



This translation is to be used solely as a reference and the consolidated financial statements in this release are unaudited.

Financial Statements Summary for the Three Months Ended June 30, 2011 [Japan GAAP]

July 25, 2011

Company Name **KDDI CORPORATION**
 Stock Listing Tokyo Stock Exchange-First Section
 Code No. 9433 URL <http://www.kddi.com>
 Representative Takashi Tanaka, President
 Scheduled date for filing of quarterly report July 29, 2011
 Scheduled date for dividend payment -
 Quarterly earnings supplementary explanatory documents: Yes
 Quarterly earnings presentation: Yes (for institutional investors and analysts)

(Amount Unit : Millions of yen, unless otherwise stated)
 (Amounts are rounded down to nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2011 (April 1, 2011 – June 30, 2011)

(1) Consolidated Results of Operation (Percentage represents comparison change to the corresponding previous quarterly period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
Three months ended June 30, 2011	864,964	(0.1)	140,095	8.4	132,448	8.1	71,945	0.0
Three months ended June 30, 2010	866,019	1.4	129,297	(8.8)	122,580	(11.5)	71,921	(16.8)

(Note) Consolidated Statements of Comprehensive Income

Three months ended June 30, 2011: 79,374 million yen; 13.4% Three months ended June 30, 2010: 70,022 million yen; -%

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended June 30, 2011	16,945.04	-
Three months ended June 30, 2010	16,147.14	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
			%
As of June 30, 2011	3,828,004	2,218,902	56.1
As of March 31, 2011	3,778,918	2,171,839	55.7

(Reference) Shareholder's Equity As of June 30, 2011: 2,148,622 million yen As of March 31, 2011: 2,103,331 million yen

2. Dividends

	Dividends per Share				
	1 st Quarter End	2 nd Quarter End	3 rd Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2011	-	6,500.00	-	7,500.00	14,000.00
Year ending March 31, 2012	-				
Year ending March 31, 2012 (forecast)		7,500.00	-	7,500.00	15,000.00

Note: Changes in the latest forecasts released: None

3. Consolidated Financial Results Forecast for Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(Percentage represents comparison to previous fiscal year)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income per Share
		%		%		%		%	Yen
Entire Fiscal Year	3,460,000	0.7	475,000	0.7	450,000	2.1	250,000	(2.0)	58,881.14

Note: Changes in the latest forecasts released: None

Forecast of consolidated business results for the first six months of the year is not prepared.

4. Other

- (1) Changes in significant consolidated subsidiaries during the three months ended June 30, 2011 : None
- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statements : None
- (3) Changes in accounting policies, accounting estimates and restatement of corrections
 - 1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations : Yes
 - 2) Other changes in accounting policies : None
 - 3) Changes in accounting estimates : None
 - 4) restatement of corrections : None

Note: Please refer to P.9 “Notes Regarding Summary Information (Others)” for details.

(4) Numbers of Outstanding Shares (common shares)			
1) Number of shares outstanding (inclusive of treasury stock)	As of June 30, 2011		4,484,818
	As of March 31, 2011		4,484,818
2) Number of treasury stock	As of June 30, 2011		238,976
	As of March 31, 2011		238,976
3) Number of weighted average common shares outstanding (cumulative for all quarters)	For the three months ended June 30, 2011		4,245,842
	For the three months ended June 30, 2010		4,454,113

Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. It is under the review procedure process at the time of disclosure of this report.

Explanation for Appropriate Use of Forecasts and Other Notes

The forward-looking statements such as operational forecasts contained in this statements summary are based on the information currently available to KDDI Corporation (hereafter: the “Company”) and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors. Please refer to P.7 “Qualitative Information on Consolidated Financial Results Forecast” of the Attachment for the assumptions used and other notes.

[the Attachment]

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* The Company holds an earnings presentation for investors as below. Documents distributed at the presentation are scheduled to be posted on our website at the same time as the release of the financial statements summary. Videos and main Q&As are planned to be posted immediately after the presentation.

- Monday, July 25, 2011- Earnings presentation for institutional investors and analysts

* In addition to the above earnings presentation, the Company holds conferences on its business and results for individual investors. Please check our website for the schedule and details.

1. Qualitative Information / Consolidated Financial Statements, etc.

(1) Qualitative Information on Consolidated Financial Results

1) Results Overview

For the three months ended June 30, 2011

(Amount unit: Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	Increase (Decrease)%
Operating Revenues	866,019	864,964	(1,054)	(0.1)
Operating Expenses	736,722	724,868	(11,853)	(1.6)
Operating Income	129,297	140,095	10,798	8.4
Non-operating Income (Expense)	(6,716)	(7,647)	(931)	-
Ordinary Income	122,580	132,448	9,867	8.1
Extraordinary Income (Loss)	5,555	(3,975)	(9,531)	-
Income before Income Taxes and Minority Interests	128,136	128,472	336	0.3
Total Income Taxes	54,509	54,738	229	0.4
Income before Minority Interests	73,626	73,733	106	0.1
Minority Interests in Income	1,705	1,787	81	4.8
Net Income	71,921	71,945	24	0.0

Operating revenues for the three months ended June 30, 2011 amounted to ¥864,964 million, down 0.1% year on year, mainly due to the decline in voice ARPU (Average Revenue per Unit) in the Mobile Business, despite the increase in revenues in the Fixed-line Business, brought by rise in revenues of group companies.

