

**Financial Results
for the 1st Half of the
Fiscal Year Ending March 2016
(from April to September, 2015)**

November 5, 2015

**President Takashi Tanaka
KDDI Corporation**

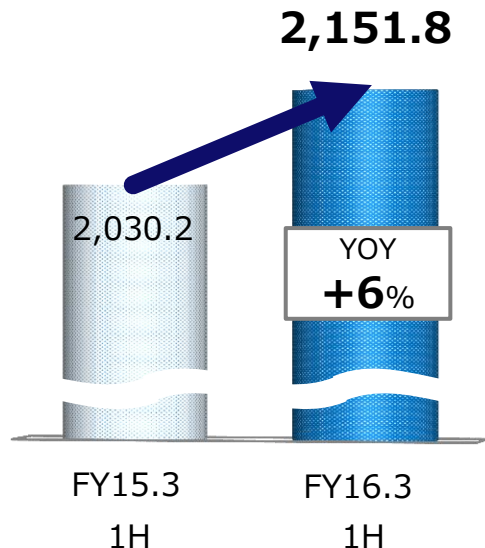


Performance in 1H/FY16.3

Achieved YOY Increases in Revenue and Income

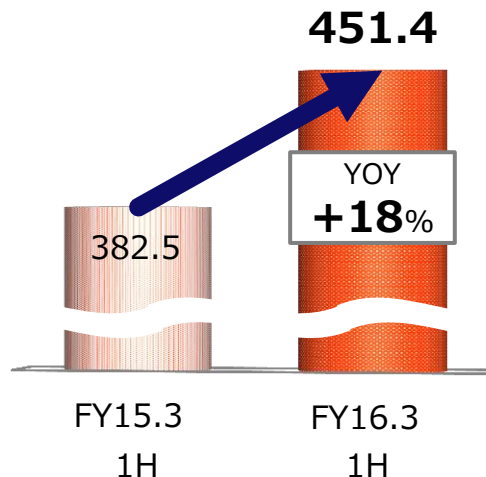
Operating Revenue

(Billions of yen)



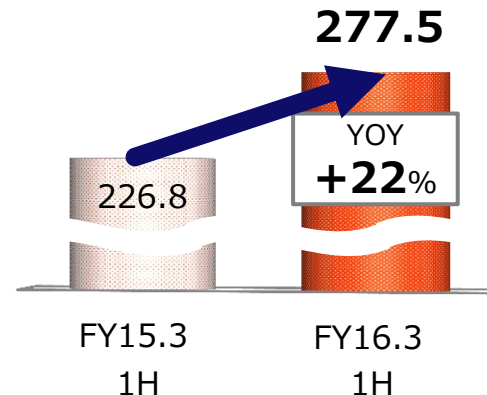
Operating Income

(Billions of yen)



Profit for the period attributable to owners of the parent

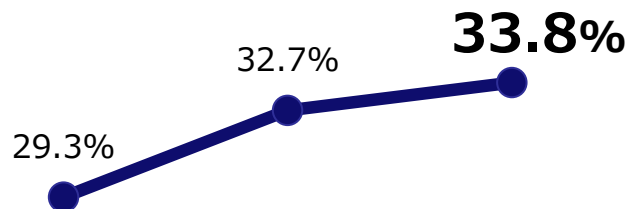
(Billions of yen)



Margin in 1H/FY16.3

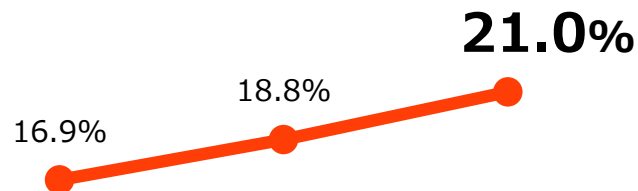
YOY Margin Increase of EBITDA and Operating Income

