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# **Data Book**

## **The Interim Financial Result of FY 3/2006**

**October 21, 2005**

**KDDI Corporation**

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# The Interim Financial Result of FY 3/2006

Unit: Millions of Yen

Consolidated Statement		FY 3/05					FY 3/06				
				1H	2H	Total			1H		Total
		1Q	2Q				1Q	2Q	Progress	(Forecast)	
Operating revenues		720,075	751,248	1,471,324	1,448,716	2,920,039	714,267	754,505	1,468,772	49.4%	2,976,000
Telecommunications business		582,353	596,774	1,179,127	1,121,439	2,300,566	576,454	596,416	1,172,869	50.4%	2,326,000
Voice traffic	*2	359,634	365,839	725,473	679,623	1,405,096	-	-	-	-	-
Digital and data transmission		185,455	194,063	379,518	395,058	774,576	-	-	-	-	-
Leased circuits		17,211	16,087	33,298	29,438	62,736	-	-	-	-	-
Others		20,052	20,773	40,838	17,320	58,158	-	-	-	-	-
Other business		137,722	154,475	292,197	327,277	619,473	137,814	158,089	295,903	45.5%	650,000
Operating income		89,557	72,870	162,427	133,749	296,176	87,818	78,852	166,670	57.7%	289,000
Ordinary income		87,171	69,104	156,275	130,069	286,344	87,962	76,958	164,920	57.5%	287,000
Extraordinary income (loss)		0	(20,763)	(20,763)	27,950	7,187	152	(15)	137	-	0
Net income		51,663	26,179	77,842	122,750	200,592	52,587	48,851	101,438	54.2%	187,000
Total assets	*1	2,560,557	-	2,521,547	-	2,472,322	2,369,586	-	2,480,591	-	-
Shareholders' equity	*1	1,050,644	-	1,078,698	-	1,162,192	1,209,046	-	1,260,916	-	-
Shareholders' equity ratio	*1	41.0%	-	42.8%	-	47.0%	51.0%	-	50.8%	-	-
Shareholders' equity per share (Yen)	*1	249,320	-	255,642	-	278,170	289,394	-	301,760	-	-
Free cash flows		32,855	80,285	113,140	289,027	402,167	24,230	74,807	99,037	230.3%	43,000
Depreciation		92,013	91,295	183,308	166,599	349,907	84,480	82,157	166,637	49.7%	335,000
Capex (cash flow basis)		42,128	73,415	115,543	226,848	342,391	77,673	98,377	176,050	40.0%	440,000
EBITDA		183,174	168,603	351,777	312,478	664,255	174,125	163,295	337,419	52.5%	643,000
EBITDA margin		25.4%	22.4%	23.9%	21.6%	22.7%	24.4%	21.6%	23.0%	-	21.6%
Interest bearing debt	*1	1,116,906	-	1,010,574	-	864,627	776,041	-	788,080	-	-
Net debt	*1	960,089	-	878,178	-	642,095	631,466	-	556,622	-	-
Debt / EBITDA Ratio		-	-	-	-	1.3	-	-	-	-	-
Debt / Equity Ratio		1.06	-	0.94	-	0.74	0.64	-	0.63	-	-

\*1 These figures are as of the end of each financial year.

\*2 From FY 2005, KDDI no longer classifies profit according to "Voice traffic", "Digital and Data transmission", "Leased circuits" and "Others". For reference, however, we have included these figures in the consolidated statements shown here on FY2005.