Operating income was up 8.4% year on year to ¥140,095 million as operating expenses declined due to network streamlining in the Fixed-line Business. Ordinary income was up 8.1% year on year to ¥132,448 million. As for extraordinary income (loss), we have booked gain on sales of investment securities as extraordinary income for the three months ended June 30, 2011, while loss on the Great East Japan Earthquake was booked as extraordinary loss for the three months ended June 30, 2011. As a result, net income for the three months ended June 30, 2011 came to ¥71,945 million, 0.0% increase year on year.

Overview of Economic Conditions

In addition to major decline in production and export due to schism in supply chain caused by the Great East Japan Earthquake, power conservation and collective self-restraint tendency have deteriorated public sentiment for consumption, leading to a rapid slump of the Japanese economy. The economy is recovering slowly along with the restoration of supply chain. However, lack of electricity is becoming a nationwide problem and depending upon the demand and supply condition of the electricity, economic activities may face limits and the economy may slump once again.

Global economy is likely to sustain slow recovery. However, there are risks that may bring downward trend such as aggravation of financial and monetary problems in Europe, problems in reconstructing national finance and prolonged stagnation in real estate market in the United States, and continued credit tightening policies in developing countries including China to counter inflation.

Industry Trends

In the mobile communications market, competition for customers is intensifying in areas such as the provision of low-priced pricing plans, a wide variety of handset including smartphones, tablet-type terminals, and ebooks terminals, and music, video, ebooks, and other content services. In the fixed-line communications market, the expansion of broadband services, centered on FTTH, is accompanied by an ongoing convergence between fixed-line and mobile communications broadcasting. As a result, competition between services is entering a new phase.

KDDI's Position

We would like to apologize for the inconvenience caused by the effects of the Great East Japan Earthquake on our telecommunication services. We will do our utmost for the early recovery of the damaged areas. Both au mobile base stations and fixed-lines have recovered* to the same level as before the quake in terms of areas and quality by June 30, 2011. *Except for the limited areas near Fukushima Nuclear Power Plant

We will work under our mid- to long-term strategy of 3M Strategy (3M comes from initials of "Multi-use," "Multi-network," and "Multi-device." We intend to provide situations where customers can use various

contents and services anywhere and anytime at the best network environment through preferred device) and global strategies to realize “three commitments” consisting of “More Connected,” “More Global” and “More Diverse Values.”

In the Mobile Business, we hereby strengthened terminal lineup including smartphones that are available only at au and various multi-devices, strengthened networks through launch of “au Wi-Fi SPOT” services, etc., and improved apps and contents through collaborative relationship with Facebook, Inc. and strengthening of LISMO.

In the Fixed-line Business, the Companies worked to expand access lines centering on FTTH and offer more solutions services for corporate clients, while striving to bolster its systems that support corporate clients’ business development by increasing its overseas locations.

Moreover, the Companies also promoted partnership with many companies in various areas in both Mobile Business and Fixed-line Business.

2) Results by Business Segment

- Results Summary

For the three months ended June 30, 2011

(Amount unit: Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)	Increase (Decrease) %
Mobile Business				
Operating Revenues	663,710	662,148	(1,562)	(0.2)
Operating Expenses	530,387	540,457	10,070	1.9
Operating Income	133,323	121,690	(11,632)	(8.7)
Fixed-line Business				
Operating Revenues	214,107	220,208	6,100	2.8
Operating Expenses	219,484	203,671	(15,812)	(7.2)
Operating Income (Loss)	(5,376)	16,537	21,913	-
Other Business				
Operating Revenues	28,715	25,644	(3,071)	(10.7)
Operating Expenses	27,536	23,915	(3,621)	(13.2)
Operating Income	1,179	1,728	549	46.6

- Subscriptions of Major Services

(Unit : Thousand line)

	As of June 30, 2010	As of June 30, 2011	Increase (Decrease)	Increase (Decrease) %
au ¹	32,091	33,352	1,261	3.9
CDMA 1X WIN	27,147	30,629	3,482	12.8
(Ref.) UQ WiMAX	214	1,030	816	381.3
FTTH	1,637	1,987	350	21.4
Metal-plus	2,775	2,465	(310)	(11.2)
Cable-plus phone ²	1,062	1,486	424	39.9
CATV ³	1,019	1,106	87	8.5
Fixed access lines ⁴	6,109	6,555	446	7.3

Notes: 1. Inclusive of module-type contracts

2. Inclusive of wholesales to “J:COM PHONE Plus” from the fiscal year ending March 31, 2012.

3. Number of households with at least one contract via broadcasting, internet, or telephone

4. Total access lines of FTTH, direct-revenue telephony (Metal-plus, Cable-plus phone), and CATV subs. excluding crossover.

Mobile Business

Operating revenues for the three months ended June 30, 2011 amounted to ¥662,148 million, down 0.2% year on year. Contributing factors include the decrease in voice ARPU (Average Revenue per Unit) caused by the uptake of the Simple Course, despite rise in revenue brought by the increase in the number of terminal sales. Operating income amounted ¥121,690 million, down 8.7% year on year, due to the increase in handsets procurement cost that led the rise in operating expenses.