EBITDA Margin



1H/FY14.3 1H/FY15.3 1H/FY16.3

Operating Margin

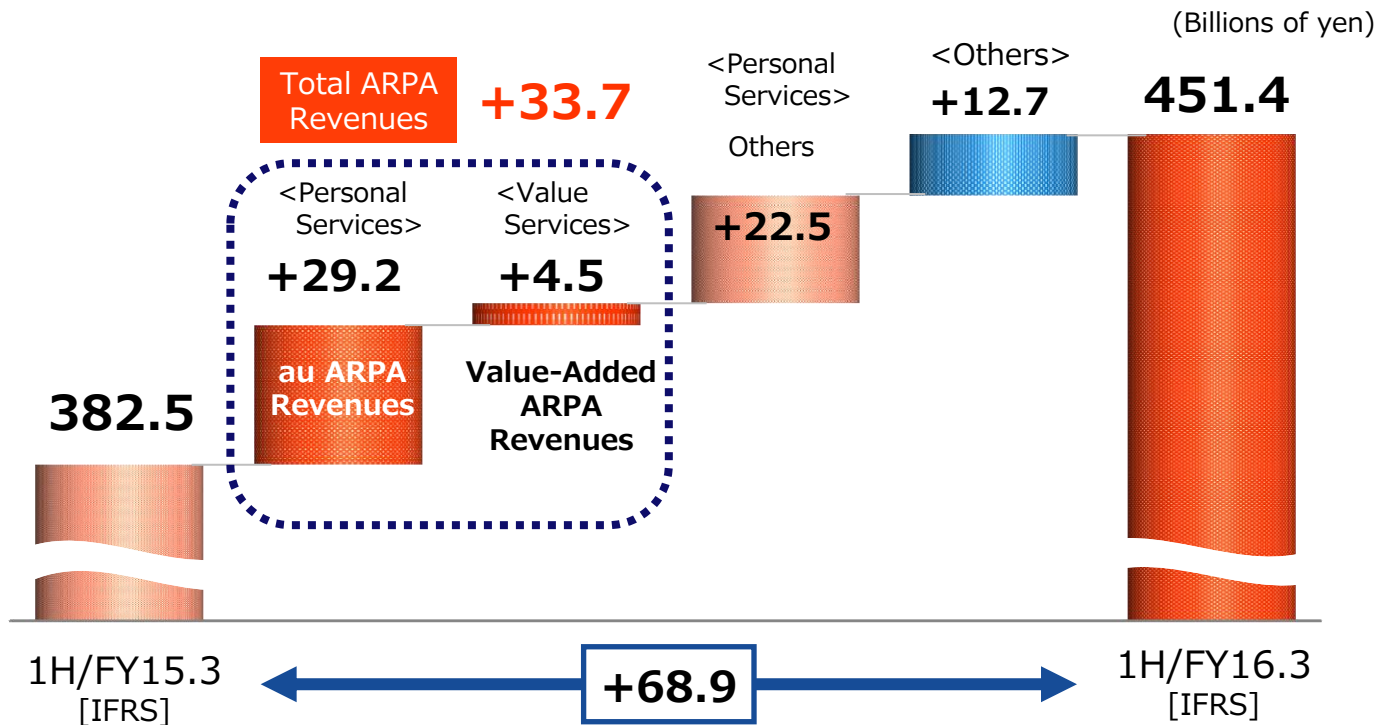


1H/FY14.3 1H/FY15.3 1H/FY16.3

*Figures for FY14.3 is based on Japan GAAP. Figures for FY15.3 and FY16.3 are based on IFRS

