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# **Data Book**

## **Financial Results for the 1st Quarter of FY 2012.3**

**July 25, 2011**

**KDDI Corporation**

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# Financial Results for the 1st Quarter of FY 2012.3

Unit: Millions of Yen

Consolidated Statement		FY 2011.3					FY 2012.3		
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
Operating revenues		866,019	852,418	853,419	862,690	3,434,546	864,964	25.0%	3,460,000
	Telecommunications business	637,381	637,981	623,131	590,910	2,489,403	600,727	25.2%	2,380,000
	Other business	228,639	214,437	230,288	271,780	945,143	264,237	24.5%	1,080,000
Operating income		129,297	118,558	124,195	99,861	471,912	140,096	29.5%	475,000
Ordinary income		122,580	111,462	115,631	91,004	440,677	132,448	29.4%	450,000
Extraordinary income (loss)		5,556	(180)	554	(101,347)	(95,417)	(3,976)	-	0
Net income		71,921	65,053	65,667	52,481	255,122	71,946	28.8%	250,000
Comprehensive income		-	-	-	-	250,830	79,375	-	-
Total assets	* 1	3,749,352	3,801,770	3,741,568	-	3,778,918	3,828,004	-	-
Shareholders' equity	* 1	2,119,433	2,182,097	2,126,689	-	2,171,839	2,218,903	-	-
Shareholders' equity ratio	* 1	54.9%	55.7%	55.1%	-	55.7%	56.1%	-	-
Shareholders' equity per share (Yen)	* 1	461,831	475,514	482,832	-	495,386	506,053	-	-
Free cash flows		(1,210)	138,146	84,609	55,263	276,808	67,158	-	330,000
Depreciation		106,113	110,335	114,495	118,375	449,318	100,551	23.0%	437,000
Capex (cash flow basis)		110,392	105,350	103,507	124,428	443,677	76,883	16.7%	460,000
EBITDA		236,636	230,788	242,715	226,558	936,315	242,160	26.2%	923,000
EBITDA margin		27.3%	27.1%	28.4%	26.3%	27.3%	28.0%	-	26.7%
Interest bearing debt	* 1	1,075,226	1,034,795	988,211	-	979,630	977,574	-	-
Net debt	* 1	963,309	827,509	873,918	-	819,760	786,241	-	-
Debt / EBITDA Ratio		-	-	-	-	1.0	-	-	-
Debt / Equity Ratio		0.52	0.49	0.48	-	0.47	0.45	-	-

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

# Financial Results for the 1st Quarter of FY 2012.3

Unit: Millions of Yen

Mobile Business		FY 2011.3					FY 2012.3		
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
	Operating revenues	663,711	641,445	647,172	638,397	2,590,725	662,148	25.5%	2,600,000
	Sales outside the group	661,208	638,721	644,426	638,010	2,582,366	659,485	-	-
	Telecommunications business	486,762	483,059	473,151	437,329	1,880,301	450,344	-	-
	Other business	174,446	155,662	171,276	200,681	702,066	209,141	-	-
	Sales within the group	2,503	2,723	2,745	387	8,358	2,663	-	-
	Operating income	133,323	114,342	111,938	79,283	438,886	121,691	28.3%	430,000
	Ordinary income	131,628	111,954	109,478	76,802	429,862	119,708	28.4%	422,000
	Extraordinary income (loss)	5	(108)	518	(53,726)	(53,312)	(3,556)	-	0
	Net income	75,058	65,805	62,601	10,574	214,038	66,246	27.6%	240,000
	Free cash flows	18,148	119,444	68,959	38,282	244,833	43,205	-	270,000
	Depreciation	75,668	79,139	83,007	86,359	324,173	72,827	23.0%	317,000
	Capex (cash flow basis)	79,283	82,223	81,234	95,935	338,675	49,345	14.7%	335,000
	EBITDA	209,813	194,803	197,857	171,917	774,390	195,586	25.9%	754,000
	EBITDA margin	31.6%	30.4%	30.6%	26.9%	29.9%	29.5%	-	29.0%

