

Consolidated Financial Highlights

5 year Summary (Years ended March 31)

Consolidated	Millions of yen					Millions of U.S. dollars ^{*1}	
	2009	2010	2011	2012	2013	2013	
Operating Revenues	¥3,497,509	¥3,442,147	¥3,434,546	¥3,572,098	¥3,662,289	\$38,940	
Operating Income	443,207	443,862	471,912	477,648	512,669	5,451	
Net Income	222,736	212,764	255,122	238,605	241,470	2,567	
EBITDA ^{*2}	904,030	927,253	936,315	908,499	959,571	10,203	
Operating Income Margin	12.7%	12.9%	13.7%	13.4%	14.0%	14.0%	
EBITDA Margin	25.8%	26.9%	27.3%	25.4%	26.2%	26.2%	
Capital Expenditures	575,072	518,034	443,677	421,568	467,020	4,966	
Depreciation	434,623	460,940	449,318	417,886	406,726	4,325	
Interest-bearing Debt	874,951	1,096,778	979,630	1,046,754	977,563	10,394	
Equity Ratio	53.7%	52.8%	55.7%	51.5%	55.1%	55.1%	
Return on Equity (ROE)	12.6%	11.0%	12.4%	11.5%	11.2%	11.2%	
Return on Assets (ROA)	14.1%	12.2%	12.4%	12.3%	12.7%	12.7%	
Net Cash Provided by (Used in) Operating Activities	712,231	739,992	717,354	725,886	523,908	5,571	
Net Cash Provided by (Used in) Investing Activities	(775,470)	(924,442)	(440,546)	(484,507)	(472,992)	(5,029)	
Free Cash Flows ^{*3}	(63,240)	(184,450)	276,808	241,379	50,916	541	
Net Cash Provided by (Used in) Financing Activities	191,490	149,239	(279,998)	(225,931)	(140,250)	(1,491)	
Cash Dividends per Share ^{*4} (Yen)	55	65	70	80	90	0.96	
Dividend Payout Ratio ^{*5}	22.0%	27.2%	24.1%	27.5%	28.5%	28.5%	

*1 U.S. dollar amounts are translated into yen, for convenience only, at the rate of ¥94.05 = U.S.\$1 on March 31, 2013.

*2 From the fiscal year ended March 31, 2013, the EBITDA calculation formula has been changed.

Until the fiscal year ended March 31, 2012: EBITDA = Operating income + depreciation + noncurrent assets retirement cost

From the fiscal year ended March 31, 2013: EBITDA = Operating income + depreciation + amortization of goodwill + noncurrent assets retirement cost

*3 Free cash flows = Net cash provided by (used in) operating activities + net cash provided by (used in) investing activities

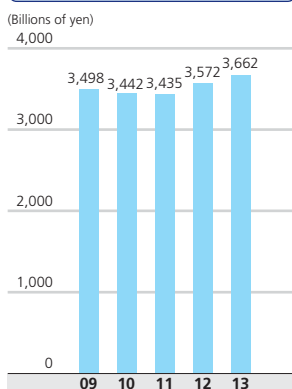
*4 KDDI implemented a stock split at a ratio of 100 shares for 1 share of common stock with an effective date of October 1, 2012. Further, KDDI implemented a stock split at a ratio of 2 shares for 1 share of common stock with an effective date of April 1, 2013. The cash dividends amount reflects the two above-mentioned stock splits. Also, amounts for previous fiscal years have been adjusted to reflect the stock splits.

*5 Nonconsolidated until the fiscal year ended March 31, 2006. Consolidated from the fiscal year ended March 31, 2007.

Operating Revenues

YOY **+2.5%**

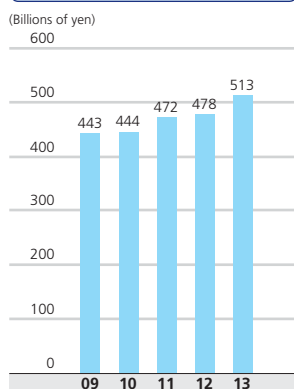
Operating revenues rise for the two consecutive fiscal years thanks to higher revenues from an increase in mobile data communications revenue, and FTTH services, and handset sales.



Operating Income

YOY **+7.3%**

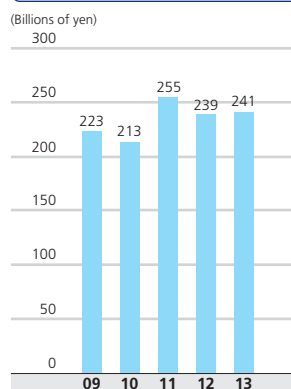
Operating income grows for 12th fiscal year in a row, reflecting higher operating revenues and elimination of bandwidth reorganization costs.