Consolidated Operating Income: Factor for Change, YOY for 1H/FY16.3

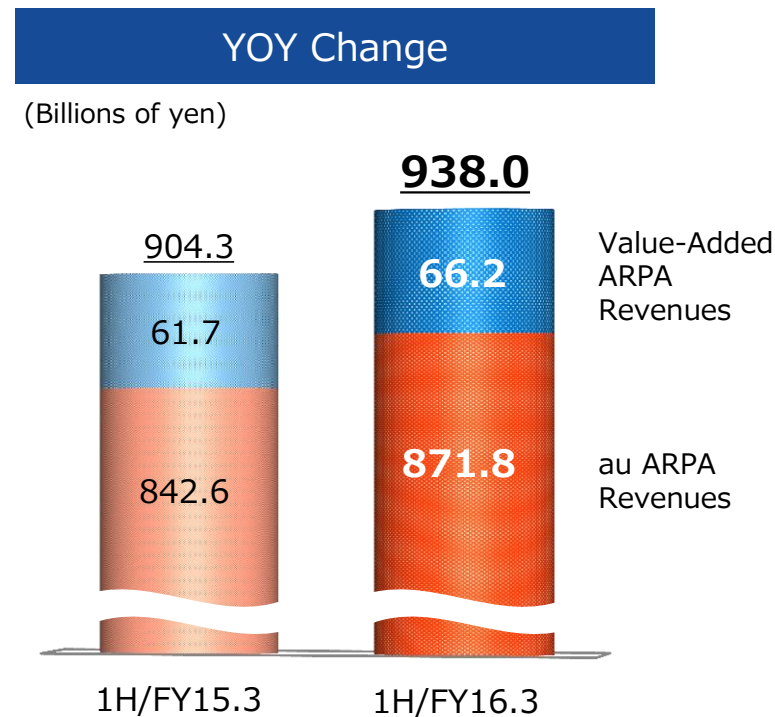
Driven by Total ARPA Revenues



Total ARPA Revenues

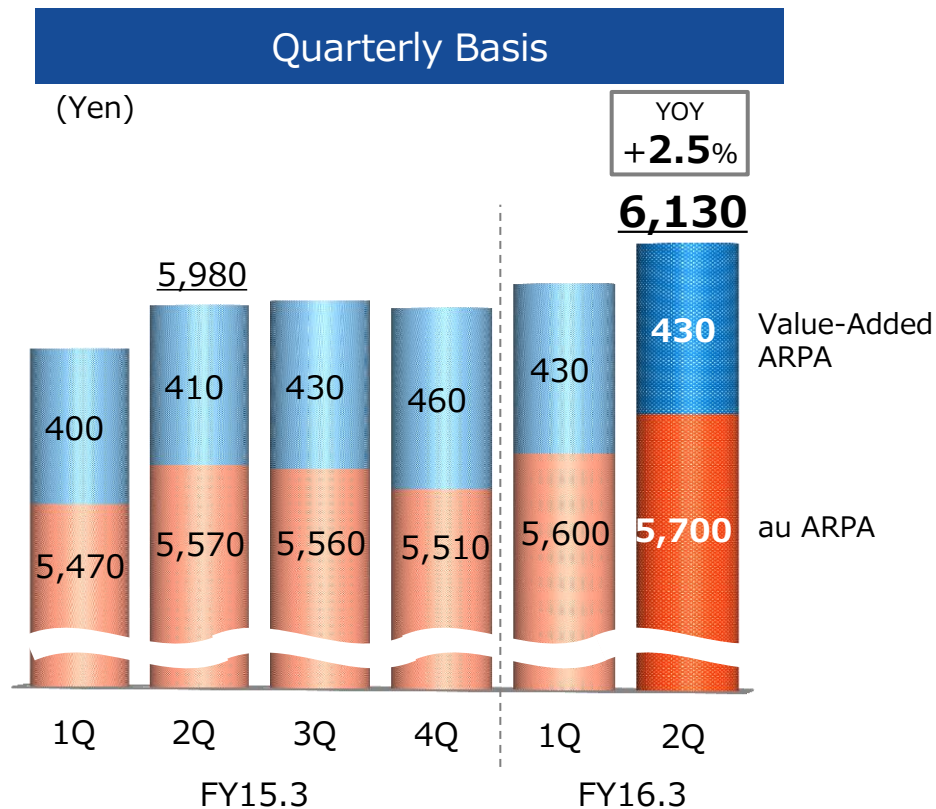
YOY +3.7%

YOY +¥33.7B



Total ARPA

YOY +2.5%

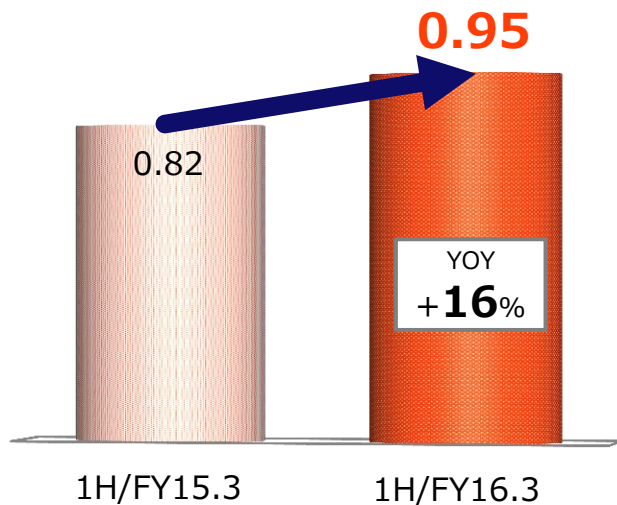


au Net Adds

Increases in au Net Adds and Steady Growth in the Number of Devices

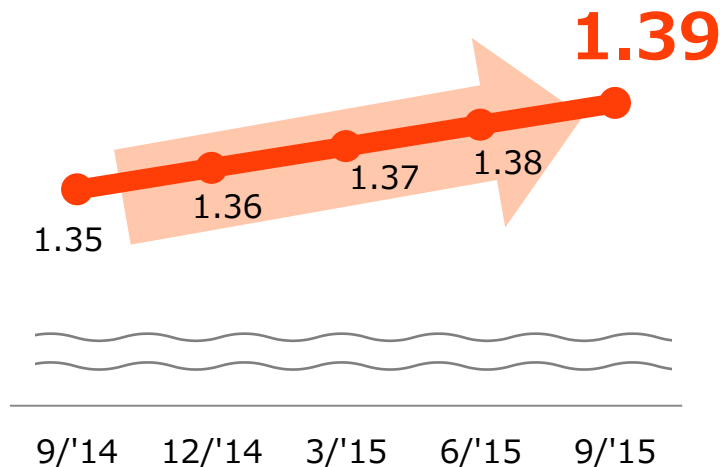
au Net Adds

(Millions)



Mobile Devices per Person^{Note}

(Unit)



Note) Excluding prepaid and MVNO

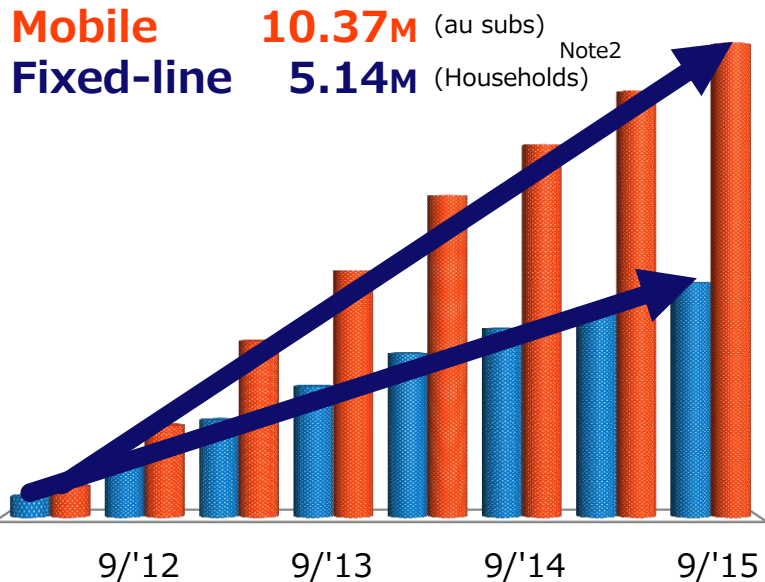
au Smart Value

(Bundled Services)