# The Interim Financial Result of FY 3/2006

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au business		FY 3/05					FY 3/06				
				1H	2H	Total			1H		Total
		1Q	2Q				1Q	2Q	Progress	(Forecast)	
	Operating revenues	489,645	522,684	1,012,329	1,080,373	2,092,702	539,523	578,264	1,117,787	49.8%	2,245,000
	Sales outside the group	484,211	517,059	1,001,270	1,066,573	2,067,843	531,068	572,490	1,103,558	-	-
	Telecommunications business	375,388	390,571	765,959	792,445	1,558,404	415,826	437,286	853,112	-	-
	Other business	108,823	126,487	235,310	274,128	509,439	115,242	135,204	250,446	-	-
	Sales within the group	5,434	5,625	11,059	13,800	24,859	8,454	5,774	14,228	-	-
	Operating income	79,982	63,637	143,619	129,487	273,106	93,096	92,134	185,230	59.0%	314,000
	Ordinary income	79,069	62,224	141,293	128,614	269,907	93,287	91,356	184,643	59.0%	313,000
	Extraordinary income (loss)	-	(44)	(44)	(24)	(68)	-	(119)	(119)	-	-
	Net income	46,607	36,690	83,297	77,860	161,157	54,603	56,696	111,299	59.8%	186,000
	Free cash flows	2,523	41,462	43,985	88,576	132,561	17,565	102,343	119,908	100.8%	119,000
	Depreciation	50,084	50,063	100,147	101,510	201,657	53,223	49,867	103,090	51.3%	201,000
	Capex (cash flow basis)	26,560	60,457	87,017	146,484	233,501	52,026	65,135	117,161	41.8%	280,000
	EBITDA	130,586	115,963	246,549	234,838	481,387	147,410	142,980	290,390	55.4%	524,000
	EBITDA margin	26.7%	22.2%	24.4%	21.7%	23.0%	27.3%	24.7%	26.0%	-	23.3%

# The Interim Financial Result of FY 3/2006

Unit: Millions of Yen

TU-KA Business		FY 3/05				FY 3/06					
				1H	2H	Total			1H		Total
		1Q	2Q				1Q	2Q	Progress	(Forecast)	
	Operating revenues	60,858	58,342	119,200	112,197	231,396	51,257	50,014	101,271	49.6%	204,000
	Sales outside the group	59,315	56,832	116,148	109,535	225,682	49,939	48,687	98,626	-	-
	Telecommunication business	50,670	49,104	99,774	92,875	192,649	43,890	42,998	86,888	-	-
	Other business	8,645	7,728	16,373	16,660	33,034	6,049	5,689	11,738	-	-
	Sales within the group	1,543	1,509	3,052	2,662	5,714	1,318	1,327	2,645	-	-
	Operating income	5,852	5,413	11,266	7,166	18,431	5,469	5,084	10,552	75.4%	14,000
	Ordinary income	4,913	4,518	9,431	5,777	15,209	4,952	4,713	9,665	74.3%	13,000
	Extraordinary income (loss)	0	(91)	(91)	(93)	(184)	(13)	(14)	(28)	-	0
	Net income	3,019	2,327	5,347	5,194	10,541	3,058	3,594	6,652	83.2%	8,000
	Free cash flows	11,161	16,698	27,859	30,216	58,075	9,216	16,523	25,740	62.8%	41,000
	Depreciation	11,616	11,938	23,554	23,091	46,645	10,401	9,914	20,315	52.1%	39,000
	Capex (cash flow basis)	2,016	1,037	3,053	4,600	7,653	503	637	1,139	28.5%	4,000
	EBITDA	17,897	18,099	35,997	30,815	66,811	16,015	15,438	31,453	58.2%	54,000
	EBITDA margin	29.4%	31.0%	30.2%	27.5%	28.9%	31.2%	30.9%	31.1%	-	26.5%

