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# **Data Book**

## **Financial Results for the 1st Quarter of FY 2010.3**

**July 23, 2009**

**KDDI Corporation**

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# Financial Results for the 1st Quarter of FY 2010.3

Unit: Millions of Yen

Consolidated Statement		FY 2009.3					FY 2010.3		
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Operating revenues		870,520	876,813	882,365	867,810	3,497,509	853,730	24.5%	3,480,000
	Telecommunications business	685,209	692,854	687,172	655,440	2,720,675	665,734	25.1%	2,650,000
	Other business	185,311	183,960	195,193	212,370	776,835	187,996	22.7%	830,000
Operating income		124,374	138,508	143,849	36,477	443,207	141,826	30.2%	470,000
Ordinary income		124,827	137,403	143,588	34,637	440,455	138,447	30.8%	450,000
Extraordinary income (loss)		(352)	(525)	35,395	(80,110)	(45,592)	5,626	-	0
Net income		72,456	78,662	102,804	(31,186)	222,736	86,417	33.9%	255,000
Total assets	*1	3,004,530	3,220,041	3,398,174	-	3,429,133	3,365,197	-	-
Shareholders' equity	*1	1,768,786	1,846,617	1,922,076	-	1,881,329	1,950,710	-	-
Shareholders' equity ratio	*1	57.5%	56.1%	55.3%	-	53.7%	56.7%	-	-
Shareholders' equity per share (Yen)	*1	387,571	404,920	422,091	-	413,339	428,683	-	-
Free cash flows		(74,899)	68,806	(65,580)	8,433	(63,240)	(76,530)	-	67,000
Depreciation		94,310	100,780	107,269	132,265	434,623	108,435	23.0%	472,000
Capex (cash flow basis)	*2	129,982	136,133	152,883	156,075	575,072	135,157	25.0%	540,000
EBITDA		223,388	244,146	255,323	181,174	904,030	252,326	26.3%	960,000
EBITDA margin		25.7%	27.8%	28.9%	20.9%	25.8%	29.6%	-	27.6%
Interest bearing debt	*1	722,765	783,351	828,142	-	874,951	899,428	-	-
Net debt	*1	648,371	582,805	678,154	-	674,641	780,628	-	-
Debt / EBITDA Ratio		-	-	-	-	1.0	-	-	-
Debt / Equity Ratio		0.42	0.43	0.44	-	0.48	0.47	-	-

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

\*2 Excludes ¥207.1B cost for buy-back of 4 buildings for the results of FY 2009.3.

# Financial Results for the 1st Quarter of FY 2010.3

Unit: Millions of Yen

Mobile Business		FY 2009.3					FY 2010.3		
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Operating revenues		679,763	680,908	688,870	669,671	2,719,211	663,182	25.0%	2,650,000
Sales outside the group		676,963	678,121	685,773	667,148	2,708,005	660,034	-	-
Telecommunications business		529,850	535,804	530,910	503,725	2,100,289	514,542	-	-
Other business		147,113	142,317	154,863	163,423	607,716	145,492	-	-
Sales within the group		2,800	2,787	3,097	2,523	11,206	3,148	-	-
Operating income		139,155	148,768	154,669	58,869	501,461	152,545	29.9%	510,000
Ordinary income		141,260	150,611	157,045	60,210	509,126	154,799	30.1%	515,000
Extraordinary income (loss)		0	(33)	7,673	(43,513)	(35,874)	1,839	-	0
Net income		82,780	88,798	96,074	5,469	273,120	95,886	31.8%	302,000
Free cash flows		(16,499)	72,379	87,136	36,952	179,968	(25,230)	-	158,000
Depreciation		63,357	68,972	74,822	98,154	305,306	76,102	22.7%	335,000
Capex (cash flow basis)		95,996	108,221	115,250	112,665	432,132	100,367	25.3%	397,000
EBITDA		205,102	220,737	231,879	164,163	821,881	230,145	26.9%	856,000
EBITDA margin		30.2%	32.4%	33.7%	24.5%	30.2%	34.7%	-	32.3%