In the 42nd Month since Launch, Surpassed 10 Million (Mobile)^{Note1}

au Smart Value

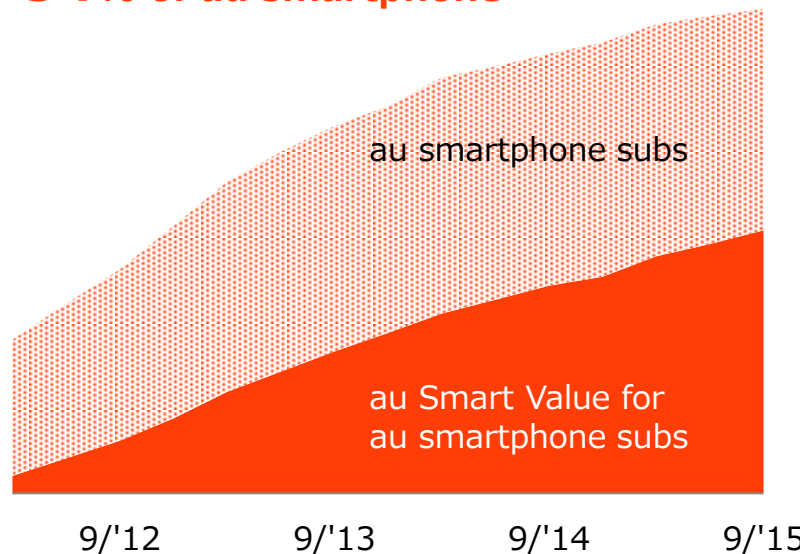
(As of September 30, 2015)



Penetration for au Smartphone Subs^{Note3}

(As of September 30, 2015)

54% of au smartphone



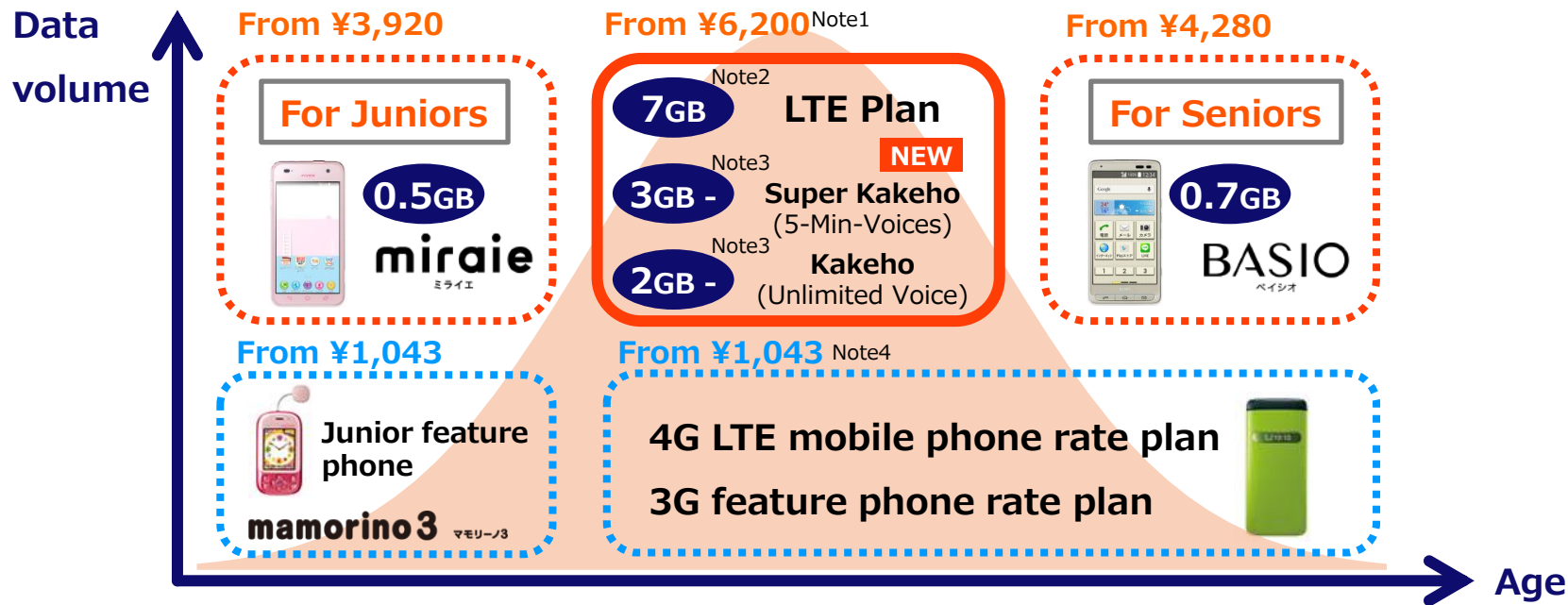
Note1) Service provision began on March 1, 2012. Topped 10 million on August 9, 2015