# The Interim Financial Result of FY 3/2006

Unit: Millions of Yen

Fixed - line business		FY 3/05					FY 3/06				
				1H	2H	Total			1H		Total
		1Q	2Q				1Q	2Q	Progress	(Forecast)	
	Operating revenues	146,824	150,022	296,846	299,195	596,041	144,954	141,229	286,183	46.8%	612,000
	Sales outside the group	121,386	123,035	244,421	250,308	494,729	119,566	120,478	240,044	-	-
	Telecommunications business	112,944	113,598	226,542	225,090	451,632	110,682	110,403	221,085	-	-
	Other business	8,442	9,437	17,879	25,217	43,096	8,884	10,075	18,959	-	-
	Sales within the group	25,438	26,987	52,425	48,887	101,312	25,387	20,751	46,138	-	-
	Operating income (loss)	579	1,850	2,429	(2,739)	(310)	(11,550)	(17,936)	(29,486)	70.2%	(42,000)
	Ordinary income (loss)	913	2,084	2,997	(3,367)	(370)	(10,476)	(18,525)	(29,001)	67.4%	(43,000)
	Extraordinary income (loss)	(301)	(17,721)	(18,022)	(96)	(18,118)	152	13	165	-	0
	Net income (loss)	673	(8,674)	(8,001)	3,588	(4,413)	(4,909)	(11,313)	(16,222)	73.7%	(22,000)
	Free cash flows	7,561	8,905	16,466	(19,532)	(3,066)	(3,834)	(45,753)	(49,587)	43.5%	(114,000)
	Depreciation	19,783	18,791	38,574	40,126	78,719	19,933	21,562	41,495	45.1%	92,000
	Capex (cash flow basis)	9,286	7,936	17,222	69,382	86,605	24,084	31,858	55,942	37.3%	150,000
	EBITDA	20,867	21,718	42,585	44,929	87,494	8,972	4,483	13,455	22.8%	59,000
	EBITDA margin	14.2%	14.5%	14.3%	15.0%	14.7%	6.2%	3.2%	4.7%	-	9.6%

# The Interim Financial Result of FY 3/2006

Unit: Millions of Yen

Fixed - line business Details of Operating revenues	FY 3/05					FY 3/06				
			1H	2H	Total			1H		Total
	1Q	2Q				1Q	2Q	Progress	(Forecast)	
<b>KDDI Corporation</b>	115,834	118,001	233,836	233,395	467,231	114,632	114,749	229,381	48.9%	469,000
<b>Voice Services</b>	70,843	71,131	141,974	135,725	277,699	66,116	67,625	133,741	48.0%	278,500
Local call	11,014	10,415	21,429	19,352	40,781	8,743	8,877	17,620	-	-
Long distance call	40,457	40,410	80,867	76,369	157,236	37,754	39,000	76,754	-	-
International call	19,372	20,306	39,678	40,004	79,682	19,620	19,748	39,367	-	-
<b>Data Services</b>	45,052	46,615	91,666	97,272	188,939	48,299	46,954	95,253	50.1%	190,000
<b>Data Transmissions</b>	21,032	22,858	43,890	49,650	93,540	24,641	24,438	49,079	50.4%	97,300
Frame relay / Cell relay	1,949	1,914	3,863	3,488	7,351	1,864	1,618	3,482	-	-
Internet	19,008	20,813	39,822	45,974	85,795	22,724	22,772	45,496	-	-
Other data transmission	75	131	205	188	393	54	48	102	-	-
Leased circuits	11,257	10,763	22,020	19,533	41,553	9,195	8,227	17,422	46.6%	37,400
IP-VPN	10,684	10,755	21,439	22,316	43,755	10,871	10,601	21,472	50.9%	42,200
Ether VPN	2,079	2,238	4,318	5,773	10,091	3,591	3,688	7,280	55.6%	13,100
<b>Others</b>	(60)	256	196	398	593	218	170	387	-	-
<b>KNSL</b>	19,717	20,641	40,358	38,740	79,097	19,447	19,085	38,532	66.4%	58,000

\* We revise the figure of Local call and Long distance call Service on 06/3 1Q because we can separate the Japan domestic voice call charge between Local call and Long distance call for "Metal Plus".

