	(484)	(611)	(127)	(2,055)
Proceeds from sale of investment securities	858	0	(858)	1,410
Payments for investment in affiliates	(3,601)	(17,773)	(14,172)	(9,628)
Increase in long-term prepayment	(6,710)	(4,729)	1,981	(11,650)
Other, net	327	(3,641)	(3,969)	3,042
Net cash used in investing activities	(175,869)	(211,391)	(35,522)	(442,218)
Free Cash Flows	200,611	59,777	(140,833)	296,485
III Cash Flows from Financing Activities	0.011	500	(0.010)	(00.010)
Net increase(decrease) in short-term loans	9,811	592	(9,218)	(23,013)
Proceeds from issuance of long-term loans	10,000	-	(10,000)	93,000
Repayment of long-term loans	(134,519)	(29,516)	105,003	(168,153)
Repayment of long-term accounts payable	(4)	-	4	-
Payment for redemption of bonds	(60,187)	(30,000)	30,187	(76,875)
Payment for acquisition of treasury stocks	(181)	(250)	(69)	(46,281)
Dividends paid	(20,008)	(22,803)	(2,795)	(40,022)
Payments received from minority shareholders	88	533	445	88
Others, net	2,334	(85)	(2,420)	2,338
Net Cash used in Financing Activities	(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	-	-	-	2,999
consolidated subsidiaries	450.004	171 500	40.405	
Cash and Cash Equivalents at End of Quarter/Year	159,034	171,520	12,485	192,654