Note2) Households: total for KDDI group companies and fixed-line allied companies

Note3) Percentage of au Smart Value for au smartphone subscribers

Mobile Rate Plans

Offering Diverse Rate Plans to Match Customers' Needs



Note1) Minimum indicated price is if in combination with Super Kakeho (5-Min-Voices)

Note2) Requires LTE plan and package subscription with "LTE Flat" (from November 17, 2015 onward)

Note3) Kakeho (Unlimited Voice) and Super Kakeho (5-Min-Voices) require package subscription to a flat-rate data service

Note4) Minimum indicated price is for a 3G feature phone rate plan

*Indicated rates are when subscribing to "Everybody Discount package" + Internet access service. Indicated figures exclude taxes

Smartphones for Light Users

Number of Customers Increasing Steadily,
Centered on Smartphone Novices

Smartphone Penetration by Age Group

For Juniors

miraie
ミライエ



Monthly
fee

¥3,920 ^{Note1}

(Monthly data volume:
Includes 0.5GB)

Limited to children elementary
school age and younger

For Seniors

BASIO
ベイシオ



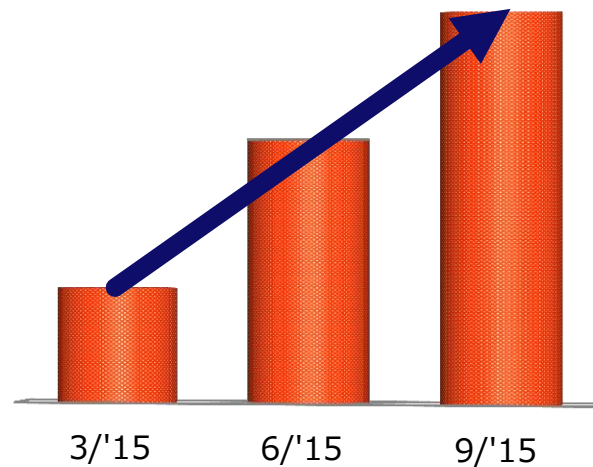
¥4,280 ^{Note2}

(Monthly data volume:
Includes 0.7GB)

Limited to people
aged 55 and above

Cumulative Subscriptions

miraie **BASIO**
ミライエ ベイシオ



Note1) Junior Smartphone Plan. When "Everybody Discount Package" + "LTE NET" apply

Note2) Senior Plan. When "Everybody Discount Package" + "LTE NET" apply

*Separately, call, data communication, option and universal service charges apply. For calls to au mobile phones between 1am and 9pm, charges are waived as LTE Plan

*Please see the au website for details

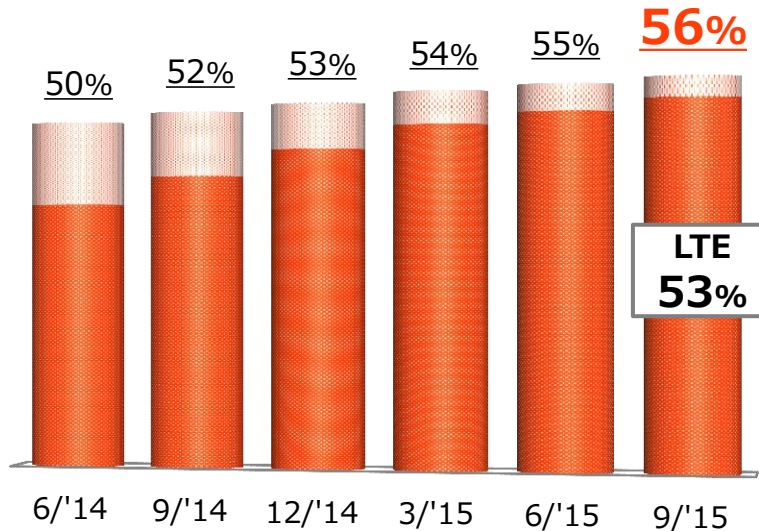
*Indicated figures exclude taxes

Smartphone

**Aiming to Boost
Penetration by Offering
a Variety of Services**

au Smartphone Penetration

■ LTE smartphone ■ 3G smartphone

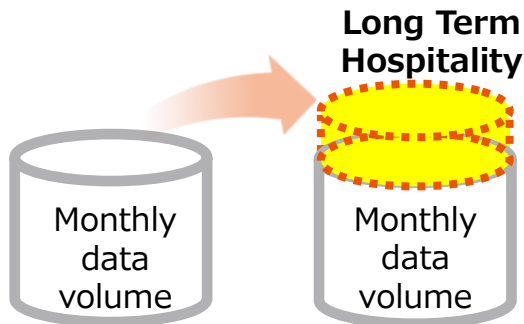


Targeting Long-Term Use

Developing Measures to Encourage Long-Term Use

Long Term Hospitality Data Gift

Depending on the "au contract period" and "data flat-rate service / rate plan," customers get additional data capacity on the first month after five years, and thereafter, every three months



Upgrade Program

Super Upgrade Campaign^{Note}

By paying an up-front charge (¥2,000), customers can enjoy handset upgrades in the 13th month (Normally in the 19th month)

