



Outline of Financial Results for Fiscal Year Ending March 2001

May 18, 2001

KDDI Corporation

Scope of Consolidation



- The consolidated financial statements include all subsidiaries in principle (excluding five companies under liquidation)
- The “Flash Results” only cover the business performance of the companies within the thick line
- KDD and IDO’s figures for the year ending March 2000 and for the first half of the year ending March 2001 are included in the “3-Company Total” for comparison (within the dotted line)
- Lastly, although TU-KA’s first half performance is not included in DDI consolidated results in the year ending March 2000, it is also included in the “3-Company Total”

2000	2001 1H	2001 2H																		
<table border="1"> <tr><td colspan="2">DDI</td></tr> <tr><td>Consolidated</td><td>19</td></tr> <tr><td>Equity method</td><td>5</td></tr> </table>	DDI		Consolidated	19	Equity method	5	<table border="1"> <tr><td colspan="2">DDI</td></tr> <tr><td>Consolidated</td><td>19</td></tr> <tr><td>Equity method</td><td>3</td></tr> </table>	DDI		Consolidated	19	Equity method	3	<table border="1"> <tr><td colspan="2">KDDI</td></tr> <tr><td>Consolidated</td><td>76</td></tr> <tr><td>Equity method</td><td>12</td></tr> </table>	KDDI		Consolidated	76	Equity method	12
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Flash Results Summary ①



1. Consolidated Business Performance

¥ million

	3/2000	3/2001	Change	
Operating revenues	1,525,953	2,268,645	742,692	48.7%
Operating income	19,613	88,782	69,168	352.7%
Ordinary income	△ 5,271	50,549	55,820	—
Net income	△ 10,468	13,426	23,894	—

2. Consolidated Financial Balance Sheet

¥ million

	3/2000	3/2001	Change	
Total assets	1,999,008	3,639,363	1,640,355	82.0%
Stockholders' equity	228,574	845,090	616,516	269.7%
Stockholders' equity ratio	11.4%	23.2%	11.9%	—
Stockholders' equity per share(¥)	100,496.87	199,273.12	98,776.25	98.3%

* : Number of shares outstanding at year end: March 2000 2,274,441.60 March 2001 4,240,865.43
 Including treasury stock (for informational purposes only): March 2000 2,274,442 March 2001 4,240,880.38

Flash Results Summary ②



3. Consolidated Cash Flow

¥ million

	3/2000	3/2001
Cash flow from operating activities	304,097	286,735
Cash flow from investment activities	△ 371,563	△ 372,263
Free cash flow	△ 67,466	△ 85,527
Cash flow from financial activities	7,663	△ 25,352
Cash and cash equivalent as of fiscal year end	78,299	134,669

Free Cash Flow = Cash flow from operating activities + Cash flow from investment activities

Flash Results Summary ③



4. Proposed Appropriation of Profits

¥ million

Item	3/2000	3/2001
Unappropriated retained earnings as of year end	△ 22,730	43,820
Reversal of reserve for special depreciation	386	315
Reversal of general reserve	29,400	—
Total	7,055	44,135
To be appropriated to:		
Legal reserve	203	335
Cash dividends	2,035	3,352
	(¥895 per share)	(¥895 per share)
Reserve for special depreciation	—	394
General reserve	—	31,000
Unappropriated retained earnings carried forward	4,816	9,053

Notes:1. Interim dividends amounting to ¥2,146 million (¥895 per share) were paid on December 5, 2000.

2. Dividends paid on new shares allocated for exchange are prorated from the record date.

Summary of 3-Company Total ①



1. Consolidated

¥ million

	3/2000	3/2001	Change	
Operating revenue	2,779,252	2,816,380	37,128	1.3%
Operating income	76,345	98,794	22,449	29.4%
Ordinary income	55,653	59,570	3,917	7.0%
Net income	5,184	21,669	16,485	318.0%

2. KDDI Parent Only

¥ million

	3/2000	3/2001	Change	
Operating revenue	1,507,299	1,580,500	73,201	4.9%
Operating income	103,124	71,111	△ 32,013	△ 31.0%
Ordinary income	108,175	65,942	△ 42,233	△ 39.0%
Net income	△ 24,575	38,274	62,849	—

