

(1) Consolidated Balance Sheets (1/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	June 30, 2006	June 30, 2007	Change		March 31, 2007
	(A)	(B)	(B)-(A)		
	Amounts	Amounts	Amounts	%	Amounts
I Fixed Assets					
A Telecommunications Assets					
Property, Plant and Equipment	1,359,465	1,456,541	97,076	7.1	1,462,110
Intangible Assets and Goodwill	162,219	255,854	93,634	57.7	227,686
Total Telecommunications Assets	1,521,684	1,712,395	190,711	12.5	1,689,797
B Other Business Assets					
Property, Plant and Equipment	34,463	68,383	33,919	98.4	38,496
Intangible Assets	5,953	18,565	12,612	211.9	7,215
Total Other Business Assets	40,417	86,949	46,532	115.1	45,712
C Investments and Other Assets					
Investments in securities	44,426	51,281	6,854	15.4	51,269
Deferred income taxes	101,694	108,982	7,287	7.2	114,955
Deposits and guarantee money	38,870	38,988	118	0.3	38,180
Other Assets	134,271	115,509	(18,761)	(14.0)	137,983
Allowance for loss on investments and other assets	(9,093)	(9,596)	(503)	-	(9,227)
Total Investments and Other Assets	310,169	305,165	(5,004)	(1.6)	333,160
Total Fixed Assets	1,872,270	2,104,511	232,240	12.4	2,068,671
II Current Assets					
Cash and cash equivalents	118,793	74,719	(44,073)	(37.1)	174,036
Accounts receivable	387,621	442,174	54,552	14.1	439,293
Marketable securities	1,660	24,258	22,598	-	20,247
Inventories	56,183	49,358	(6,825)	(12.1)	55,099
Deferred income taxes	16,490	38,949	22,458	136.2	45,520
Other current assets	30,273	34,014	3,740	12.4	15,379
Allowance for doubtful accounts	(15,861)	(14,972)	888	-	(15,007)
Total Current assets	595,161	648,501	53,340	9.0	734,569
III Deferred Assets					
Debenture Discount and Expense	23	-	(23)	(100.0)	-
Total Deferred Assets	23	-	(23)	(100.0)	-
Total Assets	2,467,455	2,753,012	285,556	11.6	2,803,240

(1) Consolidated Balance Sheets (2/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	June 30, 2006	June 30, 2007	Change		March 31, 2007	
	(A)	(B)	(B)-(A)			
	Amounts	Amounts	Amounts	%	Amounts	
LIABILITIES AND SHAREHOLDERS' EQUITY						
I	Non-Current Liabilities:					
	Bonds	257,800	167,781	(90,018)	(34.9)	167,779
	Long-term loans	253,296	188,285	(65,011)	(25.7)	192,858
	Reserve for point service program	26,577	32,465	5,887	22.2	30,678
	Other non-current liabilities	43,807	41,402	(2,404)	(5.5)	40,242
	Total Non-Current Liabilities	581,482	429,935	(151,547)	(26.1)	431,559
II	Current Liabilities:					
	Short-term loans and current portion of long-term loans	198,961	261,297	62,335	31.3	259,858
	Accounts Payable	226,763	324,083	97,320	42.9	391,937
	Accrued expenses	11,539	10,083	(1,455)	(12.6)	11,419
	Accrued income taxes	41,080	45,841	4,760	11.6	100,404
	Allowance for bonuses	8,050	8,866	815	10.1	18,179
	Other current liabilities	32,319	68,082	35,762	110.7	52,767
	Total Current Liabilities	518,714	718,254	199,539	38.5	834,566
	Total Liabilities	1,100,197	1,148,189	47,991	4.4	1,266,126
NET ASSETS						
I	Shareholder's Equity					
	Common stock	141,851	141,851	-	0.0	141,851
	Capital surplus	305,676	367,272	61,596	20.2	367,271
	Retained earnings	909,166	1,060,841	151,674	16.7	1,000,662
	Treasury stock, at cost	(27,604)	(20,417)	7,187	-	(20,310)
	Total Shareholder's Equity	1,329,089	1,549,548	220,458	16.6	1,489,475
II	Unrealized gains and Adjustment					
	Net unrealized gains on securities	19,067	21,888	2,820	14.8	22,322
	Foreign Currency Translation Adjustment	1,539	2,602	1,062	69.0	4,466
	Total Unrealized gains and Adjustr	20,607	24,491	3,883	18.8	26,788
III	Share Warrant	-	187	187	-	136
IV	Minority Interests	17,560	30,596	13,035	74.2	20,712
	Total Net Assets	1,367,258	1,604,823	237,565	17.4	1,537,113
	Total Liabilities and Net Assets	2,467,455	2,753,012	285,556	11.6	2,803,240