Overall

- The number of “au” mobile phone subscriptions was 33.352 million as of June 30, 2011.
- Following the transfer of 800MHz band frequency used by au mobile phones, we announced to end the service of models not compatible with the new frequency band on July 22, 2012. For customers who are using such models, we will make model change commission for free and provide new models at special prices.

Mobile Terminals

The models of “IS series” all feature Android™ 2.3 and common functions in Japan such as Osaifu-Keitai®[®], infrared light communication and e-mails (@ezweb.ne.jp) [1] All new models also support “WIN HIGH SPEED [2],” the expanded system that allows 9.2 Mbps downlink and 5.5 Mbps uplink speed at maximum. As well as launching “Skype™ au” [3] on au mobile phones, the phones will support Self Menu [3] for improving the user-friendliness of the menus, and a function that lets users transfer user settings for incoming/outgoing email, folder names, sort conditions, etc. [3] when they change models. We have also expanded the lineup of data communication terminals.

[1] E-mail (@ezweb.ne.jp) services for “Xperia™ acro IS11S” is planned to start late September, 2011.

[2] Please check the areas that support the service at au's homepage. The speed may slow down significantly depending on the communication environment and traffic status as it is a best-effort method.

[3] Not supported by “Simple Phone K010.”

< Products released for the three months ended June 30, 2011 >

IS series (Smartphones)	“HTC EVO WiMAX ISW11HT, ” “Xperia acro IS11S, ” “AQUOS PHONE IS11SH, ” and “AQUOS PHONE IS12SH”
au mobile phones (Feature phones)	“Simple Phone K010”, “T008,” “K009,” and “CA007”
iida (Smartphone)	“INFOBAR A01”
Data communication terminals	Mobile Wi-Fi router “Wi-Fi WALKER DATA06” and USB data communication terminal “DATA07”
Tablet	“MOTOROLA XOOM™ Wi-Fi TBi11M”

Consumer Services

- The Company and Facebook, Inc. agreed an agreement to work together to provide the Company’s users with a compelling social experience, and integrate Facebook across the Company’s services on May 17, 2011. Under the partnership, au mobile phone users can experience a more efficient way to communicate and share information with more than 500 million Facebook users around the world.
- The Company launched a new music distribution service “LISMO unlimited powered by RecoChoku” (LISMO unlimited) for au smartphones in June 15, 2011. LISMO unlimited allows users to listen to a line-up of approximately one million, mostly western, music tracks any time they like, for a flat-rate charge of ¥1,480 per month (including tax), through collaboration with RecoChoku Co., Ltd., Japan's biggest digital music content provider, utilizing a cloud music platform provided by KKBOX Inc., which became the Company’s subsidiary since December 2010.
- The Company launched “au Wi-Fi SPOT,” a public wireless LAN service to enable comfortable internet communication using au smartphone outdoors on June 30, 2011. There will be about 10,000 spots [4] at the time of launch and it is planned to increase to about 100,000 spots [4] by March 31, 2012, marking the largest size in Japan.
[4] Includes tie-up access points
- We have started blocking service to halt users from watching child porn on the internet for “au HIKARI” FTTH service and internet connection service from au mobile phone and smartphone, etc. from April 21, 2011.
- We have started providing “GLOBAL PASSPORT” app that allows users to easily check if they are in the

areas where “Kaigai Double-Teigaku” is available for international roaming service on June 29, 2011. We have added Mobitel in Sri Lanka from June 1, 2011 as well as CAT Telecom in Thailand and Hutchison Telephone in Hong Kong from July 1, 2011 as overseas telecommunication operators that can be used under “Kaigai Double-Teigaku” plan. Areas where the service is available have expanded to 24 countries/regions including the United States, China and South Korea. Moreover, through the cooperation with JCB International Co., Ltd., we have largely expanded offering spots of free battery charge service for au mobile phones and smartphones to 60 locations in 51 cities and to make the international roaming service more readily available.

Corporate Services

- We started offering Android™ smartphone “SIRIUS α IS06,” which is compatible with GLOBAL PASSPORT CDMA,” a service available in 20 countries in the world, to corporate users from May 2, 2011. The model is compatible with international roaming service and features security function to provide necessary functions of corporate users, while its display and input can be showing in English, Chinese, and Korean to allow convenient use for overseas business trip.

Others

- On April 22, 2011, we have agreed with DCM, a U.K. venture fund that established “A-Fund, L.P.” to invest in “A-Fund, L.P.,” an investment fund targeting promising venture companies engaged in peripheral business related to Android™. Planned amount of investment totals ¥100 million. By offering cutting-edge services and apps of venture firms to customers, we intend to expand Android™ related business and make au’s smartphones and tablet terminals featuring Android™ more attractive devices.
- On June 29, 2011, we concluded an agreement on service collaboration centering on electric money with Rakuten, Inc. Through the agreement we plan to introduce “au Simple Payment Service” for charging Edy from August 4, 2011, and for shopping at “Rakuten Ichiba” from this autumn.
- We have conducted a tender offer to acquire shares of WebMoney Corporation, which runs server management type electric money business, between June 13 and July 11, 2011 with an aim to make WebMoney into a wholly owned subsidiary, and acquired 97.2% of its shares by July 19, 2011. After taking the procedure of squeeze out, we aim to make WebMoney into our wholly owned subsidiary. In the future, we aim to create a convenient settlement platform with unique characteristics of settlement services by the Company and WebMoney to promote 3M Strategy, which serves as a pillar of our growth strategies, and maximize synergy effects of the two companies.