	Original	Revised
Local call	8,560	8,743
Voice Services	37,937	37,754

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Other Business		FY 3/05					FY 3/06				
				1H	2H	Total			1H		Total
		1Q	2Q				1Q	2Q	Progress	(Forecast)	
	Operating revenues	19,083	19,368	38,451	42,930	81,381	22,826	22,411	45,237	42.3%	107,000
	Sales outside the group	11,744	12,355	24,099	22,300	46,399	13,692	12,851	26,544	-	-
	Sales within the group	7,339	7,013	14,352	20,631	34,982	9,134	9,559	18,693	-	-
	Operating income (loss)	656	(855)	(200)	1,151	951	1,528	(19)	1,508	37.7%	4,000
	Ordinary income (loss)	643	(876)	(234)	953	719	1,318	256	1,575	39.4%	4,000
	Extraordinary income (loss)	163	(3,173)	(3,011)	5,104	2,093	0	(293)	(293)	-0.9%	32,000
	Net income (loss)	360	(4,353)	(3,994)	5,559	1,565	781	178	959	2.7%	35,000

# Details of Mobile Business

Subscribers	(Thousand)	Jun-04	Sep-04			Mar-05	Jun-05	Sep-05			Mar-06 (Forecast)
KDDI Total		21,197	21,777			23,132	23,680	24,231			25,030
au		17,591	18,189			19,542	20,123	20,704			21,540
CDMA 1X WIN		573	1,191			3,252	4,319	5,550			7,660
CDMA 1X		14,131	14,667			14,683	14,404	13,997			-
cdmaOne		2,887	2,331			1,608	1,400	1,156			-
TU-KA		3,606	3,588			3,590	3,557	3,528			3,490
EZweb		16,330	16,965			18,259	18,775	19,311			20,130
au		14,520	15,125			16,469	17,032	17,609			18,450
TU-KA		1,810	1,848			1,790	1,742	1,702			1,680

ARPU, MOU, Churn			FY3/05				Total	FY 3/06			
					1H	2H				1H	Total (Forecast)
			1Q	2Q				1Q	2Q		
au	ARPU (Total)	(Yen)	7,260	7,300	7,280	7,070	7,170	7,050	7,190	7,120	6,810
		Voice	5,540	5,570	5,560	5,320	5,430	5,240	5,300	5,270	5,020
	Data	1,720	1,730	1,720	1,750	1,740	1,810	1,890	1,850	1,790	
	CDMA 1X ARPU *1	(Yen)	7,820	7,740	7,780	7,450	7,600	7,320	7,450	7,380	-
		Voice	5,870	5,840	5,860	5,580	5,710	5,410	5,460	5,430	-
		Data	1,950	1,900	1,920	1,874	1,900	1,910	1,990	1,950	-
	MOU	(Minutes)	169	171	170	162	166	159	163	161	152
Churn rate	(%)	1.40	1.49	1.45	1.44	1.44	1.26	1.21	1.23	1.35	
TU-KA	ARPU	(Yen)	4,690	4,570	4,630	4,310	4,470	4,100	4,060	4,080	4,040
	MOU	(Minutes)	133	129	131	120	126	112	109	111	-
	Churn rate	(%)	2.1	2.0	2.1	2.0	2.0	2.2	2.1	2.1	2.3

\*1 CDMA 1X ARPU includes figures for CDMA 1X WIN.



# Details of Fixed - line Business (Part 1)

Figures of Active Line *1	FY 3/05					FY 3/06			
			1H	2H	Total			1H	Total
	1Q	2Q				1Q	2Q		(Forecast)
Voice Domestic Active Line (Thousand)	7,941	7,770	7,855	7,368	7,612	6,764	6,379	6,571	-
Voice International Active Line (Thousand)	594	586	590	548	569	495	477	486	-

\*1 Includes any line making a minimum of one call. (Figures shown are the average monthly figures over the period).