# Financial Results for the 1st Quarter of FY 2012.3

Unit: Millions of Yen

Fixed-line Business		FY 2011.3					FY 2012.3		
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
	Operating revenues	214,108	224,376	221,548	237,219	897,251	220,209	23.8%	925,000
	Sales outside the group	192,318	201,290	197,785	212,197	803,590	196,794	-	-
	Telecommunications business	150,356	154,672	149,980	153,581	608,590	150,383	-	-
	Other business	41,961	46,618	47,805	58,616	195,000	46,411	-	-
	Sales within the group	21,790	23,086	23,763	25,022	93,662	23,415	-	-
	Operating income (loss)	(5,376)	1,707	10,507	17,150	23,989	16,537	41.3%	40,000
	Ordinary income (loss)	(8,347)	(2,360)	5,710	12,842	7,844	12,012	52.2%	23,000
	Extraordinary income (loss)	5,757	(146)	(194)	(48,912)	(43,496)	(371)	-	0
	Net income (loss)	(2,087)	(2,254)	2,945	41,118	39,721	5,730	71.6%	8,000
	Free cash flows	(19,381)	20,562	15,006	18,948	35,136	27,432	-	58,000
	Depreciation	30,293	31,039	31,290	31,468	124,090	27,427	23.2%	118,000
	Capex (cash flow basis)	30,708	22,584	21,689	28,125	103,106	26,926	22.1%	122,000
	EBITDA	25,313	33,289	42,750	50,616	151,586	44,409	27.4%	162,000
	EBITDA margin	11.8%	14.8%	19.3%	21.3%	16.9%	20.2%	-	17.5%

# Financial Results for the 1st Quarter of FY 2012.3

Unit: Millions of Yen

Fixed-line Business Details of total operating revenues	FY 2011.3					FY 2012.3		
	1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
<b>Total operating revenues</b>	214,108	224,376	221,548	237,219	897,251	220,209	23.8%	925,000
<b>Telecommunications Business of KDDI</b>	130,397	130,872	130,255	130,335	521,860	127,560	24.5%	521,000
<b>Voice Services</b>	62,914	63,590	62,399	63,095	251,998	61,367	24.7%	248,000
Local call	4,669	4,528	4,390	3,700	17,287	3,760	-	-
Long distance call	44,312	45,083	45,006	45,379	179,780	44,598	-	-
International call	13,934	13,978	13,003	14,016	54,931	13,009	-	-
<b>Data Services</b>	67,483	67,283	67,856	67,240	269,862	66,193	24.2%	273,000
Internet	31,007	31,360	32,580	32,570	127,518	32,877	23.3%	141,000
Wide-area Ethernet	19,300	19,386	19,338	18,972	76,996	18,584	25.5%	73,000
Leased circuits * 1	8,924	8,708	8,415	8,371	34,417	8,006	23.5%	34,000
IP-VPN	8,077	7,688	7,391	7,144	30,300	6,636	26.5%	25,000
Other Data Services * 2	175	140	132	183	630	89	-	-
<b>JCN Group</b>	20,774	22,411	22,641	23,859	89,686	22,316	25.1%	89,000
<b>CTC</b>	12,740	13,264	13,863	14,548	54,416	14,777	24.2%	61,000
<b>Other Fixed-line Business * 3</b>	50,197	57,829	54,788	68,476	231,290	55,556	21.9%	254,000
<b>Details : Metal-plus</b>	27,332	26,552	25,667	24,745	104,295	23,497	-	-
Voice Services	21,412	20,879	20,307	19,685	82,284	18,758	-	-
Data Services	4,581	4,385	4,137	3,907	17,010	3,658	-	-
Non-Telecommunications Business Services	1,339	1,287	1,222	1,153	5,001	1,081	-	-
<b>Details : FTTH</b>	22,704	23,916	26,166	27,144	99,931	28,448	-	-
Voice Services of KDDI Corporation	3,059	3,346	3,565	3,850	13,820	3,916	-	-
Data Services of KDDI Corporation	13,842	14,323	15,750	16,011	59,927	16,880	-	-
Non-Telecommunications Business Services of KDDI +CTC+OCT+OTNet	5,803	6,247	6,851	7,283	26,184	7,652	-	-
<b>Cable-plus phone (Voice service + data service * 1 )</b>	6,162	6,937	7,497	8,221	28,817	8,693	-	-

\*1 Revenues from wholesale of "J:COM PHONE Plus" that occurred from the year ending March 31, 2012, are included in data service (leased circuits.)