Summary of 3-Company Total ②



3. au & Okinawa Cellular (formerly 8 companies in DDI Cellular)

¥ million

	3/2000	3/2001	Change	
Operating revenue	817,824	848,057	30,232	3.7%
Operating income	△ 29,628	29,836	59,464	—
Ordinary income	△ 38,123	23,789	61,912	—
Net income	△ 43,317	15,325	58,642	—

4. Three TU-KA Companies

¥ million

	3/2000	3/2001	Change	
Operating revenue	356,687	368,997	12,310	3.5%
Operating income	24,246	8,307	△ 15,939	△ 65.7%
Ordinary income	19,538	3,782	△ 15,756	△ 80.6%
Net income	14,478	2,171	△ 12,307	△ 85.0%

Summary of 3-Company Total ③



5. DDI Pocket

¥ million

	3/2000	3/2001	Change	
Operating revenue	280,735	251,883	△ 28,852	△ 10.3%
Operating income	△ 18,640	△ 12,898	5,742	—
Ordinary income	△ 25,880	△ 17,742	8,138	—
Net income	49,087	△ 18,190	△ 67,277	—

6. Other Consolidated Subsidiaries

¥ million

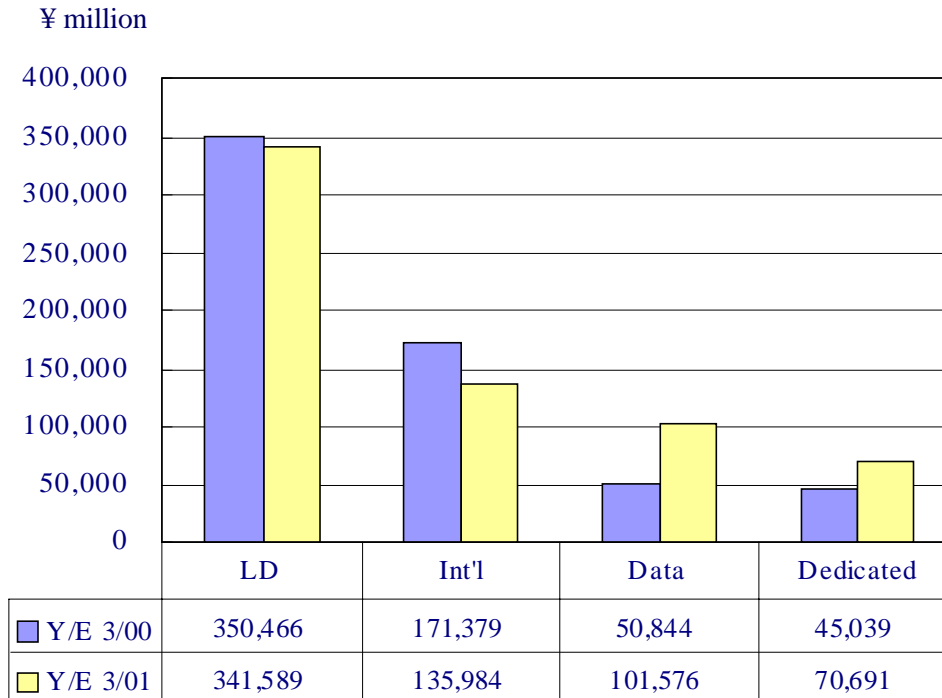
	3/2000	3/2001	Change	
Operating revenue	286,877	316,382	29,505	10.3%
Operating income	△ 6,011	△ 461	5,550	—
Ordinary income	△ 9,815	△ 15,027	△ 5,212	—
Net income	△ 54,136	△ 31,317	22,819	—

[For Reference: KDD Submarine Cable Systems]

