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# **Data Book**

## **Financial Results for the 1st Half of FY2014.3**

**October 28, 2013**

**KDDI Corporation**

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# Financial Results for the 1st Half of FY2014.3

Unit: Millions of Yen

Consolidated Statement		FY2013.3							FY2014.3						
		1Q	2Q	1H	3Q		2H	Total	1Q	2Q	1H	Influence of J:COM Consolidation	Progress	Total (Forecast)	Influence of J:COM Consolidation
					4Q	5Q									
Operating revenues		861,615	878,984	1,740,600	969,977	951,711	1,921,689	3,662,289	1,002,423	1,051,357	2,053,781	173,956	49.6%	4,140,000	360,000
	Telecommunications business	594,878	604,259	1,199,136	619,802	613,788	1,233,590	2,432,726	631,541	649,448	1,280,989	-	-	-	-
	Other business	266,738	274,726	541,463	350,175	337,923	688,099	1,229,562	370,883	401,910	772,792	-	-	-	-
Operating income		94,211	137,029	231,240	164,334	117,095	281,429	512,669	178,652	168,961	347,613	34,667	55.2%	630,000	60,000
Ordinary income		90,187	136,828	227,014	166,941	120,466	287,407	514,421	181,920	170,162	352,081	34,670	56.8%	620,000	60,000
Extraordinary income (loss)		0	(88,115)	(88,115)	421	(15,015)	(14,594)	(102,709)	(31,609)	(263)	(31,872)	-	-	-	-
Net income		51,291	28,466	79,757	100,490	61,222	161,712	241,470	68,175	94,833	163,008	(32,599)	55.3%	295,000	(32,000)
Comprehensive income		53,444	25,769	79,214	104,357	80,009	184,365	263,579	80,294	115,003	195,297	-	-	-	-
Total assets	* 1	3,921,135	-	3,967,451	4,018,616	-	-	4,084,999	4,580,649	-	4,634,681	-	-	-	-
Shareholders' equity	* 1	2,148,984	-	2,173,959	2,245,259	-	-	2,323,363	2,580,833	-	2,883,314	-	-	-	-
Shareholders' equity ratio	* 1	53.0%	-	53.0%	54.1%	-	-	55.1%	50.2%	-	55.4%	-	-	-	-
Shareholders' equity per share (Yen) * 1 * 2		2,720	-	2,752	2,844	-	-	2,943	2,986	-	3,106	-	-	-	-
Free cash flows		(109,681)	102,056	(7,625)	(36,189)	94,730	58,541	50,916	55,000	118,038	173,038	40,953	64.1%	270,000	90,000
Depreciation		98,258	99,386	197,644	103,801	105,281	209,082	406,726	115,143	113,522	228,666	33,883	47.6%	480,000	71,000
Amortization of goodwill		4,437	3,898	8,335	3,905	4,204	8,110	16,444	6,970	7,017	13,987	5,758	51.8%	27,000	-
Capex (cash flow basis)		99,904	115,566	215,470	114,970	136,579	251,550	467,020	108,030	131,717	239,747	21,571	41.3%	580,000	60,000
EBITDA		199,691	241,097	440,788	275,939	242,845	518,783	959,571	304,987	295,955	600,941	74,953	51.8%	1,160,000	145,000
EBITDA margin		23.2%	27.4%	25.3%	28.4%	25.5%	27.0%	26.2%	30.4%	28.1%	29.3%	-	-	28.0%	-
Interest bearing debt	* 1 * 3	1,108,299	-	1,040,540	1,078,814	-	-	977,563	1,185,683	-	890,721	-	-	-	-
Net debt	* 1 * 3	1,015,162	-	915,505	985,094	-	-	890,275	1,017,636	-	743,019	-	-	-	-
Debt / EBITDA Ratio		-	-	-	-	-	-	1.02	-	-	-	-	-	-	-
Debt / Equity Ratio		0.53	-	0.49	0.50	-	-	0.43	0.52	-	0.35	-	-	-	-

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

\* 2 A 2 for 1 stock split is done, effective as of April 1, 2013. Calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

\* 3 Including Euro yen zero coupon convertible bonds.