Net Income

YOY **+1.2%**

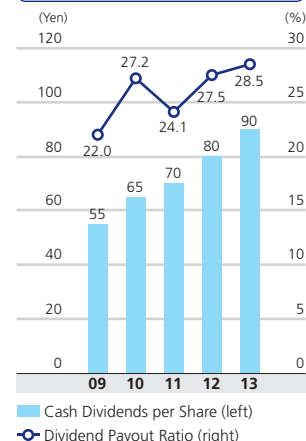
Earnings increase year on year despite recognizing extraordinary loss due to impairment loss on facilities, arising from discontinuing the use of former 800MHz frequency facilities.



Cash Dividends per Share^{*4} / Dividend Payout Ratio^{*5}

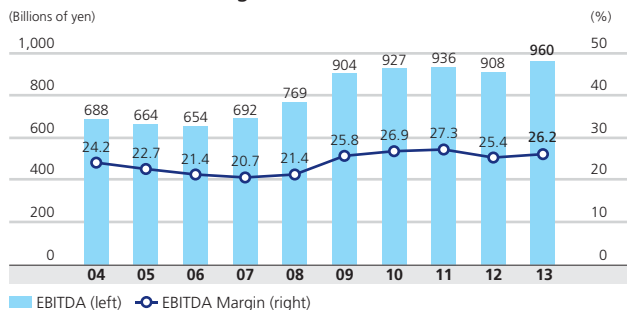
YOY **+¥10**

Full-year cash dividends are ¥90 per share, up ¥10 year on year and the 11th consecutive year-on-year rise.