Main Services in the Second Quarter and Beyond

- We have started mutual connection of C-mail (short message service: SMS) with NTT DOCOMO, INC., SOFTBANK MOBILE Corp. and eAccess Ltd. from July 13, 2011. Through this service, customers can send and receive C-mails with not only au mobile phones and au smartphones, but also with mobile phones of other carriers. We have also expanded a part of functions of C-mails to improve user convenience, while changing C-mail senders’ conditions to strengthen prevention of spam C-mails.
- We have started “KDDI ∞ Labo,” a program targeting start-up companies and engineers with innovative internet service ideas. The program promotes commercialization of attractive contents by supporting start-up companies and engineers with potential to lead the next generation and creating new services together with them.

Fixed-line Business

Operating revenues for the three months ended June 30, 2011 amounted to ¥220,208 million, 2.8% increase year on year, due to the increase in revenues of group companies, etc.

Operating income amounted to ¥16,537 million, ¥21,913 million increase year on year, due to the decrease in operating expenses of the Company led the Fixed-line Business.

Overall

- The number of FTTH service subscriptions, consisting of “au HIKARI” and services of consolidated subsidiaries (Chubu Telecommunications Co., Inc.’s “Commuf@-hikari,” Okinawa Cellular Telephone Company’s “au HIKARI Chura” and Okinawa Telecommunication Network Co., Inc.’s “Hikarifuru”) reached 1.987 million as of June 30, 2011.

- As of June 30, 2011, the number of “Metal-plus” subscriptions totaled 2.465 million.
- For “Cable-plus phone,” alliances with cable television companies grew steadily, reaching 114 companies and its subscriptions expanded to 1.486 million as of June 30, 2011.
- Consolidated subsidiary JCN Group, which oversees 18 cable companies primarily in the Tokyo metropolitan area, had 1.106 million cable television subscriptions as of June 30, 2011.

Consumer Services

- “au HIKARI Home,” a FTTH service for houses^{Note1}, expanded its service areas to Hokkaido, Ibaraki, Okayama, Hiroshima, Kagawa, Ehime and Kochi prefectures, the service started from June 1, 2011. The service areas further expanded to Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima prefectures and provision of services started from July 1, 2011. “au HIKARI Home” became available in 24 prefectures^{Note2} in Japan. In Niigata and Tochigi prefectures where applications were postponed due to effects from the Great East Japan Earthquake, applications became available from April 22, 2011.

Note1: For users living in detached houses or apartment complexes with two stories or less (three stories or less in certain areas in Tokyo, Kanagawa, Saitama, Chiba, Gunma, Yamanashi, and Ibaraki prefectures), excluding those living in housings by prefecture, public corporation, and Urban Renaissance Agency.)

Note2: Hokkaido, Miyagi, Tokyo, Kanagawa, Saitama, Chiba, Ibaraki, Tochigi, Gunma, Yamanashi, Niigata, Ishikawa, Okayama, Hiroshima, Kagawa, Ehime, Kochi, Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, and Kagoshima prefectures.

- The Company supplemented its “au HIKARI” video channel service set-top box (STB) lineup with “ST1100R,” which can be rented for ¥525 monthly (including tax). The STB allows users to watch multichannel broadcasting of “au HIKARI Video Channel Service,” “LISMO Video Store” and VODs at high resolution and record programs of various channels to external HDD connected by USB to be enjoyed in different rooms using home network function.

Corporate Services

- We have added IP phone function to “KDDI Wide Area Virtual Switch,” a wide area data network service from May 10, 2011. Customers can now use intranet service and IP phone service as one stop solution.
- In addition to conventional NTT FTTH, we have added electric power companies’ FTTH to access lines for our IP phone service “KDDI Hikari Direct” from May 10, 2011. This allowed us to expand offering areas and provide two systems of redundant configurations for access lines for the purpose of BCP.
- We have started “KDDI MULTI CLOUD,” a new brand for corporate customers on June 28, 2011. Through this service, we integrate smart devices and applications seamlessly with “high quality” and “highly credible” networks and data centers as foundation to provide simple solutions and offer best working environment to corporate customers.
- We have added New York, Los Angeles, San Jose, and Palo Alto in the United States, Hong Kong and Singapore as offering areas of “KDDI Internet Gateway,” which realizes wide-band, low-latency internet connection for corporate customers on May 18, 2011. The service is available not only in Japan as before but also in three overseas countries.

Main Services in the Second Quarter and Beyond

- The Company will launch a large-sized data center “TELEHOUSE HONG KONG CCC” in December 2011 in Hong Kong, and begin providing data center services that meet the TELEHOUSE global standard. HKCOLO.NET, a data center operator in Hong Kong and a consolidated subsidiary of the Company (investment conducted in May, 2011) will manage “TELEHOUSE HONG KONG CCC.”

Other Business

Operating revenues for the three months ended June 30, 2011 decreased 10.7% year on year to ¥25,644 million. Operating income increased 46.6% year on year to ¥1,728 million.

