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# Data Book

## Financial Results for the 1st Half of FY2016.3

November 5, 2015



# Financial Results Summary (Consolidated)

Unit: Millions of Yen

Consolidated Statement (IFRS)	FY2015.3					FY2016.3					FY2016.3
	1Q	2Q	1H	Progress	Total	1Q	2Q	1H	Progress	Total (Forecast)	
Operating revenue	977,413	1,052,739	2,030,153	47.5%	4,270,094	1,046,577	1,105,178	2,151,755	48.9%	4,400,000	
Operating income	193,642	188,893	382,535	57.5%	665,719	230,998	220,432	451,430	55.1%	820,000	
Operating Margin	19.8%	17.9%	18.8%	-	15.6%	22.1%	19.9%	21.0%	-	18.6%	
Profit for the period attributable to owners of the parent	111,384	115,433	226,817	57.3%	395,948	143,949	133,510	277,459	56.6%	490,000	
Total Assets *	5,287,758	-	5,417,082	-	5,626,725	5,558,485	-	5,575,561	-	-	
Total Equity *	2,964,846	-	3,073,441	-	3,223,012	3,278,232	-	3,413,765	-	-	
Ratio of equity attributable to owners of the parent to total assets *	53.6%	-	54.3%	-	54.5%	56.4%	-	58.4%	-	-	
Equity per share attributable to owners of the parent *	¥1,132	-	¥1,174	-	¥1,223	¥1,252	-	¥1,300	-	-	
Free cash flows	(30,670)	206,437	175,767	-	335,814	(80,136)	221,831	141,695	-	280,000	
Depreciation	126,892	130,215	257,106	49.6%	518,708	131,202	134,532	265,735	47.7%	557,000	
Retirement of fixed assets	10,217	5,424	15,641	34.5%	45,378	5,294	4,339	9,633	41.9%	23,000	
Capex (cash flow basis)	160,402	162,002	322,404	48.3%	667,714	144,937	110,118	255,055	42.5%	600,000	
EBITDA	330,750	332,529	663,280	51.6%	1,284,553	367,495	360,293	727,788	52.0%	1,400,000	
EBITDA margin	33.8%	31.6%	32.7%	-	30.1%	35.1%	32.6%	33.8%	-	31.8%	
Interest bearing debt *	1,315,848	-	1,177,102	-	1,154,116	1,274,071	-	1,066,840	-	-	
Net debt *	1,152,096	-	972,952	-	877,799	1,075,352	-	871,188	-	-	
Debt / EBITDA Ratio	-	-	-	-	0.90	-	-	-	-	-	
Debt / Equity Ratio *	0.46	-	0.40	-	0.38	0.41	-	0.33	-	-	

\* These figures are as of the end of each fiscal quarter or year

# Financial Results Summary (Personal Services / Value Services)

Unit: Millions of Yen

Personal Services segment (IFRS)	FY2015.3			FY2016.3				FY2016.3
	1Q	2Q	1H	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	750,652	818,907	1,569,559	814,576	867,975	1,682,551	49.5%	3,400,000
Revenue from external customers	729,774	797,634	1,527,407	791,226	843,339	1,634,564	49.5%	3,300,000
Inter-segment revenue or transfers	20,878	21,274	42,152	23,350	24,637	47,987	48.0%	100,000
Operating income	153,386	146,384	299,770	179,213	172,213	351,426	54.1%	650,000
Depreciation	110,088	113,240	223,328	115,462	118,336	233,798	48.7%	480,000
Retirement of fixed assets	10,001	5,091	15,092	5,103	3,656	8,758	43.8%	20,000
EBITDA	273,474	272,704	546,178	299,778	294,205	593,983	51.7%	1,150,000
EBITDA margin	36.4%	33.3%	34.8%	36.8%	33.9%	35.3%	-	33.8%

Unit: Millions of Yen

Value Services segment (IFRS)	FY2015.3			FY2016.3				FY2016.3
	1Q	2Q	1H	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	53,923	58,948	112,871	61,795	64,244	126,039	45.0%	280,000
Revenue from external customers	41,900	42,921	84,820	44,137	45,923	90,060	42.9%	210,000
Inter-segment revenue or transfers	12,023	16,028	28,051	17,658	18,322	35,979	51.4%	70,000
Operating income	16,409	15,589	31,997	18,365	18,235	36,601	46.3%	79,000
Depreciation	2,534	2,608	5,142	2,311	2,580	4,891	46.6%	10,500
Retirement of fixed assets	52	102	154	20	407	427	85.4%	500
EBITDA	18,995	18,299	37,293	20,697	21,222	41,919	46.6%	90,000
EBITDA margin	35.2%	31.0%	33.0%	33.5%	33.0%	33.3%	-	32.1%