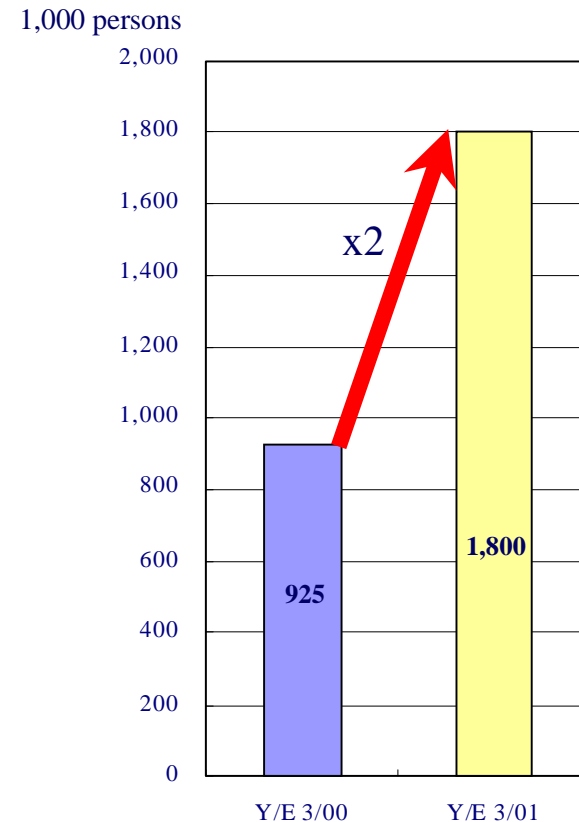
¥ million

	3/2000	3/2001	Change	
Operating revenue	154,151	137,693	△ 16,458	△ 10.7%
Operating income	△ 4,591	△ 5,695	△ 1,104	—
Ordinary income	△ 3,326	△ 12,188	△ 8,862	—
Extraordinary profit/loss	—	△ 10,594	△ 10,594	—
Net income	△ 4,436	△ 24,096	△ 19,660	—

Breakdown of Operating Revenue by Service



DION Dial Up Members

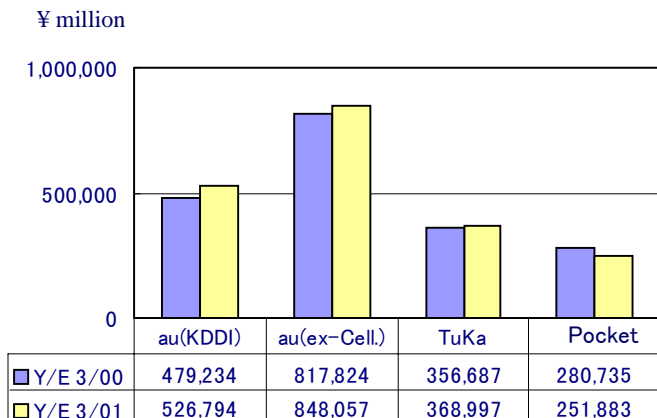


* “International” includes sales from KDD’s Maritime Satellite Communication Business
 The above figures are a simple aggregation of KDDI (DDI) non-consolidated and KDD non-consolidated figures