\*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 2012.3

Unit: Millions of Yen

Other Business		FY 2011.3					FY 2012.3		
		1Q	2Q	3Q	4Q	Total	1Q	Progress	Total (Forecast)
	Operating revenues	28,716	28,763	26,566	30,282	114,327	25,644	25.6%	100,000
	Sales outside the group	12,494	12,407	11,207	12,482	48,590	8,685	-	-
	Sales within the group	16,222	16,356	15,359	17,800	65,737	16,959	-	-
	Operating income (loss)	1,179	2,424	1,725	3,201	8,530	1,729	34.6%	5,000
	Ordinary income (loss)	1,210	1,454	1,943	1,670	6,277	2,271	45.4%	5,000
	Extraordinary income (loss)	0	(177)	(402)	(24)	(603)	42	-	0
	Net income (loss)	349	880	717	357	2,304	1,230	61.5%	2,000

# Business Details: Mobile

Subscriptions (Thousand)	FY 2011.3					FY 2012.3	
	Jun-10	Sep-10	Dec-10		Mar-11	Jun-11	Mar-12 (Forecast)
au	32,091	32,291	32,527		32,999	33,352	34,500
CDMA 1X WIN	27,147	27,989	28,716		29,633	30,629	33,000
CDMA 1X	4,734	4,116	3,649		3,221	2,600	-
cdmaOne	211	186	162		146	124	-
UQ WiMAX	214	337	524		807	1,030	2,000
au + UQ WiMAX	32,305	32,628	33,052		33,806	34,382	36,500
EZweb / IS NET	27,118	27,165	27,204		27,489	27,684	-

	FY 2011.3					FY 2012.3	
	1Q	2Q	3Q	4Q	Total	1Q	Total (Forecast)
ARPU (Yen)	5,160	5,100	4,980	4,530	4,940	4,640	4,540
Voice (Yen)	2,860	2,790	2,660	2,190	2,620	2,240	2,000
Data (Yen)	2,300	2,310	2,320	2,340	2,320	2,400	2,540
MOU (minutes)	152	154	154	157	154	151	151
Churn rate (%)	0.75	0.73	0.68	0.75	0.73	0.66	0.70
Number of units sold * 1 (Thousand)	2,810	2,830	2,700	3,240	11,570	3,310	12,100
Number of units shipped * 2 (Thousand)	2,960	2,560	2,760	3,280	11,560	3,470	12,170

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

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

# Business Details: Fixed - line

Subscriptions	FY 2011.3					FY 2012.3	
	Jun-10	Sep-10	Dec-10		Mar-11	Jun-11	Mar-12 (Forecast)
ADSL (Thousand)	982	932	880			825	777
FTTH (Thousand)	1,637	1,741	1,833		1,901	1,987	2,400
Metal-plus (Thousand)	2,775	2,702	2,622		2,543	2,465	2,130
Cable-plus phone * 1 (Thousand)	1,062	1,152	1,250		1,341	1,486	2,160
CATV * 2 (Thousand)	1,019	1,042	1,065		1,088	1,106	1,130
Fixed access lines * 3 (Thousand)	6,109	6,220	6,326		6,407	6,555	7,280
Myline Registration * 4 (Thousand)	3,320	3,220	3,110		* 6 3,020	2,930	-
Local (Thousand)	2,189	2,138	2,076		2,020	1,973	-
In-prefecture Long Distance (Thousand)	2,679	2,605	2,523		2,451	2,386	-
Out-prefecture Long Distance (Thousand)	2,955	2,868	2,778		2,697	2,627	-
International (Thousand)	3,173	3,078	2,978		2,890	2,813	-
Voice Domestic Active Line * 5 (Thousand)	2,247	2,188	2,121		2,047	1,963	-
Voice International Active Line * 5 (Thousand)	125	119	111		112	97	-
KDDI Internet (Corporate use) (Thousand)	78	80	87		90	92	-
IP-VPN (Thousand)	74	74	74		73	72	-
Wide-area Ethernet (Thousand)	64	67	70		72	75	-

ARPU for Fixed-line	FY 2011.3					FY 2012.3	
	1Q	2Q	3Q	4Q	Total	1Q	Total (Forecast)
FTTH (Yen)	4,340	4,310	4,350	4,450	4,360	4,440	-
Metal-plus (Yen)	3,220	3,220	3,190	3,170	3,200	3,100	-
Voice Domestic Active Line * 5 (Yen)	1,180	1,180	1,170	1,130	1,160	1,100	-
Voice International Active Line * 5 (Yen)	3,820	4,260	3,780	3,940	3,950	4,060	-

\* 1 Include wholesale to "J:COM PHONE Plus" from FY2012.3.

\* 2 Cable TV subs includes number of households with at least one contract via broadcasting, Internet, or telephone.

\* 3 Fixed Access Lines is total of FTTH, direct-revenue telephone (Metal-plus, Cable-plus) and Cable TV, counting multiple lines as one access line.

\* 4 Each individual access circuit to the network is counted here.

\* 5 Excludes figures of Metal-plus, FTTH, 050-prefix IP phone, etc and lines with which no calls made.

\* 6 Corrections from 4Q of FY 2011.3 results report. 2,920 → 3,020