# Financial Results Summary (Business Services / Global Services)

Unit: Millions of Yen

Business Services segment (IFRS)	FY2015.3			FY2016.3				FY2016.3
	1Q	2Q	1H	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	159,045	163,165	322,211	151,184	158,741	309,925	49.2%	630,000
Revenue from external customers	135,587	139,216	274,803	129,039	135,548	264,587	48.1%	550,000
Inter-segment revenue or transfers	23,458	23,950	47,408	22,145	23,193	45,338	56.7%	80,000
Operating income	20,262	20,895	41,157	20,081	19,487	39,569	73.3%	54,000
Depreciation	11,007	11,192	22,199	10,832	11,044	21,876	46.5%	47,000
Retirement of fixed assets	152	221	373	114	263	377	18.9%	2,000
EBITDA	31,421	32,308	63,729	31,027	31,780	62,808	61.0%	103,000
EBITDA margin	19.8%	19.8%	19.8%	20.5%	20.0%	20.3%	-	16.3%

Unit: Millions of Yen

Global Services segment (IFRS)	FY2015.3			FY2016.3				FY2016.3
	1Q	2Q	1H	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	69,168	69,722	138,890	76,765	76,092	152,856	47.0%	325,000
Revenue from external customers	61,245	61,797	123,042	68,712	68,145	136,857	46.4%	295,000
Inter-segment revenue or transfers	7,923	7,925	15,847	8,053	7,947	15,999	53.3%	30,000
Operating income	3,582	4,182	7,764	11,302	8,618	19,920	64.3%	31,000
Depreciation	3,240	3,183	6,423	2,742	2,696	5,438	41.8%	13,000
Retirement of fixed assets	13	3	16	2	10	12	-	0
EBITDA	6,835	7,369	14,204	14,046	11,324	25,370	57.7%	44,000
EBITDA margin	9.9%	10.6%	10.2%	18.3%	14.9%	16.6%	-	13.5%

# Financial Results Summary (Others)

Unit: Millions of Yen

Others (IFRS)	FY2015.3			FY2016.3				FY2016.3
	1Q	2Q	1H	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	40,049	42,117	82,166	41,768	41,888	83,656	-	-
Revenue from external customers	8,908	11,172	20,080	13,463	12,224	25,687	-	-
Inter-segment revenue or transfers	31,141	30,944	62,086	28,305	29,664	57,969	-	-
Operating income	1,341	2,986	4,326	2,066	1,847	3,914	-	-
Depreciation	402	413	815	387	425	812	-	-
Retirement of fixed assets	0	6	7	55	3	58	-	-
EBITDA	1,743	3,414	5,157	2,510	2,279	4,789	-	-
EBITDA margin	4.4%	8.1%	6.3%	6.0%	5.4%	5.7%	-	-

# Revenue from external customers by Segment

Unit: Millions of Yen

Personal Services segment (IFRS)		FY2015.3			FY2016.3				FY2016.3
		1Q	2Q	1H	1Q	2Q	1H	Progress	Total (Forecast)
Revenue from external customers		729,774	797,634	1,527,407	791,226	843,339	1,634,564	49.5%	3,300,000
au ARPA revenues * 1		417,030	425,593	842,623	432,263	439,515	871,778	50.1%	1,740,000
Fixed-line communications fee revenues		172,484	174,147	346,631	176,439	178,176	354,615	49.3%	* 2 720,000
Handset revenues, repair revenues, etc.		111,970	168,210	280,180	150,312	187,855	338,167	47.6%	710,000
Others		28,290	29,684	57,974	32,212	37,792	70,004	53.8%	* 2 130,000

Unit: Millions of Yen

Value Services segment (IFRS)		FY2015.3			FY2016.3				FY2016.3
		1Q	2Q	1H	1Q	2Q	1H	Progress	Total (Forecast)
Revenue from external customers		41,900	42,921	84,820	44,137	45,923	90,060	42.9%	210,000
Value-added ARPA revenues * 3		30,465	31,221	61,687	33,137	33,054	66,191	42.7%	155,000
Others		11,434	11,700	23,134	11,000	12,868	23,869	43.4%	55,000