3) Status of Major Affiliates

UQ Communications Inc. (hereafter: “UQ”), an equity method affiliate of the Company, has recorded 15,000 base stations by May 31, 2011, and its subscriptions topped 1 million as of June 15, 2011.

In April 2011, Jupiter Telecommunications Co., Ltd. (hereafter: “J:COM”), an equity method affiliate, began

rolling out J:COM PHONE Plus, which uses the Company's telecommunication networks and J:COM's cable TV networks, in J:COM's service areas

au Insurance Company, Limited established by the Company and Aioi Nissay Dowa Insurance Co., Ltd. through joint investment started its services on May 25, 2011.

- Notes:
- 1 "Wi-Fi" is a registered trademark of Wi-Fi Alliance®.
 - 2 "Android" is a trademark of Google Inc.
 - 3 "Osafu-Keitai" is a registered trademark of NTT DOCOMO, INC.
 - 4 "Skype" is a trademark of Skype Limited.
 - 5 "Xperia" is a trademark or a registered trademark of Sony Ericsson Mobile Communications AB.
 - 6 "HTC EVO" is a trademark or a registered trademark of HTC Corporation.
 - 7 "AQUOS" is a registered trademark of Sharp Corporation.
 - 8 "MOTOROLA XOOM" is a registered trademark of Motorola Trademark Holdings, LLC.
 - 9 "Facebook" is a registered trademark of Facebook, Inc.
 - 10 "SIRIUSα" is a trademark of Pantech Co., Ltd.
 - 11 "Edy" is a registered trademark of bitWallet, Inc.

(2) Qualitative Information on Consolidated Financial Position

Consolidated total assets stood at ¥3,828,004 million, an increase of ¥49,086 million from March 31, 2011.

This increase was primarily attributable to factors such as increases in securities (commercial papers, etc.) and prepaid expenses.

Total liabilities amounted to ¥1,609,101 million, an increase of ¥2,022 million from March 31, 2011. Major factor contributing to this increase was increase in accounts payable-trade.

An increase in retained earnings resulted net asset to amount to ¥2,218,902 million.

As a result, the shareholders' equity ratio rose from 55.7% as of March 31, 2011, to 56.1%.

The following describes the cash flow situation for the three months ended June 30, 2011.

(Amount unit: Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011	Increase (Decrease)
Net cash provided by (used in) operating activities	108,890	145,097	36,206
Net cash provided by (used in) investing activities	(110,100)	(77,938)	32,161
Free cash flows	(1,209)	67,158	68,368
Net cash provided by (used in) financing activities	(52,329)	(36,298)	16,030
Effect of exchange rate change on cash and cash equivalents	(21)	603	624
Net increase (decrease) in cash and cash equivalents	(53,560)	31,463	85,023
Cash and cash equivalents at beginning of period	165,476	159,869	(5,607)
Cash and cash equivalents at end of period	111,916	191,333	79,416

Note: Free cash flows are calculated as the sum of "Net cash provided by (used in) operating activities" and "Net cash provided by (used in) investing activities."

Net cash provided by (used in) operating activities provided net cash of ¥145,097 million largely due to ¥128,472 million of income before income taxes and minority interests, ¥100,550 million of depreciation and amortization, and ¥57,231 million of income taxes paid.

Net cash provided by (used in) investing activities used net cash of ¥77,938 million mainly due to ¥57,921 million in payments for purchase of property, plant and equipment and ¥14,075 million in payments for purchase of intangible assets.

Net cash provided by (used in) financial activities used net cash of ¥36,298 million largely due to ¥31,394 million in payments for cash dividends.

As a result, Cash and cash equivalents as of June 30, 2011, increased ¥31,463 million from March 31, 2011, to ¥191,333 million.

(3) Qualitative Information on Consolidated Financial Results Forecast

1. Outlook for the Fiscal Year Ending March 31, 2012

Overview

We will promote our mission as a telecommunication company that supports a lifeline through construction of

telecommunication infrastructure network that can be recovered quickly in case of major natural disasters, and creation of more minutes BCP (Business Continuity Plan) upon the experiences of the Great East Japan Earthquake.

The Companies has formalized “three commitments” to respond quickly to changes in the operating environment, while at the same time growing sustainably and taking the lead in meeting emerging needs.

- **“More connected”** -- We will aim to achieve multi-network connectivity by organically linking networks owned by the Companies, including mobile phone, FTTH, CATV and WiMAX networks, and various devices. We will also provide a high-speed communication environment and attractive content optimized for multi-device access. At the same time, the Companies will enable multi-use services tailored to regional lifestyle and individual customer preferences, thereby making ourselves “more connected” to consumer.
- **“More global”** -- Overseas, many countries are experiencing robust economic growth. Meanwhile, Internet diffusion in numerous emerging markets continues to lag. The Companies are working to meet the needs of markets around the world by developing communication-related businesses tailored to individual countries’ cultural and socioeconomic conditions, and is working toward global information and telecommunication technology (ICT) and building communication environments to this end.
- **“More diverse values”** -- The ongoing proliferation of Internet technologies, led by IP connectivity, are spawning ICT needs in a broadening host of fields, including medicine, health, education, government and the environment. By taking a more active part in various corporate initiatives and lifestyle aspects, the Companies aim to add a host of further value to customers.