Makes outstanding installment balance (for seven months) for their previous models essentially free



UQ Mobile (MVNO Business)

Leveraging the “UQ” Brand and Reinforcing Sales Channels

Merger of UQ and KVE
(October 1, 2015)

UQ mobile



**Beginning face-to-face sales of
smartphones by sales staff handling
mobile Wi-Fi routers**



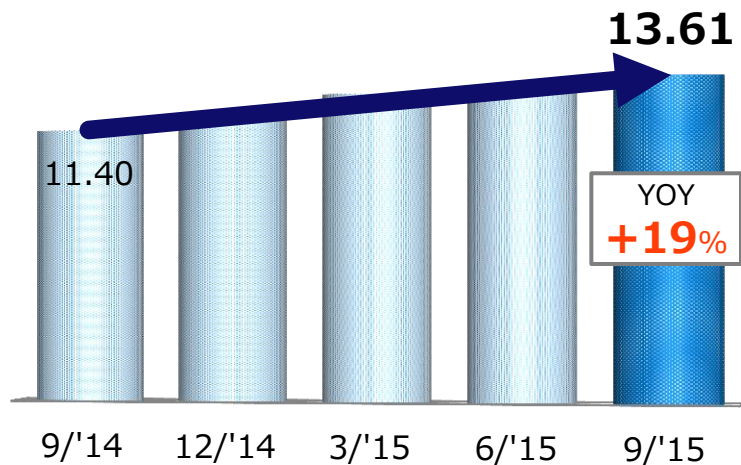
Targeting a New Stage of Growth

Expanding Customer Base in the Value-Added Domain

Online Base

au Smart Pass^{Note1}

(Millions)

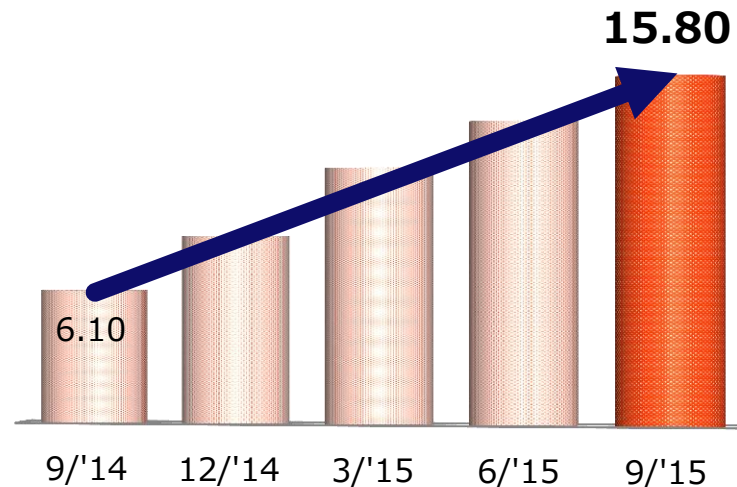


Note1) Members of au Smart Pass

Offline Base

au WALLET

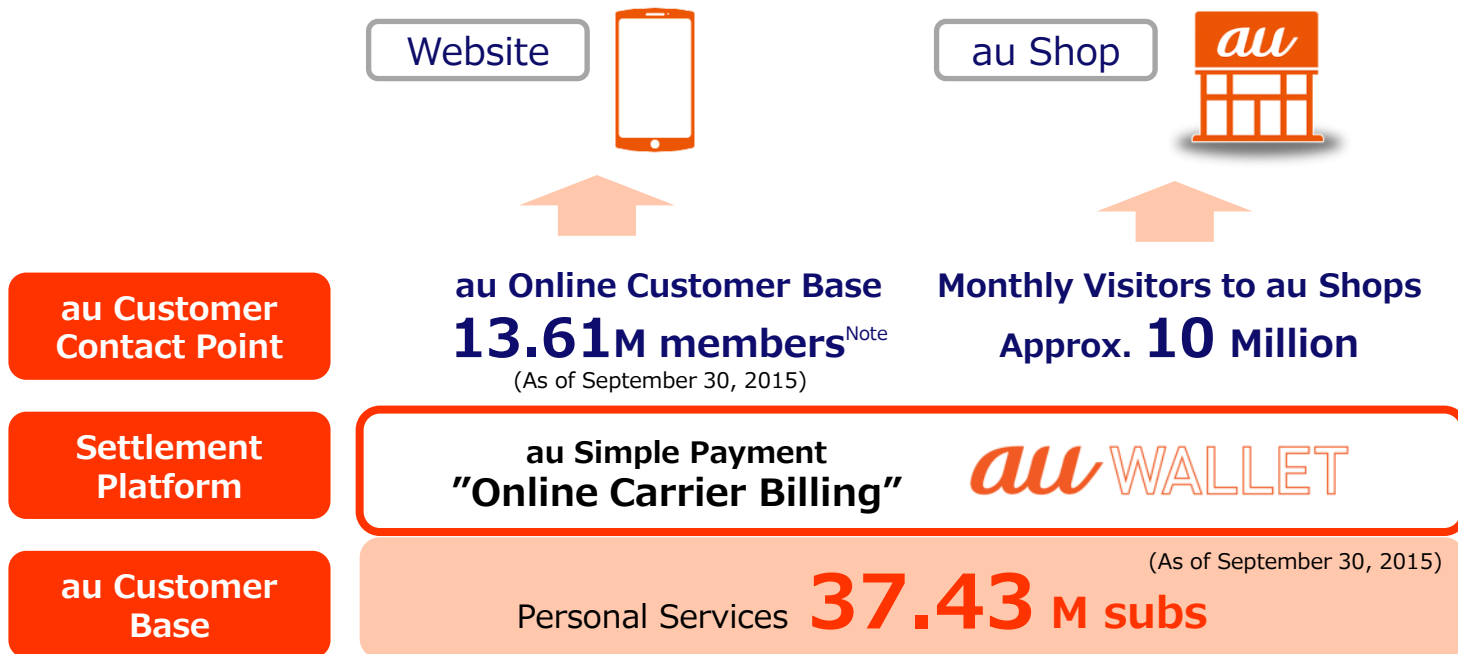
(Prepaid/Credit Card^{Note2}) (Millions)



