

(1) Consolidated Balance Sheets (1/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	June 30, 2008	March 31, 2008
	Amounts	Amounts
I Fixed Assets		
A Telecommunications Assets		
Property, Plant and Equipment	1,643,491	1,542,127
Intangible Assets and Goodwill	270,122	269,028
Total Telecommunications Assets	1,913,613	1,811,155
B Other Business Assets		
Property, Plant and Equipment	73,679	75,403
Intangible Assets	54,255	53,572
Total Other Business Assets	127,934	128,975
C Investments and Other Assets		
Investments in securities	50,227	46,044
Deferred income taxes	99,447	99,925
Deposits and guarantee money	40,730	39,890
Other Assets	115,886	111,424
Allowance for loss on investments and other assets	(10,974)	(10,442)
Total Investments and Other Assets	295,318	286,842
Total Fixed Assets	2,336,866	2,226,973
II Current Assets		
Cash and cash equivalents	75,375	73,771
Accounts receivable	433,573	453,382
Marketable securities	298	3,227
Inventories	84,465	61,910
Deferred income taxes	45,466	52,196
Other current assets	42,007	21,817
Allowance for doubtful accounts	(13,524)	(14,003)
Total Current assets	667,662	652,301
Total Assets	3,004,529	2,879,274

(1) Consolidated Balance Sheets (2/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	June 30, 2008	March 31, 2008
	Amounts	Amounts
LIABILITIES AND SHAREHOLDERS' EQUITY		
I Non-Current Liabilities:		
Bonds	257,742	207,767
Long-term loans	315,036	264,855
Reserve for point service program	48,743	43,055
Other non-current liabilities	43,747	40,737
Total Non-Current Liabilities	665,270	556,416
II Current Liabilities:		
Short-term loans and current portion of long-term loans	147,550	99,206
Accounts Payable	263,275	318,494
Accrued expenses	11,966	10,733
Accrued income taxes	46,305	77,804
Allowance for bonuses	9,068	19,231
Other current liabilities	92,305	81,657
Total Current Liabilities	570,472	607,127
Total Liabilities	1,235,743	1,163,544
NET		
I Shareholder's Equity		
Common stock	141,851	141,851
Capital surplus	367,235	367,266
Retained earnings	1,221,810	1,173,826
Treasury stock, at cost	(22,103)	(20,625)
Total Shareholder's Equity	1,708,794	1,662,319
II Unrealized gains and Adjustment		
Net unrealized gains on securities	21,316	18,570
Foreign Currency Translation Adjustment	(1,711)	2,443
Total Unrealized gains and Adjustment	19,604	21,014
III Share Warrant	603	494
IV Minority Interests	39,783	31,902
Total Net Assets	1,768,786	1,715,730
Total Liabilities and Net Assets	3,004,529	2,879,274

(2) Consolidated Statements of Income

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	1Q Ended June 30, 2008
	Amounts
I Telecommunications Business	
Operating Revenues	685,209
Operating Expenses	468,656
Sales expenses	168,917
Depreciation	90,311
Charges for the use of telecommunications services of third parties	112,960
Other	96,467
Telecommunications Business Operating Income	216,552
II Other Business	
Sales of Terminal equipment and other	185,311
Cost of sales of terminal equipment and other	277,490
Other Business Operating Income	(92,178)
Operating Income	124,373
III Other revenues	21,514
Interest income	188
Equity in profit of affiliates	22
Dividend income from anonymous association	1,445
Other	2,870
IV Other expenses	15,292
Interest expense	2,745
Other	1,328
Ordinary Income	124,826
I Extraordinary profit	-
II Extraordinary loss	351
Loss on devaluation of securities	351
Income before Income Taxes and Minority Interests	124,475
Income Taxes - Current	46,168
Income Taxes - Deferred	5,282
Minority Interests in Consolidated Subsidiaries	567
Net Income	72,455