Mobile Business

We will strive to recover au service momentum, enhance customer satisfaction and meet diverse customer needs. At the same time, we will work to expand our handset lineup, develop and offer advanced new services and content, expand our service area and raise service quality. In particular, we are focusing on smartphones with the enhanced communication features that such as standard functions in Japan. Through the “au + WIMAX” service, we also plan to offer the fastest communication speeds in Japan to various terminals, including smartphones, Wi-Fi routers and other data communication devices, and tablets. By enhancing our overall product lineup in this way, we will strive to deliver a more optimal mobile communication environment and expand our business domain. The Companies will strive to improve convenience by providing services based on the ideas of fixed-mobile convergence.

We also aim to make steady progress in reorganizing the 800MHz band. Through the above-mentioned initiatives, we expect to gradually reduce the churn rate, achieve a net increase in MNP (Mobile Number Portability), boost our share of the net increase, and raise data ARPU.

Fixed-line Business

In the Fixed-line Business, we aim to bolster both revenues and profits. Along with efforts to promote sales of FTTH services such as “au HIKARI,” “Commuf@-hikari”, and “au HIKARI Chura,” the Companies will seek ties with cable television companies with the goal of expanding its access lines such as “Cable-plus phone” and cable television services provided by JCN Group.

With respect to corporate clients, the Companies aim to contribute to business development of customers in Japan and overseas by providing network services and various cloud services such as virtual data center as one-stop service to support clouding of corporate IT system, as well as offering BCP solutions using smartphone and tablet terminals etc.

Through these initiatives, we will continue working to lower network access costs.

Full-Year Results

The estimated consolidated financial results for the year ending March 2012 for full-year basis disclosed in the Financial Statements Summary for the year ended March 2011 were as follows; Operating Revenues: ¥3,460,000 million, Operating Income: ¥475,000 million, Ordinary Income: ¥450,000 million, Net Income: ¥250,000 million. There is no change to these figures.

The Company has not prepared consolidated business forecasts for the six months ending September 30, 2011 because the rapidly changing operating environment, characterized by competition among telecommunication carriers, means it is difficult to make forecasts for this period.

- Notes: 1 “WiMAX” is a registered trademark of WiMAX Forum.
2 “Wi-Fi” is a registered trademark of Wi-Fi Alliance®.

2. Business Risks

As the Companies pursue its business, there are various risks involved. The Companies take every effort to reduce these risks by preventing and hedging them. However, there are various uncertainties which could have negative impacts on the Companies' brand image, liability, financial position and/or earnings performance such as;

- subscription growth trends out of line with the Companies expectations due to competition, rival technologies and rapid market shifts
- breach of obligations regarding communications security and protection of customer privacy
- natural disasters, accidents and power restrictions caused by earthquake, tsunami, typhoon, etc.
- revision or repeal of laws and ordinances governing telecommunications, together with related government policies
- general legal and regulatory, litigation and patents, personnel retention and training, retirement benefits, asset-impairment accounting, telecommunications sector consolidation and business restructuring in the Companies

2. Notes Regarding Summary Information (Others)

Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

(Change in Accounting Policies resulting from the Revision of the Accounting Standards and Other Regulations)

From the first quarter of the year ending March 31, 2012, we have applied the "Accounting Standard for Earning Per Share" (Accounting Standards Board of Japan [ASBJ] Statement No.2 of June 30, 2010), the "Guidance on Accounting Standard for Earning Per Share" (ASBJ Guidance No.4 of June 30, 2010), and the "Practical Solution on Accounting for Earnings Per Share" (ASBJ PITF No.9 of June 30, 2010).

To calculate diluted net income per share of the quarter, we have changed the method to include potential services offered by the employees in the fair valuation of stock options of payment when exercising the right regarding stock options whose rights are secured after certain period of employment.

Because we do not have residual securities that have diluting effects, there is no effect according to this change.

[Additional Information]

(Application of the "Accounting Standard for Accounting Changes and Error Corrections" and others)

For the accounting changes and error corrections made in after the beginning of the year ending March 31, 2012, we have applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24 of December 4, 2009).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount unit: Millions of yen)