Mobile Business



Total Operating Revenues by Company



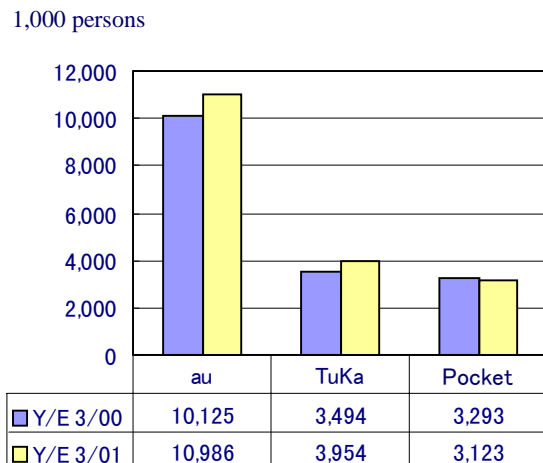
Breakdown of Operating Revenues

¥ million

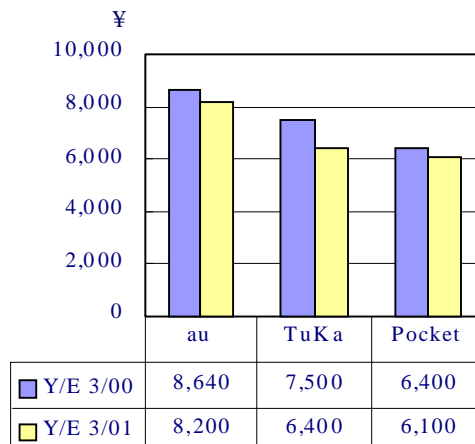
	au (KDDI)		au (ex-Cellular)		au Total	
	Telecom	Other	Telecom	Other	Telecom	Other
3/2000	367,949	111,285	617,498	200,325	985,447	311,610
3/2001	391,891	134,923	636,853	211,203	1,028,744	346,126

	TU-KA		Pocket		Mobile Total	
	Telcom	Other	Telecom	Other	Telecom	Other
3/2000	288,115	68,572	264,259	16,475	1,537,821	396,657
3/2001	292,189	76,808	237,344	14,539	1,558,257	437,473

Subscribers



ARPU



Breakdown of au Telecommunication Revenues

¥ million

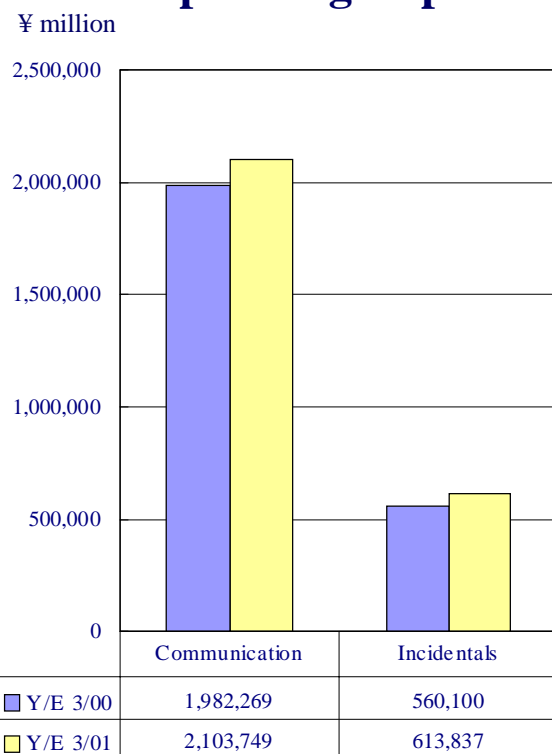
	Voice	Data
3/2000	982,788	2,658
3/2001	943,069	85,654
Change	△ 39,719 △ 4.0%	82,996 3,122.5%

cdmaOne data ARPU ¥730 (3/2001)
[cdmaOne total ARPU ¥9,200]

Operating Expenses (3-Company Totals)



Consolidated Operating Expenses



Breakdown of KDDI Parent Operating Expenses

¥ million

	3/2000	3/2001	Change	
Telecommunications operating expenses	944,218	1,016,621	72,403	7.7%
Labor	76,169	74,804	△ 1,365	△ 1.8%
Expenses	387,510	446,603	59,093	15.2%
Advertising	25,388	38,982	13,594	53.5%
Miscellaneous (inc. commission)	214,907	243,486	28,579	13.3%
Depreciation	162,147	180,516	18,369	11.3%
Fixed assets retirement	4,941	6,603	1,662	33.6%
Communication network charges	266,331	269,141	2,810	1.1%
Taxes	11,092	12,527	1,435	12.9%
Others	36,016	26,411	△ 9,605	△ 26.7%
Operating expenses from other businesses	459,955	492,768	32,813	7.1%
Total	1,404,173	1,509,389	105,216	7.5%

Other Key Consolidated Financial Metrics (3-Company Totals)