Note2) Cumulative number of au WALLET prepaid card applications + credit cards issued

au WALLET Market

Leveraging Our Business Infrastructure to Begin Service Provision



Started August 25, 2015. Launched at 2,500 au Shops Nationwide
(by December 2015)

Concept: “Making everyday items a little nicer”



Changing shop images from “places for handling paperwork” to “fun places to shop”



au NAGOYA

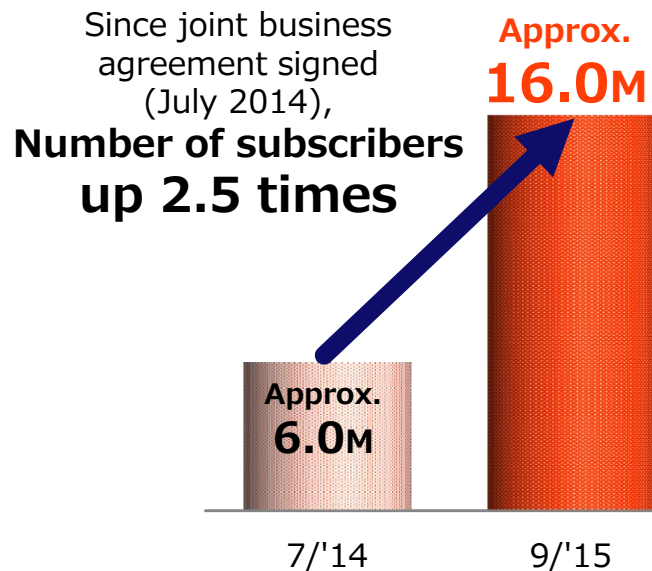
au WALLET Market

Taking Advantage of Shop Waiting Times to Efficiently Provide New Products



Running Campaigns to Boost Customer Numbers and Communications Traffic

MPT Mobile Subscribers



Data communications campaign introduced through alliance with LINE
(Campaign period: July 29 to September 30, 2015)

Achieved Third Consecutive Double-Digit Growth^{Note1} in Operating Income in the 1st Half

- Operating Income for 1H: ¥451.4B
+18% YOY^{Note2}
- Expanded Total ARPA Revenues by Promoting the “3M Strategy”
- Promoted Initiatives Targeting a New Stage of Growth

■ Appendix

Consolidated Financial Results

(Billions of yen)

	1H/FY15.3	1H/FY16.3	YOY	FY16.3 (E)
Operating revenue	2,030.2	2,151.8	6.0%	4,400.0
Operating income	382.5	451.4	18.0%	820.0
Operating margin	18.8%	21.0%	--	18.6%
Profit for the period attributable to owners of the parent	226.8	277.5	22.3%	490.0
EBITDA	663.3	727.8	9.7%	1,400.0
EBITDA margin	32.7%	33.8%	--	31.8%
Free cash flows	175.8	141.7	--	280.0

*Based on IFRS

(Ref.) IFRS/J-GAAP Differences in 1H/FY15.3

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(Billions of yen)

Operating Revenue	Consolidated	Personal	Value	Business	Global	Other, Elimination and Corporate
IFRS	2,030.2	1,569.6	112.9	322.2	138.9	-113.4
J-GAAP	2,131.9	1,642.5	114.3	327.2	137.9	-90.0
Difference	-101.8	-72.9	-1.5	-5.0	+1.0	-23.4
Major differences	<ul style="list-style-type: none"> Impact of excluding selling commissions: -74.3 Impact of excluding reward point expenses: -13.4 Differences in the scope of consolidation: -3.9 	<ul style="list-style-type: none"> Impact of excluding selling commissions: -71.8 Impact of excluding reward point expenses: -12.2 Differences in the scope of consolidation: +20.3 		<ul style="list-style-type: none"> Impact of excluding selling commissions: -2.5 Impact of excluding reward point expenses: -1.1 	Unification of reporting period for overseas subsidiaries: +1.0	Differences in the scope of consolidation: -24.2