	As of March 31, 2011	As of June 30, 2011
Assets		
Noncurrent assets		
Noncurrent assets-telecommunications business		
Property, plant and equipment		
Machinery, net	628,415	611,893
Antenna facilities, net	353,461	351,126
Local line facilities, net	125,212	127,663
Long-distance line facilities, net	10,002	9,338
Engineering facilities, net	27,198	26,837
Submarine line facilities, net	9,536	8,960
Buildings, net	214,217	210,431
Structures, net	32,446	31,996
Land	242,197	242,067
Construction in progress	75,236	81,170
Other tangible assets, net	34,187	32,113
Total property, plant and equipment	1,752,112	1,733,599
Intangible assets		
Right of using facilities	9,120	9,502
Software	191,719	182,381
Goodwill	17,563	16,125
Other intangible assets	10,223	10,263
Total intangible assets	228,626	218,273
Total noncurrent assets-telecommunications business	1,980,738	1,951,873
Incidental business facilities		
Property, plant and equipment	120,709	122,377
Intangible assets	62,301	65,205
Total noncurrent assets-incident business	183,010	187,582
Investments and other assets		
Investment securities	73,898	78,978
Stocks of subsidiaries and affiliates	356,887	356,680
Investments in capital of subsidiaries and affiliates	182	189
Long-term prepaid expenses	82,240	83,300
Deferred tax assets	128,686	125,655
Other investment and other assets	49,278	50,149
Allowance for doubtful accounts	(8,103)	(8,546)
Total investments and other assets	683,069	686,408
Total noncurrent assets	2,846,819	2,825,864
Current assets		
Cash and deposits	136,921	85,528
Notes and accounts receivable-trade	573,508	586,397
Accounts receivable-other	35,486	28,753
Income taxes receivable	32,703	32,502
Short-term investment securities	25,201	107,201
Supplies	58,352	69,712
Prepaid expenses	14,316	42,274
Deferred tax assets	64,079	58,431
Other current assets	5,296	5,253
Allowance for doubtful accounts	(13,767)	(13,915)
Total current assets	932,098	1,002,139
Total assets	3,778,918	3,828,004

(Amount unit: Millions of yen)

	As of March 31, 2011	As of June 30, 2011
Liabilities		
Noncurrent liabilities		
Bonds payable	414,978	414,981
Long-term loans payable	414,187	413,732
Provision for retirement benefits	18,656	18,964
Provision for point card certificates	85,197	86,697
Other noncurrent liabilities	66,780	71,007
Total noncurrent liabilities	999,800	1,005,384
Current liabilities		
Current portion of noncurrent liabilities	138,799	137,877
Notes and accounts payable-trade	65,598	88,713
Short-term loans payable	1,304	748
Accounts payable-other	192,402	176,279
Accrued expenses	14,253	16,307
Income taxes payable	57,764	49,448
Advances received	72,437	74,194
Provision for bonuses	19,519	8,247
Provision for loss on the Great East Japan Earthquake	16,282	14,264
Other current liabilities	28,913	37,635
Total current liabilities	607,278	603,717
Total liabilities	1,607,078	1,609,101
Net assets		
Shareholders' equity		
Capital stock	141,851	141,851
Capital surplus	367,091	367,091
Retained earnings	1,704,170	1,744,272
Treasury stock	(125,244)	(125,244)
Total shareholders' equity	2,087,869	2,127,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,612	31,933
Deferred gains or losses on hedges	32	(147)
Foreign currency translation adjustment	(13,182)	(11,136)
Total accumulated other comprehensive income	15,461	20,650
Subscription rights to shares	1,504	1,569
Minority interests	67,002	68,710
Total net assets	2,171,839	2,218,902
Total liabilities and net assets	3,778,918	3,828,004

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Income)

(Amount unit: Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Operating income and loss from telecommunications		
Operating revenue		
Total operating revenue	637,380	600,727
Operating expenses		
Business expenses	166,453	152,965
Operating expenses	34	10
Facilities maintenance expenses	76,521	72,891
Common expenses	578	691
Administrative expenses	16,418	17,205
Experiment and research expenses	1,462	1,321
Depreciation	100,214	93,799
Noncurrent assets retirement cost	2,272	2,282
Communication facility fee	101,253	87,875
Taxes and dues	7,869	11,828
Total operating expenses	473,079	440,872
Net operating income from telecommunications	164,301	159,855
Operating income and loss from incidental business		
Operating revenue		
	228,638	264,237
Operating expenses		
	263,642	283,996
Net operating loss from incidental business	(35,004)	(19,759)
Operating income	129,297	140,095
Non-operating income		
Interest income	124	199
Dividends income	705	561
Miscellaneous income	1,771	1,865
Total non-operating income	2,601	2,626
Non-operating expenses		
Interest expenses	3,645	3,357
Equity in losses of affiliates	3,462	4,268
Miscellaneous expenses	2,210	2,648
Total non-operating expenses	9,318	10,274
Ordinary income	122,580	132,448
Extraordinary income		
Gain on sales of noncurrent assets	985	-
Gain on sales of investment securities	5,691	-
Total extraordinary income	6,676	-
Extraordinary loss		
Loss on sales of noncurrent assets	-	102
Loss on valuation of investment securities	-	197
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,120	-
Loss on the Great East Japan Earthquake	-	3,674
Total extraordinary losses	1,120	3,975
Income before income taxes and minority interests	128,136	128,472
Income taxes-current	42,081	48,504
Income taxes-deferred	12,428	6,234

(Amount unit: Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Total income taxes	54,509	54,738
Income before minority interests	73,626	73,733
Minority interests in income	1,705	1,787
Net income	71,921	71,945

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Comprehensive Income)

(Amount unit: Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Income before minority interests	73,626	73,733
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,616)	3,159
Foreign currency translation adjustment	(334)	2,260
Share of other comprehensive income of associates accounted for using equity method	346	221
Total other comprehensive income	(3,604)	5,641
Comprehensive income	70,022	79,374
(Comprehensive income attributable to)		
Comprehensive income attributable to parent company	68,272	77,134
Comprehensive income attributable to minority interests	1,750	2,239