# Financial Results for the 1st Quarter of FY 2010.3

Unit: Millions of Yen

Fixed-line Business		FY 2009.3					FY 2010.3		
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
	Operating revenues	207,236	215,871	212,146	213,459	848,712	207,168	23.5%	880,000
	Sales outside the group	187,524	191,782	189,056	190,952	759,314	185,954	-	-
	Telecommunications business	154,973	156,655	155,852	151,492	618,972	150,901	-	-
	Other business	32,550	35,127	33,204	39,460	140,341	35,053	-	-
	Sales within the group	19,713	24,089	23,090	22,507	89,399	21,214	-	-
	Operating income (loss)	(14,876)	(10,326)	(11,186)	(20,171)	(56,560)	(10,718)	-	(40,000)
	Ordinary income (loss)	(15,815)	(11,582)	(12,161)	(22,027)	(61,585)	(13,018)	-	(53,000)
	Extraordinary income (loss)	(599)	(1,087)	27,734	(30,939)	(4,891)	3,272	-	0
	Net income (loss)	(9,829)	(8,882)	8,072	(32,433)	(43,072)	(6,421)	-	(32,000)
	Free cash flows	(53,063)	(4,513)	49,149	(32,317)	(40,744)	(36,660)	-	(78,000)
	Depreciation	30,533	31,578	32,108	33,636	127,855	32,041	23.7%	135,000
	Capex (cash flow basis)	32,924	27,654	37,137	42,882	140,598	34,248	24.5%	140,000
	EBITDA	17,764	23,109	22,731	18,696	82,301	21,888	21.5%	102,000
	EBITDA margin	8.6%	10.7%	10.7%	8.8%	9.7%	10.6%	-	11.6%

# Financial Results for the 1st Quarter of FY 2010.3

Unit: Millions of Yen

Fixed-line Business Details of total operating revenues	FY 2009.3					FY 2010.3		
	1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Total operating revenues	207,236	215,871	212,146	213,459	848,712	207,168	23.5%	880,000
Telecommunications Business of KDDI	141,350	142,041	140,544	137,135	561,070	136,553	24.3%	561,000
Voice Services	73,534	73,571	71,091	66,805	285,000	67,821	24.9%	272,000
Local call	6,782	6,444	6,141	5,625	24,993	5,466	-	-
Long distance call	49,740	49,155	48,347	45,904	193,146	47,240	-	-
International call	17,012	17,972	16,603	15,275	66,861	15,115	-	-
Data Services	67,816	68,470	69,454	70,330	276,070	68,732	23.8%	289,000
Internet	28,594	28,390	29,159	30,142	116,286	29,899	23.2%	129,000
Wide-area Ethernet * 1	17,551	18,191	18,876	19,201	73,819	19,147	23.9%	80,000
Leased circuits * 1	11,829	12,104	11,914	11,498	47,345	10,600	24.7%	43,000
IP-VPN	9,215	9,174	9,178	9,145	36,712	8,922	24.1%	37,000
Other Data Services * 2	627	611	326	345	1,909	163	-	-
JCN Group	13,783	14,227	14,375	15,440	57,825	18,157	24.5%	74,000
CTC	9,163	9,604	9,939	10,511	39,217	10,645	23.1%	46,000
Other Fixed-line Business * 3	42,940	50,000	47,288	50,373	190,601	41,813	21.0%	199,000
Details : Metal-plus	33,683	33,184	32,663	31,162	130,692	30,863	-	-
Voice Services	26,643	26,037	25,560	24,188	102,428	24,056	-	-
Data Services	5,405	5,490	5,454	5,359	21,708	5,251	-	-
Non-Telecommunications Business Services	1,636	1,656	1,649	1,615	6,556	1,556	-	-
Details : FTTH * 1	12,319	13,205	15,026	16,948	57,499	17,843	-	-
Voice Services of KDDI Corporation	1,353	1,505	1,673	1,770	6,300	2,043	-	-
Data Services of KDDI Corporation	8,440	8,755	10,026	11,526	38,747	11,714	-	-
Non-Telecommunications Business Services of KDDI + CTC	2,526	2,945	3,328	3,652	12,452	4,087	-	-
Cable-plus phone	2,045	2,523	3,073	3,526	11,166	4,161	-	-

\*1 Corrections from FY 2009.3 results report.

FY 2009.3	< Before >	< After >
Wide-area Ethernet	73,452	73,819
Leased circuits	47,711	47,345
FTTH	54,693	57,499

\*2 Includes Frame relay, Cell relay and Telegraph.

\*3 Includes non-telecommunications business services of the KDDI parent company, inter-segment sales within the KDDI parent company, other Fixed-line Business subsidiaries except JCN and CTC and adjustments.