(2) Consolidated Statements of Income

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	1Q Ended June 30, 2006 (A)	1Q Ended June 30, 2007 (B)	Change (B)-(A)		Year Ended March 31, 2007
	Amounts	Amounts	Amounts	%	Amounts
I Telecommunications Business					
Operating Revenues	637,129	685,626	48,496	7.6	2,592,882
Operating Expenses	524,882	549,599	24,717	4.7	2,277,228
Sales expenses	258,972	272,788	13,815	5.3	1,148,640
Depreciation	76,398	80,439	4,041	5.3	315,551
Charges for the use of telecommunications services of third parties	111,926	113,625	1,699	1.5	449,508
Other	77,584	82,745	5,161	6.7	363,527
Telecommunications Business Operating Income	112,247	136,026	23,778	21.2	315,654
II Other Business					
Sales of Terminal equipment and other	161,271	158,457	(2,813)	(1.7)	742,377
Cost of sales of terminal equipment and other	151,584	153,579	1,994	1.3	713,330
Other Business Operating Income	9,686	4,877	(4,808)	(49.6)	29,046
Operating Income	121,934	140,904	18,970	15.6	344,700
III Other revenues	4,862	4,841	(20)	(0.4)	21,514
Interest income	129	233	104	81.0	852
Equity in profit of affiliates	81	-	(81)	(100.0)	775
Dividend income from anonymous association	2,022	1,568	(453)	(22.4)	7,968
Other	2,629	3,039	409	15.6	11,917
IV Other expenses	4,422	3,020	(1,402)	(31.7)	15,292
Interest expense	3,500	2,610	(889)	(25.4)	11,841
Other	922	409	(513)	(55.6)	3,450
Ordinary Income	122,374	142,725	20,351	16.6	350,923
I Extraordinary profit	-	-	-	-	485
Gain on sales of securities	-	-	-	-	485
II Extraordinary loss	-	-	-	-	42,334
Impairment loss	-	-	-	-	42,083
Loss on devaluation of securities	-	-	-	-	251
Income before Income Taxes and Minority Interests	122,374	142,725	20,351	16.6	309,074
Income Taxes - Current	40,638	45,287	4,649	11.4	133,355
Income Taxes - Deferred	5,034	14,045	9,011	179.0	(14,922)
Minority Interests in Consolidated Subsidiaries	1,054	900	(154)	(14.6)	3,893
Net Income	75,646	82,491	6,845	9.0	186,747

(3) Consolidated Statements of Cash Flows

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	1Q Ended June 30, 2006	1Q Ended June 30, 2007	Year Ended March 31, 2007
	Amounts	Amounts	Amounts
I Cash Flows from Operating Activities			
Income before income taxes and minority interests	122,374	142,725	309,074
Depreciation and amortization	78,592	83,831	328,179
(Gain)loss on sales of PPE	8	(1)	58
Loss on disposal of PPE	1,183	1,765	21,849
Impairment Loss	-	-	42,083
(Increase) decrease in allowance for doubtful accounts	997	191	416
Increase (decrease) in reserve for retirement benefits	26	59	(5,413)
Interest and dividend income	(808)	(868)	(1,702)
Interest expenses	3,500	2,610	11,841
Equity in (gain) of affiliates	(81)	36	(775)
Loss on sales of investment securities	8	-	(443)
Investment securities write off	-	-	251
Increase in reserve for point services	1,684	1,786	5,785
(Increase) decrease in prepaid pension cost	(1,588)	(1,255)	(520)
(Increase)decrease in notes and accounts receivable	20,057	502	(38,053)
(Increase) decrease in inventories	(17,978)	5,196	(15,948)
Increase(decrease) in notes and accounts payable	(43,655)	(77,372)	115,518
Increase in advances	-	8,252	24,058
Other, net	(19,654)	(17,035)	932
Sub total	144,666	150,425	797,194
Interest and dividend income received	846	1,056	5,615
Interest expenses paid	(3,139)	(2,044)	(12,422)
Income taxes paid	(17,927)	(99,167)	(51,683)
Net cash provided by operating activities	124,445	50,269	738,703
II Cash Flows From Investing Activities			
Payments for purchase of PPE	(53,851)	(66,818)	(317,289)
Proceeds from sale of PPE	725	19	910
Payments for other intangible assets	(16,638)	(19,026)	(106,957)
Acquisition of investment securities	-	(611)	(2,055)
Proceeds from sale of investment securities	25	0	1,410
Payments for investment in affiliates	(2,973)	(17,486)	(9,628)
Increase in long-term prepayment	(3,933)	(2,749)	(11,650)
Other, net	171	(4,090)	3,042
Net cash used in investing activities	(76,474)	(110,765)	(442,218)
Free Cash Flows	47,971	(60,495)	296,485
III Cash Flows from Financing Activities			
Net increase(decrease) in short-term loans	(574)	116	(23,013)
Proceeds from issuance of long-term loans	-	-	93,000
Repayment of long-term loans	(30,348)	(13,099)	(168,153)
Repayment of long-term accounts payable	(4)	-	-
Payment for redemption of bonds	(30,000)	-	(76,875)
Payment for acquisition of treasury stocks	(73)	(110)	(46,281)
Dividends paid	(19,350)	(22,354)	(40,022)
Payments received from minority shareholders	-	533	88
Others, net	620	(2)	2,338
Net Cash used in Financing Activities	(79,731)	(34,916)	(258,919)
IV Translation Adjustments on Cash and Cash Equivalents	74	(55)	1,085
V Net increase in Cash and Cash Equivalents	(31,684)	(95,467)	38,651
VI Cash and Cash Equivalents at Beginning of Quarter/Year	151,003	192,654	151,003
VII Net increase in Cash and Cash Equivalents of newly consolidated subsidiaries	-	-	2,999
Cash and Cash Equivalents at End of Quarter/Year	119,318	97,186	192,654