# Financial Results for the 1st Half of FY2014.3

Unit: Millions of Yen

Personal Services segment	FY2013.3						
							Total
	1Q	2Q	1H	3Q	4Q	2H	
Operating revenues	665,779	678,930	1,344,709	762,974	730,282	1,493,256	2,837,965
Sales outside the group	647,139	660,252	1,307,391	744,763	711,332	1,456,095	2,763,486
Sales within the group	18,641	18,677	37,318	18,211	18,950	37,161	74,479
Operating income	65,066	101,787	166,853	124,960	86,790	211,751	378,604
Depreciation	82,468	83,332	165,800	87,760	88,847	176,607	342,407
Amortization of goodwill	2,773	2,768	5,541	2,798	2,895	5,694	11,235
EBITDA	152,737	188,393	341,130	218,892	190,937	409,829	750,959
EBITDA margin	22.9%	27.7%	25.4%	28.7%	26.1%	27.4%	26.5%

FY2014.3						
				Progress	Total (Forecast)	Influence of J:COM Consolidation
1Q	2Q	1H	Influence of J:COM Consolidation			
784,570	818,869	1,603,439	161,865	50.0%	3,210,000	310,000
766,177	799,346	1,565,523	160,516	49.9%	3,140,000	310,000
18,392	19,524	37,916	1,349	54.2%	70,000	0
135,216	125,484	260,700	31,915	53.8%	485,000	55,000
99,628	97,067	196,695	32,520	47.9%	411,000	69,000
5,724	5,482	11,206	5,758	48.7%	23,000	-
244,763	234,230	478,993	70,838	51.0%	940,000	139,000
31.2%	28.6%	29.9%	-	-	29.3%	-

Unit: Millions of Yen

Value Services segment	FY2013.3						
							Total
	1Q	2Q	1H	3Q	4Q	2H	
Operating revenues	34,721	35,046	69,767	35,181	36,950	72,131	141,899
Sales outside the group	27,242	26,866	54,108	27,311	28,529	55,840	109,948
Sales within the group	7,479	8,181	15,660	7,871	8,420	16,291	31,951
Operating income	10,087	9,675	19,762	11,274	10,852	22,126	41,888
Depreciation	1,745	1,750	3,495	1,809	1,618	3,426	6,922
Amortization of goodwill	427	427	854	447	431	878	1,733
EBITDA	12,306	11,922	24,228	13,827	13,746	27,573	51,801
EBITDA margin	35.4%	34.0%	34.7%	39.3%	37.2%	38.2%	36.5%

FY2014.3						
				Progress	Total (Forecast)	Influence of J:COM Consolidation
1Q	2Q	1H	Influence of J:COM Consolidation			
49,080	50,733	99,812	21,422	47.5%	210,000	50,000
37,508	38,895	76,404	16,040	43.2%	177,000	46,000
11,571	11,837	23,409	5,382	70.9%	33,000	4,000
13,609	13,624	27,233	2,704	54.5%	50,000	5,000
2,212	2,715	4,927	1,363	51.3%	9,600	1,000
444	580	1,024	-	68.3%	1,500	-
16,287	16,972	33,260	4,067	53.6%	62,000	6,000
33.2%	33.5%	33.3%	-	-	29.5%	-

# Financial Results for the 1st Half of FY2014.3

Unit: Millions of Yen

Business Services segment		FY2013.3							FY2014.3				
		1H			2H			Total	1H			Progress	Total (Forecast)
		1Q	2Q	3Q	4Q	2H	1Q		2Q	1H			
Operating revenues		156,298	156,746	313,043	157,228	168,066	325,294	638,337	157,742	164,352	322,095	49.6%	650,000
Sales outside the group		138,316	140,310	278,626	141,634	152,009	293,643	572,269	138,917	145,773	284,690	49.1%	580,000
Sales within the group		17,982	16,435	34,417	15,594	16,057	31,651	66,068	18,826	18,579	37,404	53.4%	70,000
Operating income		15,182	21,677	36,860	23,252	19,719	42,971	79,830	25,494	25,112	50,605	63.3%	80,000
Depreciation		11,419	11,586	23,005	11,548	11,708	23,256	46,261	10,356	10,189	20,545	45.7%	45,000
Amortization of goodwill		669	104	773	104	104	208	981	-	-	-	-	-
EBITDA		27,560	33,544	61,105	35,123	32,581	67,704	128,809	36,002	35,588	71,589	56.4%	127,000
EBITDA margin		17.6%	21.4%	19.5%	22.3%	19.4%	20.8%	20.2%	22.8%	21.7%	22.2%	-	19.5%