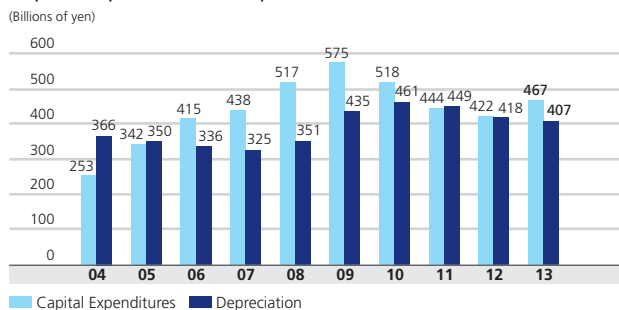


10 year Consolidated Financial Data

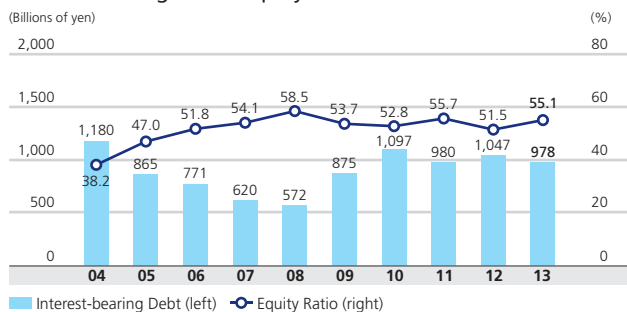
EBITDA*2 / EBITDA Margin



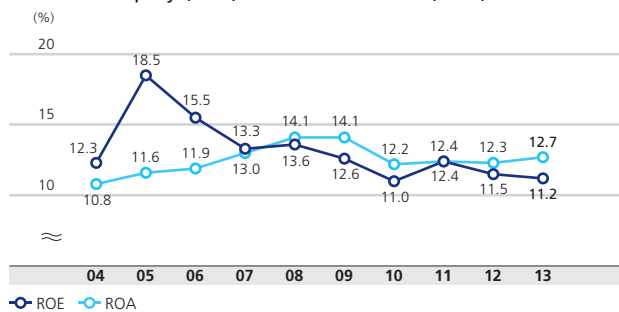
Capital Expenditures / Depreciation



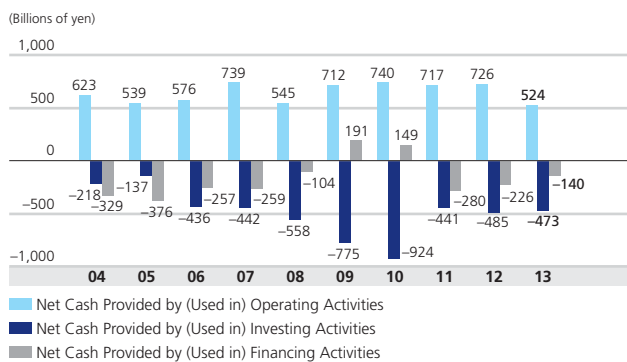
Interest-bearing Debt / Equity Ratio



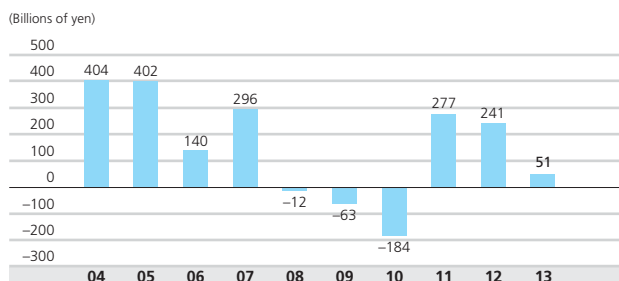
Return on Equity (ROE) / Return on Assets (ROA)



Cash Flows



Free Cash Flows*3



Market Capitalization (October 2000—March 2013 / Monthly)



KDDI's Foundation for Growth

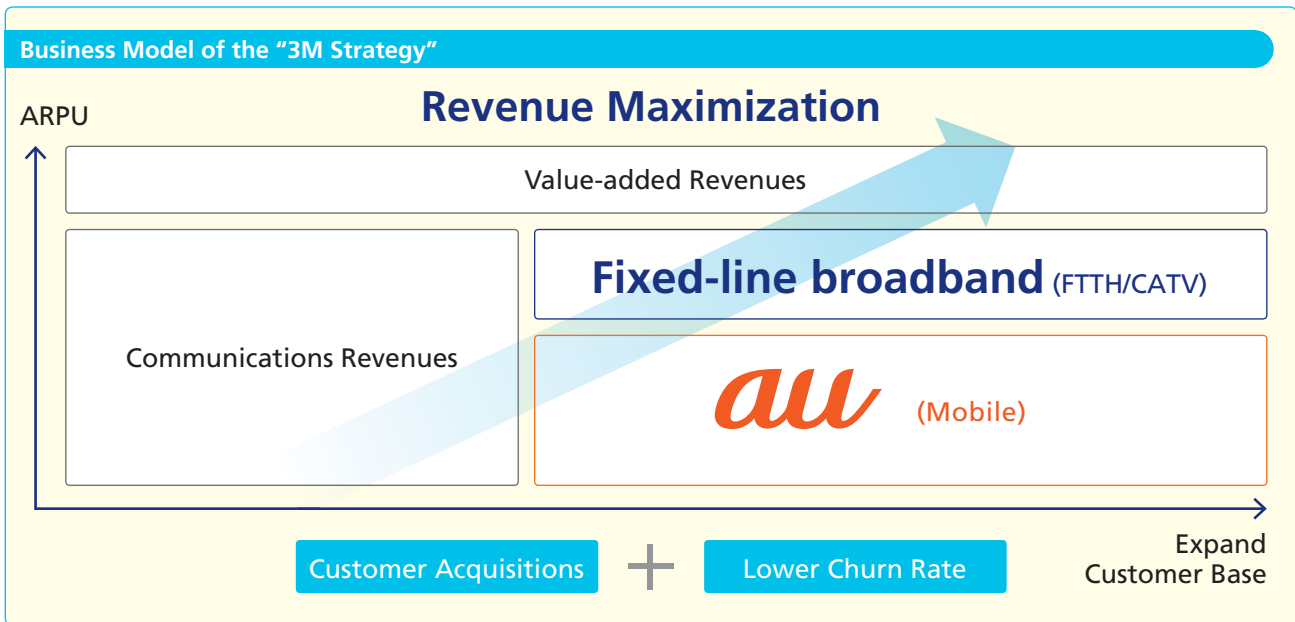
The KDDI Strengths That Enable Sustainable Income Growth

KDDI is the only telecommunications company in Japan to offer both mobile and fixed-line broadband (FTTH/CATV) services. By fully leveraging this strength, we are promoting the "3M Strategy," through which we aim to maximize revenues and income.