(3) Consolidated Statements of Cash Flows

(Amount unit: Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	128,136	128,472
Depreciation and amortization	106,112	100,550
Amortization of goodwill and negative goodwill	3,045	2,910
Loss (gain) on sales of noncurrent assets	(984)	95
Loss on retirement of noncurrent assets	1,226	1,513
Increase (decrease) in provision for loss on the Great East Japan Earthquake	-	(2,018)
Increase (decrease) in allowance for doubtful accounts	300	568
Increase (decrease) in provision for retirement benefits	(15)	279
Interest and dividends income	(830)	(760)
Interest expenses	3,645	3,357
Equity in (earnings) losses of affiliates	3,462	4,268
Loss (gain) on sales of investment securities	(5,693)	(67)
Loss (gain) on valuation of investment securities	24	197
Increase (decrease) in provision for point card certificates	2,063	1,500
Decrease (increase) in prepaid pension costs	(522)	493
Decrease (increase) in prepaid expenses	(25,305)	(29,398)
Decrease (increase) in notes and accounts receivable-trade	22,095	(4,725)
Decrease (increase) in inventories	(9,018)	(11,410)
Increase (decrease) in notes and accounts payable-trade	9,249	22,778
Increase (decrease) in accounts payable-other	(55,856)	(13,308)
Increase (decrease) in accrued expenses	838	1,108
Increase (decrease) in advances received	259	2,103
Other, net	(3,737)	(3,701)
Subtotal	178,495	204,807
Interest and dividends income received	1,267	954
Interest expenses paid	(3,347)	(3,434)
Income taxes paid	(67,525)	(57,231)
Net cash provided by (used in) operating activities	108,890	145,097
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(78,563)	(57,921)
Proceeds from sales of property, plant and equipment	734	177
Purchase of intangible assets	(27,084)	(14,075)
Purchase of investment securities	(152)	(995)
Proceeds from sales of investment securities	1,361	376
Purchase of stocks of subsidiaries and affiliates	(26)	(73)
Purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	(577)	(1,880)
Purchase of long-term prepaid expenses	(5,452)	(4,624)
Other, net	(337)	1,078
Net cash provided by (used in) investing activities	(110,100)	(77,938)

(Amount unit: Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(70,013)	(587)
Proceeds from long-term loans payable	50,000	-
Repayment of long-term loans payable	(2,096)	(2,187)
Cash dividends paid	(28,468)	(31,394)
Cash dividends paid to minority shareholders	(574)	(620)
Other, net	(1,175)	(1,507)
Net cash provided by (used in) financing activities	(52,329)	(36,298)
Effect of exchange rate change on cash and cash equivalents	(21)	603
Net increase (decrease) in cash and cash equivalents	(53,560)	31,463
Cash and cash equivalents at beginning of period	165,476	159,869
Cash and cash equivalents at end of period	111,916	191,333

(4) Going Concern Assumption

None

(5) Segment Information, Etc.

(Segment Information)

For the three months ended June 30, 2010 (April 1, 2010 to June 30, 2010)

1. Information on sales and income (loss) by business segment reported

(Amount unit: Millions of yen)

	Business segments reported			Others ¹	Total	Elimination and Corporate ²	Consolidation ³
	Mobile Business	Fixed-line Business	Subtotal				
Sales							
Outside Sales	661,207	192,317	853,525	12,493	866,019	-	866,019
Intersegment Sales or Transfer	2,502	21,790	24,293	16,222	40,515	(40,515)	-
Total	663,710	214,107	877,818	28,715	906,534	(40,515)	866,019
Operating Income	133,323	(5,376)	127,947	1,179	129,126	170	129,297

Notes: 1. The "Others" category incorporates operations not included in business segments reported, including call center business, research and technological development, and other operations.

2. Adjustment of segment income (loss) refers to elimination of intersegment transactions.

3. Operating income (loss) for segment is adjusted on operating income on the quarterly consolidated statements of income.

2. Information concerning impairment loss from noncurrent assets, goodwill and other items by business segment

(Material impairment loss from noncurrent assets)

None

(Material changes in goodwill)

None

(Material profit from negative goodwill)

None

For the three months ended June 30, 2011 (April 1, 2011 to June 30, 2011)

1. Information on sales and income (loss) by business segment reported

(Amount unit: Millions of yen)

	Business segments reported			Others ¹	Total	Elimination and Corporate ²	Consolidation ³
	Mobile Business	Fixed-line Business	Subtotal				
Sales							
Outside Sales	659,484	196,793	856,278	8,685	864,964	-	864,964
Intersegment Sales or Transfer	2,663	23,414	26,078	16,958	43,037	(43,037)	-
Total	662,148	220,208	882,357	25,644	908,001	(43,037)	864,964
Operating Income	121,690	16,537	138,227	1,728	139,956	139	140,095

Notes: 1. The "Others" category incorporates operations not included in business segments reported, including call center business, research and technological development, and other operations.

2. Adjustment of segment income (loss) refers to elimination of intersegment transactions.

3. Operating income (loss) for segment is adjusted on operating income on the quarterly consolidated statements of income.

2. Information concerning impairment loss from noncurrent assets, goodwill and other items by business segment

(Material impairment loss from noncurrent assets)

None

(Material changes in goodwill)

None

(Material profit from negative goodwill)

None

(6) Material Changes in Shareholders' Equity

None