(3) Consolidated Statements of Cash Flows

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	1Q Ended June 30, 2008
	Amounts
I Cash Flows from Operating Activities	
Income before income taxes and minority interests	124,475
Depreciation and amortization	96,743
(Gain) loss on sales of PPE	93
Loss on disposal of PPE	4,705
Increase in allowance for doubtful accounts	128
Decrease in reserve for retirement benefits	(14)
Interest and dividend income	(830)
Interest expenses	2,745
Equity in gain of affiliates	(22)
Gain on sales of investment securities	8
Gain on sales of affiliate securities	-
Investment securities write off	351
Increase in reserve for point services	5,688
Increase in prepaid pension cost	718
(Increase) decrease in notes and accounts receivable	21,762
Increase in inventories	(21,611)
Increase (decrease) in notes and accounts payable	(43,732)
Increase in advances	6,354
Other, net	(24,897)
Sub total	172,667
Interest and dividend income received	1,272
Interest expenses paid	(2,044)
Income taxes paid	(76,823)
Net cash provided by operating activities	95,071
II Cash Flows From Investing Activities	
Payments for purchase of PPE	(104,214)
Proceeds from sale of PPE	305
Payments for other intangible assets	(21,294)
Acquisition of investment securities	(1)
Proceeds from sale of investment securities	69
Payments for investment in affiliates	(41,031)
Increase in long-term prepayment	(4,300)
Other, net	496
Net cash used in investing activities	(169,970)
Free Cash Flows	(74,899)
III Cash Flows from Financing Activities	
Net increase (decrease) in short-term loans	32,031
Proceeds from issuance of long-term loans	30,000
Repayment of long-term loans	(30,372)
Proceeds from new bond issue	70,000
Payment for acquisition of treasury stocks	(1,609)
Dividends paid	(24,442)
Others, net	(5)
Net Cash used in Financing Activities	75,600
IV Translation Adjustments on Cash and Cash Equivalents	(1,852)
V Net increase (decrease) in Cash and Cash Equivalents	(1,151)
VI Cash and Cash Equivalents at Beginning of Quarter/Year	75,545
Cash and Cash Equivalents at End of Quarter/Year	74,394

(Reference)

(4) Consolidated Statements of Income

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	1Q Ended June 30, 2007
	Amounts
I Telecommunications Business	
Operating Revenues	685,626
Operating Expenses	549,599
Sales expenses	272,788
Depreciation	80,439
Charges for the use of telecommunications services of third parties	113,625
Other	82,745
Telecommunications Business Operating Income	136,026
II Other Business	
Sales of Terminal equipment and other	158,457
Cost of sales of terminal equipment and other	153,579
Other Business Operating Income	4,877
Operating Income	140,904
III Other revenues	4,841
Interest income	233
Equity in profit of affiliates	-
Dividend income from anonymous association	1,568
Other	3,039
IV Other expenses	3,020
Interest expense	2,610
Other	409
Ordinary Income	142,725
Income before Income Taxes and Minority Interests	142,725
Income Taxes - Current	45,287
Income Taxes - Deferred	14,045
Minority Interests in Consolidated Subsidiaries	900
Net Income	82,491

(Reference)

(5) Consolidated Statements of Cash Flows

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	1Q Ended June 30, 2007
	Amounts
I Cash Flows from Operating Activities	
Income before income taxes and minority interests	142,725
Depreciation and amortization	83,831
(Gain) loss on sales of PPE	(1)
Loss on disposal of PPE	1,765
Impairment Loss	-
Increase in allowance for doubtful accounts	191
Decrease in reserve for retirement benefits	59
Interest and dividend income	(868)
Interest expenses	2,610
Equity in gain of affiliates	36
Increase in reserve for point services	1,786
Increase in prepaid pension cost	(1,255)
(Increase) decrease in notes and accounts receivable	502
Increase in inventories	5,196
Increase (decrease) in notes and accounts payable	(77,372)
Increase in advances	8,252
Other, net	(17,035)
Sub total	150,425
Interest and dividend income received	1,056
Interest expenses paid	(2,044)
Income taxes paid	(99,167)
Net cash provided by operating activities	50,269
II Cash Flows From Investing Activities	
Payments for purchase of PPE	(66,818)
Proceeds from sale of PPE	19
Payments for other intangible assets	(19,026)
Acquisition of investment securities	(611)
Proceeds from sale of investment securities	0
Payments for investment in affiliates	(17,486)
Increase in long-term prepayment	(2,749)
Other, net	(4,090)
Net cash used in investing activities	(110,765)
Free Cash Flows	(60,495)
III Cash Flows from Financing Activities	
Net increase (decrease) in short-term loans	116
Proceeds from issuance of long-term loans	-
Repayment of long-term loans	(13,099)
Proceeds from new bond issue	-
Payment for redemption of bonds	-
Payment for acquisition of treasury stocks	(110)
Dividends paid	(22,354)
Payments received from minority shareholders	533
Others, net	(2)
Net Cash used in Financing Activities	(34,916)
IV Translation Adjustments on Cash and Cash Equivalents	(55)
V Net increase (decrease) in Cash and Cash Equivalents	(95,467)
VI Cash and Cash Equivalents at Beginning of Quarter/Year	192,654
VII Net increase in Cash and Cash Equivalents of newly consolidated subsidiaries	-
Cash and Cash Equivalents at End of Quarter/Year	97,186