Operating Income	Consolidated	Personal	Value	Business	Global	Other, Elimination and Corporate
IFRS	382.5	299.8	32.0	41.2	7.8	1.7
J-GAAP	384.8	305.0	30.3	40.3	5.2	4.0
Difference	-2.2	-5.2	+1.7	+0.9	+2.5	-2.3
Major differences	<ul style="list-style-type: none"> Non-amortization of goodwill: +13.3 Differences in depreciation method: -16.0 Differences in the scope of consolidation: +0.2 	<ul style="list-style-type: none"> Non-amortization of goodwill: +10.1 Differences in depreciation method: -15.3 Differences in the scope of consolidation: +1.9 	<ul style="list-style-type: none"> Non-amortization of goodwill: +1.1 Share of profit(loss) of investments accounted for using the equity method: +0.3 		Non-amortization of goodwill: +2.1	Differences in the scope of consolidation: -1.7

Financial Results by Segment

(Billions of yen)

Personal Services	1H/FY15.3	1H/FY16.3	YOY
Operating revenue	1,569.6	1,682.6	+7.2%
Operating income	299.8	351.4	+17.2%
Operating margin	19.1%	20.9%	--
EBITDA	546.2	594.0	+8.8%
EBITDA margin	34.8%	35.3%	--

Value Services	1H/FY15.3	1H/FY16.3	YOY
Operating revenue	112.9	126.0	+11.7%
Operating income	32.0	36.6	+14.4%
Operating margin	28.3%	29.0%	--
EBITDA	37.3	41.9	+12.4%
EBITDA margin	33.0%	33.3%	--

Business Services	1H/FY15.3	1H/FY16.3	YOY
Operating revenue	322.2	309.9	-3.8%
Operating income	41.2	39.6	-3.9%
Operating margin	12.8%	12.8%	--
EBITDA	63.7	62.8	-1.4%
EBITDA margin	19.8%	20.3%	--

Global Services	1H/FY15.3	1H/FY16.3	YOY
Operating revenue	138.9	152.9	+10.1%
Operating income	7.8	19.9	+156.6%
Operating margin	5.6%	13.0%	--
EBITDA	14.2	25.4	+78.6%
EBITDA margin	10.2%	16.6%	--

*Based on IFRS

Segment			3/'15	9/'15	Change	3/'16 (E)
Consolidated	au subscriptions	(Millions)	43.48	44.64	+1.16	45.78
Personal Services	au subscriptions	(Millions)	36.48	37.43	+0.95	38.18
	Mobile devices per person	(Units)	1.37	1.39	+0.02	1.40
	au smartphone penetration	(%)	54.3%	56.0%	+1.7pt	--
	au Smart Value (Mobile)	(Millions)	9.33	10.37	+1.04	--
	au Smart Value (Fixed-line)	(Millions)	4.59	5.14	+0.55	--
Value Services	au Smart Pass members	(Millions)	12.89	13.61	+0.72	--

Segment			2Q/FY15.3	2Q/FY16.3	YOY	FY16.3 (E)
	Total ARPA	(Yen)	5,980	6,130	+2.5%	6,110
Personal Services	au ARPA	(Yen)	5,570	5,700	+2.3%	5,610
Value Services	Value-added ARPA	(Yen)	410	430	+4.9%	500

Capital Expenditures

CAPEX (cash flow basis)

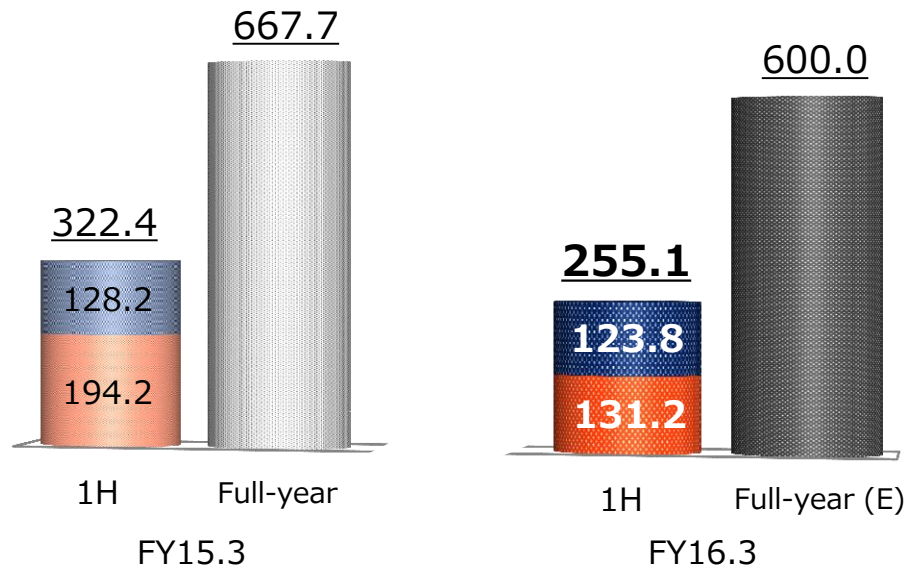
■ Mobile

(Billions of yen)

■ Fixed-line and other (including UQ)

1H/FY16.3
¥255.1B

YOY -¥67.3B
Progress Rate 42.5%



Designing The Future



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.