Unit: Millions of Yen

Business Services segment (IFRS)		FY2015.3			FY2016.3				FY2016.3
		1Q	2Q	1H	1Q	2Q	1H	Progress	Total (Forecast)
Revenue from external customers		135,587	139,216	274,803	129,039	135,548	264,587	48.1%	550,000
Mobile		57,761	60,665	118,426	54,995	56,838	111,834	48.6%	230,000
Fixed-line		73,273	73,816	147,090	70,009	72,975	142,984	49.3%	290,000
Others		4,553	4,734	9,287	4,035	5,735	9,769	32.6%	30,000

\* 1 Based on the Personal Services segment. Mobile communications revenues, excluding MVNO and prepaid

\* 2 Correction from FY2015.3 results report

\* 3 Based on the Value Services segment.

“au Simple Payment” and “au WALLET” settlement commissions + Sales from KDDI services, such as “au Smart Pass,” product sales, and advertising revenues, etc.

# Major Operational Data

## Consolidated basis

Subscriptions			FY2015.3				FY2016.3		Mar-16 (Forecast)
			Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	
Mobile	au	(Thousand)	41,016	41,596	42,378	43,478	44,074	44,640	45,778
	UQ WiMAX	(Thousand)	4,153	5,124	7,153	9,543	11,241	13,159	

## Personal Services segment / Value Services segment

Subscriptions			FY2015.3				FY2016.3		Mar-16 (Forecast)	
			Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15		
Mobile	au	(Thousand)	34,498	34,955	35,590	36,482	37,001	37,435	38,182	
	au smartphone penetration rate	* 1 (%)	50.2	51.6	52.7	54.3	55.1	56.0		
Fixed-line	FTTH	(Thousand)	3,221	3,296	3,362	3,435	3,508	3,573		
	CATV * 2	Households applicable to RGU	(Thousand)	4,838	4,851	4,872	4,883	4,938	4,979	
		RGU	(Thousand)	9,607	9,705	9,831	9,918	10,086	10,229	
		Bundle ratio		1.99	2.00	2.02	2.03	2.04	2.05	
Mobile Devices per person (Units)			1.34	1.35	1.36	1.37	1.38	1.39	1.40	
au Smart Value	au subscriptions	(Thousand)	7,590	8,160	8,530	9,330	9,840	10,370		
	Households	(Thousand)	3,840	4,130	4,270	4,590	4,840	5,140		
au Smart Pass (Thousand)			10,700	11,400	12,050	12,890	13,190	13,610		

## Personal Services segment / Value Services segment

Indicators * 1			FY2015.3					FY2016.3		FY2016.3 Total (Forecast)
			1Q	2Q	3Q	4Q	Total	1Q	2Q	
Total ARPA	(Yen)		5,870	5,980	5,990	5,970	5,950	6,030	6,130	6,110
	au ARPA	* 3 (Yen)	5,470	5,570	5,560	5,510	5,530	5,600	5,700	5,610
	Value-added ARPA	* 4 (Yen)	400	410	430	460	420	430	430	500
au churn rate (%)			0.54	0.63	0.66	0.94	0.69	0.72	0.83	
Number of units sold (Thousand)			1,830	2,430	2,720	2,870	9,850	2,050	2,300	8,800
of smartphones (Thousand)			1,380	1,930	2,300	2,360	7,970	1,600	1,810	7,400
Number of units shipped (Thousand)			1,660	2,250	3,020	2,750	9,670	1,940	2,250	8,800

\* 1 Definitions of au smartphone penetration rate, au churn rate, number of units sold, and number of units shipped :  
au subscriptions excluding data-only terminals, tablets, and modules

\* 2 Definitions of CATV service have revised in FY2016.3. Items of FY2015.3 have been restated in accordance with this revision.

\* 3 Based on the Personal Services segment. Mobile communications revenues, excluding MVNO and prepaid ÷ au customers

\* 4 Value-added ARPA revenues in the Value Services segment. ("au Simple Payment" and "au WALLET" settlement commissions + Sales from KDDI services, such as "au Smart Pass," product sales, and advertising revenues, etc.) ÷ au customers

# Disclaimer

The figures included in the this brief, including the business performance target and the target for the number of subscribers are all projected data based on the information currently available to the KDDI Group, and are subject to variable factors such as economic conditions, a competitive environment and the future prospects for newly introduced services. Accordingly, please be advised that the actual results of business performance or of the number of subscribers may differ substantially from the projections described here.