¥ million

	3/2000	3/2001	Change	
Depreciation	422,362	407,615	△ 14,747	3.5%
Capex	757,968	579,476	△ 178,492	△ 23.5%
Interest-bearing debt	2,152,603	2,097,474	△ 55,129	△ 2.6%
EBITDA	530,797	513,853	△ 16,944	△ 3.2%
EBITDA Margin	19.1%	18.2%	△ 0.9%	
ROE *	△ 4.6%	2.5%	7.1%	
ROCE *	1.2%	3.9%	2.7%	
D/E ratio *	627%	248%	△ 379%	

* 3/2000 figures for ROE, ROCE and D/E ratio are DDI consolidated numbers, not 3-Company Total

FY2000 Consolidated Results (3-Company Totals) and FY2001 Forecasts ①



Business Performance in FY2000 (Year End 3/2001)

¥ million

	KDDI		au (ex-Cellular)		TU-KA		Pocket		Other		Consolidated Total	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Operating revenue	1,580,500	4.9%	848,057	3.7%	368,997	3.5%	251,883	△ 10.3%	316,382	10.3%	2,816,380	1.3%
Operating income	71,111	△ 31.0%	29,836	-	8,307	△ 65.7%	△ 12,898	-	△ 461	-	98,794	29.4%
Ordinary income	65,942	△ 39.0%	23,789	-	3,782	△ 80.6%	△ 17,742	-	△ 15,027	-	59,570	7.0%
Net income	38,274	-	15,325	-	2,171	△ 85.0%	△ 18,190	-	△ 31,317	-	21,669	318.0%

FY2001 Forecasts

¥ million

	KDDI		au (ex-Cellular)		TU-KA		Pocket		Other		Consolidated Total	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Operating revenue	1,716,000	49.0%	967,000	14.0%	437,000	18.4%	242,000	△ 3.9%	248,000	△ 20.7%	3,010,000	6.9%
Operating income	92,000	61.4%	37,500	25.7%	15,000	80.6%	5,500	-	1,500	-	150,000	51.8%
Ordinary income	74,000	39.5%	27,500	15.6%	9,000	138.0%	0	-	0	-	110,000	84.7%
Net income	42,000	58.2%	16,000	4.4%	6,000	176.3%	0	-	0	-	64,000	195.4%

FY2000 Consolidated Results (3-Company Totals) and FY2001 Forecasts ②



FY2000 (Year End 3/2001) Results of Domestic Mobile Telecommunication Companies (from page 9)

¥ million

	au			TU-KA	Pocket	Domestic Mobile Total
	au(KDDI)	au (ex-Cell.)	Total			
Operating revenue	526,813	848,057	1,374,870	368,997	251,883	1,995,750
Operating income	△ 8,355	29,836	21,481	8,307	△ 12,898	16,890
Ordinary income	△ 15,425	23,789	8,364	3,782	△ 17,742	△ 5,596
Net income	△ 8,441	15,325	6,884	2,171	△ 18,190	△ 9,135

FY2001 Forecasts for Domestic Mobile Telecommunication Companies

¥ million

	au			TU-KA	Pocket	Domestic Mobile Total
	au(KDDI)	au (ex-Cell.)	Total			
Operating revenue	676,000	967,000	1,643,000	437,000	242,000	2,322,000
Operating income	9,500	37,500	47,000	15,000	5,500	67,500
Ordinary income	2,700	27,500	30,200	9,000	0	39,200
Net income	1,500	16,000	17,500	6,000	0	23,500

FY2001 Forecasts for Subscribers, Capex and Depreciation

Units: 10,000 subscribers, ¥100 million

	NW & IP		au				TU-KA		Pocket			
	01.3A	02.3F	au(KDDI)		au(ex-Cellular)		Total		01.3A	02.3F	01.3A	02.3F
			01.3A	02.3F	01.3A	02.3F	01.3A	02.3F				
Subscribers	180	247	447	520	650	747	1,098	1,267	395	428	312	322
Capex	1,383	1,220	1,684	1,450	1,279	1,000	2,964	2,450	1,008	350	273	160
Depreciation	1,206	1,220	808	1,150	961	1,170	1,770	2,320	491	610	615	630

Notes: FY2000 figures on this page are based on “3-Company Totals”

NW & IP subscriber figures are the number of contracts for DION (including NEWEB) dial-up service.