Unit: Millions of Yen

Global Services segment		FY2013.3							FY2014.3				
		1H			2H			Total	1H			Progress	Total (Forecast)
		1Q	2Q	3Q	4Q	2H	1Q		2Q	1H			
Operating revenues		46,283	49,014	95,296	53,237	58,769	112,005	207,302	58,679	64,578	123,257	56.5%	218,000
Sales outside the group		38,027	41,556	79,583	45,175	50,065	95,240	174,823	50,448	55,383	105,831	56.3%	188,000
Sales within the group		8,256	7,458	15,713	8,062	8,704	16,766	32,479	8,231	9,195	17,425	58.1%	30,000
Operating income		1,384	1,450	2,834	2,536	2,460	4,995	7,830	2,228	2,486	4,714	52.4%	9,000
Depreciation		2,577	2,610	5,187	2,622	3,033	5,655	10,842	2,845	3,022	5,867	52.4%	11,200
Amortization of goodwill		567	599	1,166	556	773	1,329	2,495	802	908	1,710	62.2%	2,750
EBITDA		4,545	4,684	9,230	5,719	6,349	12,068	21,297	5,878	6,428	12,306	53.5%	23,000
EBITDA margin		9.8%	9.6%	9.7%	10.7%	10.8%	10.8%	10.3%	10.0%	10.0%	10.0%	-	10.6%

## Financial Results for the 1st Half of FY2014.3

Unit: Millions of Yen

Others	FY2013.3							FY2014.3				
	1Q	2Q	1H	2H		Total	1Q	2Q	1H	Progress	Total (Forecast)	
				3Q	4Q							
Operating revenues	36,101	36,343	72,444	35,321	36,456	71,777	144,222	30,545	35,021	65,566	43.4%	151,000
Sales outside the group	10,892	10,000	20,892	11,095	9,776	20,871	41,763	9,373	11,960	21,333	37.4%	57,000
Sales within the group	25,209	26,343	51,553	24,226	26,680	50,907	102,459	21,172	23,061	44,233	47.1%	94,000
Operating income	2,562	2,877	5,439	2,239	(2,784)	(545)	4,894	2,333	2,033	4,366	72.8%	6,000
Depreciation	414	412	826	415	441	857	1,682	301	345	646	40.4%	1,600
Amortization of goodwill	-	-	-	-	-	-	-	-	47	47	-	-
EBITDA	2,977	3,296	6,273	2,658	(2,332)	326	6,599	2,681	2,447	5,128	64.1%	8,000
EBITDA margin	8.2%	9.1%	8.7%	7.5%	(6.4%)	0.5%	4.6%	8.8%	7.0%	7.8%	-	5.3%

# Financial Results for the 1st Half of FY2014.3

Unit: Millions of Yen

Personal Services segment Details of total operating revenues  Sales outside the group	FY2013.3						
	1H			2H			Total
	1Q	2Q	1H	3Q	4Q	2H	
Operating revenues	647,139	660,252	1,307,391	744,763	711,332	1,456,095	2,763,486
Communications fee revenues	474,743	481,039	955,782	491,799	485,831	977,630	1,933,412
Mobile	387,166	392,157	779,324	398,170	390,880	789,050	1,568,373
Fixed Line	87,577	88,882	176,458	93,629	94,951	188,581	365,039
FTTH * 1	36,211	38,758	74,968	41,174	43,448	84,622	159,590
Cable-plus phone * 2	12,168	13,028	25,197	13,871	14,636	28,507	53,704
CATV * 3	18,405	18,558	36,962	19,161	19,225	38,386	75,348
Others	20,793	18,538	39,331	19,423	17,642	37,065	76,396
Handset revenues, repair revenues, others	172,395	179,214	351,609	252,964	225,501	478,465	830,074

FY2014.3						
1Q	2Q	1H	Influence of J:COM Consolidation	Progress	Total (Forecast)	Influence of J:COM Consolidation
766,177	799,346	1,565,523	160,516	49.9%	3,140,000	310,000
579,129	591,995	1,171,124	152,233	50.8%	2,306,000	297,000
404,941	418,711	823,652	-18	51.1%	1,612,000	-
174,188	173,284	347,472	152,251	50.1%	694,000	297,000
46,041	46,245	92,286	-	-	-	-
* 4 111,723	112,476	224,198	153,494	-	-	-
16,425	14,564	30,988	-1,243	-	-	-
187,049	207,350	394,399	8,283	47.3%	834,000	13,000

Value Services segment Details of total operating revenues  Sales outside the group	FY2013.3						
	1H			2H			Total
	1Q	2Q	1H	3Q	4Q	2H	
Operating revenues	27,242	26,866	54,108	27,311	28,529	55,840	109,948
Value-added revenues * 5	22,199	22,013	44,211	22,553	23,709	46,262	90,473
Others	5,043	4,853	9,897	4,758	4,820	9,578	19,474

FY2014.3						
1Q	2Q	1H	Influence of J:COM Consolidation	Progress	Total (Forecast)	Influence of J:COM Consolidation
37,508	38,895	76,404	16,040	43.2%	177,000	46,000
24,709	26,944	51,653	-	47.8%	108,000	-
12,800	11,951	24,751	16,040	35.9%	69,000	46,000