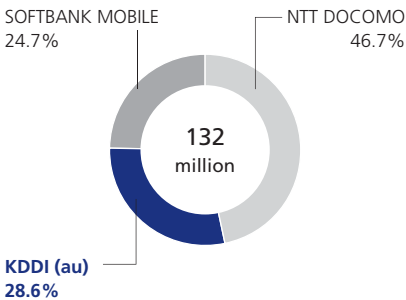
We launched the core services of the 3M Strategy, "au Smart Value" and "au Smart Pass," in March 2012. "au Smart Value" provides au smartphone and fixed-line broadband services as a set. Through mutual sales of mobile and fixed-line broadband services, we are working to acquire new customers and lower the churn rate as customers subscribe to cross-selling, thereby expanding the customer base. At the same time, we are striving

to increase value ARPU through "au Smart Pass," which provides au smartphone users with value-added services and content.

By expanding our customer base and raising both communications revenues and value-added revenues in these ways, we intend to maximize total revenues, resulting in sustainable income growth as revenues increase.

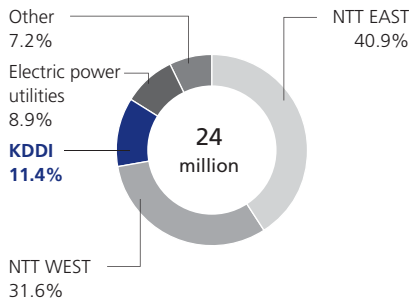


Share of Cumulative Mobile Communication Subscriptions* (As of March 31, 2013)



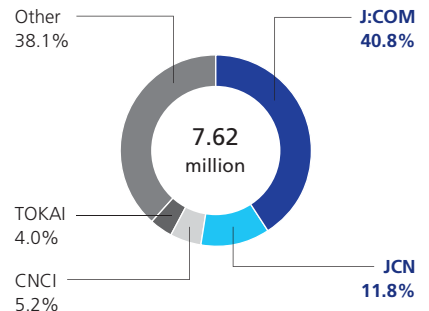
Source: Prepared by KDDI based on Telecommunications Carriers Association's data
* Share among NTT Docomo, Softbank Mobile, and KDDI

Share of Cumulative FTTH Subscriptions (As of March 31, 2013)



Source: Prepared by KDDI based on Ministry of Internal Affairs and Communication's data

Share of CATV Subscriptions (As of September 30, 2012)



Source: Prepared by KDDI based on Hosono Journal (December 2012 issue)

The Foundations to Support Sustainable Growth

The KDDI Group is pursuing a host of initiatives toward building the foundations to support ongoing growth. These measures include constructing networks that are safe and secure, developing leading-edge technologies in preparation for the next generation, maintaining positive relationships with strategic partners, and enhancing customer satisfaction.

Network Reliability Underpinning High-quality Services

▶ P. 60



As a company that provides social infrastructure, KDDI recognizes the continuous provision of stable and high-quality communications services as its social responsibility. This issue is of paramount importance in securing the trust of our stakeholders. To reinforce our capabilities, we are preparing for disasters by locating base station equipment on ships, having all employees work together to improve quality throughout our communications areas, and executing business continuity plans (BCPs).

Stronger R&D Capabilities to Encourage Continuous Value Creation

▶ P. 43



The medium- to long-term competitiveness and operational sustainability of a telecommunications company depends on its response to the accelerating advancement of information and communications technology. At the KDDI R&D Laboratories, our main research arm, we pursue some of the world's most sophisticated R&D on such wide-ranging themes as fixed-line and mobile communications, links with broadcasting, next-generation networks and ultrahigh-speed wireless transmission technologies, security, and applications.

Framework for Maximizing Human Resource Diversity and Capabilities

▶ P. 68



We consider respect for and mutual understanding of KDDI employees who have diverse characters and values to be essential to KDDI's sustainable growth. Accordingly, we take an active approach toward creating a workplace environment that promotes diversity, maximizes the individual capabilities of our human resources, and enables individuals to make full use of their skills.

Building Trust-based Relationships with Business Partners

▶ P. 74



KDDI prioritizes the development of trust-based relationships with business partners that have specialized expertise in their fields. These connections enable us to respond skillfully to markets that are changing at dizzying speed, innovate tirelessly, and propose new value to our customers. Deepening mutual understandings with our business partners is therefore a win-win scenario, and we will continue to prioritize these relationships.

Maximizing Customer Satisfaction

▶ P. 61



To remain the company of choice for our customers, we need to go beyond the provision of stable, safe, and secure telecommunications, exceeding our customers' expectations by awaking customers' emotions. We are working to increase satisfaction among all customers—individuals and corporate customers alike—by providing various types of awards, contests, and training to augment our skills.