ARPU for Fixed Line	FY 3/05					FY 3/06			
			1H	2H	Total			1H	Total
	1Q	2Q				1Q	2Q		(Forecast)
Voice Domestic Active Line *2 (Yen)	1,520	1,490	1,510	1,440	1,470	1,380	1,400	1,390	-
Voice Int'l Active Line *3 (Yen)	3,860	3,750	3,810	3,660	3,770	3,730	3,630	3,680	-
DION (includes ADSL) *4 (Yen)	1,950	2,050	2,000	2,240	2,120	2,310	2,290	2,300	-

\*2 Does not include revenue from DDL direct lines, FreeCall DX/S, DOD or other direct connections.

\*3 Does not include services such as DDL direct lines, Super World Card or International mobile.

\*4 ARPU from KDDI's consumer ISP.

Number of Subscribers for Fixed Line Services	Jun-04	Sep-04		Mar-05	Jun-05	Sep-05		Mar-06 (Forecast)
<b>Myline Registration</b> *5 (Thousand)	9,340	9,200	/	8,690	8,250	8,000	/	-
Local (Thousand)	6,241	6,143		5,768	5,449	5,228		-
In-prefecture Long Distance (Thousand)	7,693	7,572		7,108	6,708	6,490		-
Out-prefecture Long Distance (Thousand)	8,361	8,224		7,770	7,366	7,176		-
International (Thousand)	8,896	8,756		8,280	7,862	7,654		-
<b>Metal Plus</b> (Thousand)	-	-		41	408	677		2,200
<b>DION</b> (Thousand)	2,760	2,873		*7 2,885	2,870	2,850		2,880
of which ADSL (Thousand)	1,251	1,428		1,494	1,494	1,495		1,500
<b>FTTH</b> (Thousand)	43	60		91	118	138		180
of which KDDI Hikari Plus (Thousand)	28	44		79	112	134		-
<b>KDDI Internet (Corporate use)</b> (Thousand)	33	37		42	44	45		-
<b>FR/CR</b> *6 (Thousand)	13	11		9	9	7		-
<b>VPN (IP-VPN, Ether-VPN)</b> *6 (Thousand)	64	63		*8 70	70	69		-

\*5 Each individual access circuit to the network is counted here.

\*6 Each local access circuit to the network is counted here.

\*7 DION subs of Hikari Plus have been included in the number of DION from end of Mar-05

\*8 Ether-VPN access circuits have been included in the number of VPN from end of Mar-05

## Details of Fixed - line Business (Part 2)

Local calls traffic *1	FY 3/05					FY 3/06		
			1H	2H	Total			1H
	1Q	2Q				1Q	2Q	
Call units (million)	927	911	1,838	1,729	3,567	781	773	1,554
Call minutes (million)	2,204	2,043	4,247	3,755	8,002	1,654	1,556	3,210

Long-distance calls traffic *1	FY 3/05					FY 3/06		
			1H	2H	Total			1H
	1Q	2Q				1Q	2Q	
Call units (million)	2,490	2,438	*3 4,847	4,661	9,508	2,324	2,420	4,744
Call minutes (million)	3,728	3,589	7,317	6,692	14,009	3,152	3,168	6,320

International calls traffic *2	FY 3/05					FY 3/06		
			1H	2H	Total			1H
	1Q	2Q				1Q	2Q	
Call units (million)	139	143	282	307	589	136	141	277
Outgoing	48	48	96	91	187	45	46	91
Incoming	67	72	139	142	281	56	62	118
Relayed	24	23	47	74	121	34	33	68
Call minutes (million)	666	686	1,352	1,510	2,862	696	720	1,417
Outgoing	237	239	476	477	953	240	246	487
Incoming	302	326	628	645	1,273	252	277	529
Relayed	127	121	248	388	636	204	197	401

\*1 Domestic (local and long-distance) call traffic figures include those for direct connections such as DDL direct line, Free Call DX/S and DOD.

\*2 International call traffic includes figures for services such as DDL direct lines, Super World Card and international calls made from mobile phones over the KDDI network.