# Financial Results for the 1st Quarter of FY 2010.3

Unit: Millions of Yen

Other Business		FY 2009.3					FY 2010.3		
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
	Operating revenues	15,289	17,020	18,782	21,687	72,777	19,064	19.1%	100,000
	Sales outside the group	6,034	6,911	7,536	9,711	30,191	7,742	-	-
	Sales within the group	9,255	10,109	11,246	11,976	42,586	11,321	-	-
	Operating income (loss)	(193)	(287)	396	(2,392)	(2,476)	(48)	-	3,000
	Ordinary income (loss)	(137)	(396)	310	(2,141)	(2,365)	(62)	-	3,000
	Extraordinary income (loss)	(26)	(8)	(15)	(2,436)	(2,486)	(6)	-	0
	Net income (loss)	(178)	(375)	224	(3,213)	(3,543)	(313)	-	2,000

# Business Details: Mobile

Subscribers (Thousand)		FY 2009.3				FY 2010.3	
		Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Mar-10 (Forecast)
au		30,305	30,452	30,550	30,843	30,996	31,600
	CDMA 1X WIN	20,473	21,096	21,799	22,722	23,440	26,700
	CDMA 1X	9,444	8,980	8,405	7,805	7,257	-
	cdmaOne	389	375	347	316	299	-
EZweb		25,704	25,834	25,913	26,190	26,319	26,700

		FY 2009.3					FY 2010.3	
		1Q	2Q	3Q	4Q	Total	1Q	Total (Forecast)
ARPU	(Yen)	5,900	5,940	5,870	5,500	5,800	5,600	5,420
	Voice (Yen)	3,710	3,730	3,650	3,280	3,590	3,350	3,170
	Data (Yen)	2,190	2,210	2,220	2,220	2,210	2,250	2,250
MOU	(minutes)	136	139	140	135	138	138	136
Churn rate	(%)	0.87	0.75	0.65	0.77	0.76	0.64	0.55
Number of units sold	* 1 (Thousand)	2,860	2,700	2,450	2,800	10,810	2,210	10,000
Number of units shipped	* 2 (Thousand)	2,680	2,420	2,470	2,570	10,140	2,170	9,690

\*1 Number of units sold to users.(new+upgrade)

\*2 Number of units shipped to retailers from KDDI.

# Business Details: Fixed - line

Number of Subscribers for Fixed-line	FY 2009.3					FY 2010.3	
	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Mar-10 (Forecast)	
ADSL (Thousand)	1,347	1,303	1,265	1,224	1,181	1,080	
FTTH (Thousand)	916	967	1,025	1,099	1,211	1,520	
Metal-plus (Thousand)	3,269	3,251	3,201	3,130	3,065	2,850	
Cable-plus phone (Thousand)	355	429	517	604	697	1,020	
CATV *1 (Thousand)	683	697	712	722	882	920	
<b>Fixed access lines *2 (Thousand)</b>	<b>5,082</b>	<b>5,178</b>	<b>5,265</b>	<b>5,342</b>	<b>5,587</b>	<b>5,950</b>	
Myline Registration *3 (Thousand)	4,650	4,460	4,270	4,090	3,890	-	
Local (Thousand)	2,984	2,866	2,743	2,630	2,517	-	
In-prefecture Long Distance (Thousand)	3,728	3,573	3,417	3,275	3,125	-	
Out-prefecture Long Distance (Thousand)	4,148	3,976	3,802	3,638	3,461	-	
International (Thousand)	4,443	4,262	4,079	3,901	3,708	-	
Voice Domestic Active Line *4 (Thousand)	3,294	3,164	3,008	2,830	2,700	-	
Voice International Active Line *4 (Thousand)	214	200	186	170	158	-	
KDDI Internet (Corporate use) (Thousand)	65	65	66	68	70	-	
IP-VPN (Thousand)	68	69	71	72	73	-	
Wide-area Ethernet (Thousand)	53	55	57	59	59	-	

ARPU for Fixed-line	FY 2009.3					FY 2010.3	
	1Q	2Q	3Q	4Q	Total	1Q	Total (Forecast)
FTTH (Yen)	4,560	4,630	4,770	4,770	4,690	4,560	-
Metal-plus (Yen)	3,430	3,390	3,370	3,280	3,370	3,310	-
Voice Domestic Active Line *4 (Yen)	1,340	1,320	1,310	1,230	1,300	1,310	-
Voice International Active Line *4 (Yen)	3,870	4,320	3,800	3,920	3,980	3,940	-

\* 1 Cable TV subs includes number of households with at least one contract via broadcasting, Internet, or telephone.

\* 2 Fixed Access Lines is total of FTTH, direct-revenue telephone (Metal-plus, Cable-plus) and Cable TV, counting multiple lines as one access line.

\* 3 Each individual access circuit to the network is counted here.

\* 4 Excludes figures of Metal-plus, FTTH, 050-prefix IP phone, etc and lines with which no calls made.