Business Services segment Details of total operating revenues  Sales outside the group	FY2013.3						
	1H			2H			Total
	1Q	2Q	1H	3Q	4Q	2H	
Operating revenues	138,316	140,310	278,626	141,634	152,009	293,643	572,269
Mobile	58,121	59,045	117,166	59,331	64,573	123,904	241,070
Fixed Line	74,292	75,167	149,459	76,207	80,619	156,826	306,285
Others * 6	5,902	6,099	12,001	6,096	6,817	12,914	24,915

FY2014.3				
1Q	2Q	1H	Progress	Total (Forecast)
138,917	145,773	284,690	49.1%	580,000
59,431	62,817	122,248	48.3%	253,000
72,587	74,596	147,183	48.9%	301,000
6,899	8,361	15,259	58.7%	26,000

\* 1 KDDI + CTC + OCT + OTNet

\* 2 Include VOD

\* 3 Revenues from JCN Group's operations, including broadcasting, Internet, telephone, VOD, construction charges

\* 4 Revenues of Cable-plus phone and Revenues from JCN Group's & J:COM Group's operations, including broadcasting, Internet, telephone, VOD, construction charges

\* 5 Value-added revenues = sales of "in-house and cooperative services + settlement commissions + advertising"

\* 6 Subsidiary sales in business segments

# Major Service Data

## Total

Subscriptions		FY2013.3				FY2014.3		
		Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Mar-14 (Forecast)
Mobile	au (Thousand)	35,675	36,110	36,817	37,709	38,378	39,045	40,009
	UQ WiMAX (Thousand)	2,906	3,624	3,929	4,084	4,222	4,275	4,290
	au + UQ WiMAX (Thousand)	38,581	39,734	40,746	41,794	42,600	43,320	44,299

## Personal Services segment

Subscriptions		FY2013.3				FY2014.3			
		Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Mar-14 (Forecast)	
Mobile	au (Thousand)	30,580	30,947	31,516	32,189	32,717	33,206	33,689	
	of Smartphones (Thousand)	7,209	8,527	10,168	11,862	13,002	13,984	-	
Fixed - line	FTTH (Thousand)	2,394	2,561	2,711	2,822	2,950	3,045	3,260	
	Cable-plus phone (Thousand)	2,295	2,481	2,679	2,851	3,040	3,202	3,500	
	CATV * 1	Subscribing Household: (Thousand)	1,159	1,180	1,235	1,238	5,031	5,057	5,150
		RGU (Thousand)	-	-	-	-	9,923	10,035	10,450
	Bundle Ratio	-	-	-	-	1.97	1.98	2.03	
au Smartvalue	au subscriptions (Thousand)	1,330	2,000	2,850	3,860	4,630	5,400	6,900	
	Households (Thousand)	820	1,200	1,660	2,120	2,490	2,860	3,450	

Indicators		FY2013.3					FY2014.3		
		1Q	2Q	3Q	4Q	Total	1Q	2Q	Total (Forecast)
Total ARPU	* 2 (Yen)	4,490	4,480	4,460	4,280	4,430	4,370	4,460	4,350
	au ARPU * 3 (Yen)	4,240	4,240	4,220	4,030	4,180	4,110	4,180	4,060
	Value ARPU * 4 (Yen)	250	240	240	250	250	260	280	290
MOU (minutes)	141	141	139	130	138	130	125	-	
au Churn rate (%)	0.61	0.65	0.58	0.67	0.63	0.56	0.67	0.69	
Number of units sold * 5 (Thousand)		2,740	2,620	2,830	2,880	11,080	2,370	2,630	10,900
	of Smartphones (Thousand)	1,670	1,810	2,300	2,340	8,110	1,820	1,980	8,600
Number of units shipped * 6 (Thousand)	2,560	2,410	2,970	2,720	10,660	2,220	2,520	10,680	
FTTH ARPU (Yen)	4,420	4,470	4,510	4,500	4,480	4,480	4,470	-	

\*1 FY2013.3 : JCN FY2014.3 : JCN + J:COM

\*2 Total ARPU = au ARPU + Value ARPU

\*3 au ARPU = Voice ARPU + Data ARPU

\*4 Value ARPU = Value services segment revenues of "in-house and cooperative services + settlement commissions + advertising"  
 ÷ Personal services segment's no. of au subscriptions (average no. of subscriptions for the period, excluding modules)

\*5 Number of units sold to users.(new+upgrade)

\*6 Number of units shipped to retailers from KDDI.