

(1) Consolidated Balance Sheets (1/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	December 31,	December 31,	Change		March 31, 2007
	2006 (A)	2007 (B)	(B)-(A)		
	Amounts	Amounts	Amounts	%	Amounts
I Fixed Assets					
A Telecommunications Assets					
Property, Plant and Equipment	1,405,719	1,506,445	100,726	7.2	1,462,110
Intangible Assets and Goodwill	187,326	236,712	49,385	26.4	227,686
Total Telecommunications Assets	1,593,046	1,743,158	150,112	9.4	1,689,797
B Other Business Assets					
Property, Plant and Equipment	36,327	72,979	36,651	100.9	38,496
Intangible Assets	7,042	51,682	44,640	633.9	7,215
Total Other Business Assets	43,370	124,661	81,291	187.4	45,712
C Investments and Other Assets					
Investments in securities	48,531	55,853	7,321	15.1	51,269
Deferred income taxes	84,666	96,147	11,480	13.6	114,955
Deposits and guarantee money	37,903	40,097	2,193	5.8	38,180
Other Assets	140,500	118,224	(22,276)	(15.9)	137,983
Allowance for loss on investments and other assets	(9,157)	(9,561)	(403)	-	(9,227)
Total Investments and Other Assets	302,445	300,760	(1,684)	(0.6)	333,160
Total Fixed Assets	1,938,861	2,168,581	229,720	11.8	2,068,671
II Current Assets					
Cash and cash equivalents	75,221	73,204	(2,016)	(2.7)	174,036
Accounts receivable	432,095	442,134	10,039	2.3	439,293
Marketable securities	25,221	48,254	23,033	91.3	20,247
Inventories	59,445	61,091	1,646	2.8	55,099
Deferred income taxes	26,754	41,759	15,005	56.1	45,520
Other current assets	28,767	33,072	4,305	15.0	15,379
Allowance for doubtful accounts	(14,830)	(14,354)	475	-	(15,007)
Total Current assets	632,675	685,163	52,488	8.3	734,569
Total Assets	2,571,536	2,853,745	282,208	11.0	2,803,240

(1) Consolidated Balance Sheets (2/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	December 31, 2006 (A)	December 31, 2007 (B)	Change (B)-(A)		March 31, 2007
	Amounts	Amounts	Amounts	%	Amounts
LIABILITIES AND SHAREHOLDERS' EQUITY					
I Non-Current Liabilities:					
Bonds	207,778	207,765	(13)	(0.0)	167,779
Long-term loans	125,276	156,673	31,397	25.1	192,858
Reserve for point service program	29,432	35,995	6,563	22.3	30,678
Other non-current liabilities	40,283	41,467	1,184	5.5	40,242
Total Non-Current Liabilities	402,770	441,903	39,132	9.7	431,559
II Current Liabilities:					
Short-term loans and current portion of long-term loans	221,309	144,112	(77,196)	(34.9)	259,858
Accounts Payable	351,505	379,253	27,747	7.9	391,937
Accrued expenses	12,293	11,947	(346)	(2.8)	11,419
Accrued income taxes	82,256	68,550	(13,705)	(16.7)	100,404
Allowance for bonuses	8,161	8,991	830	10.2	18,179
Other current liabilities	48,595	79,827	31,232	64.3	52,767
Total Current Liabilities	724,120	692,683	(31,437)	(4.3)	834,566
Total Liabilities	1,126,891	1,134,586	7,694	0.7	1,266,126
NET ASSETS					
I Shareholder's Equity					
Common stock	141,851	141,851	0	-	141,851
Capital surplus	305,676	367,270	61,594	20.2	367,271
Retained earnings	1,004,886	1,170,805	165,918	16.5	1,000,662
Treasury stock, at cost	(51,889)	(20,607)	31,282	-	(20,310)
Total Shareholder's Equity	1,400,524	1,659,320	258,795	18.5	1,489,475
II Unrealized gains and Adjustment					
Net unrealized gains on securities	21,124	24,349	3,225	15.3	22,322
Foreign Currency Translation Adjustment	3,008	1,942	(1,065)	(35.4)	4,466
Total Unrealized gains and Adjustment	24,132	26,292	2,160	9.0	26,788
III Share Warrant	84	385	300	356.4	136
IV Minority Interests	19,902	33,160	13,257	66.6	20,712
Total Net Assets	1,444,644	1,719,158	274,514	19.0	1,537,113
Total Liabilities and Net Assets	2,571,536	2,853,745	282,208	11.0	2,803,240

(2) Consolidated Statements of Income

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	3Q Ended December 31, 2006 (A)	3Q Ended December 31, 2007 (B)	Change (B)-(A)		Year Ended March 31, 2007
	Amounts	Amounts	Amounts	%	Amounts
I Telecommunications Business					
Operating Revenues	1,933,830	2,070,147	136,316	7.0	2,592,882
Operating Expenses	1,641,220	1,731,117	89,897	5.5	2,277,228
Sales expenses	816,275	871,608	55,333	6.8	1,148,640
Depreciation	231,167	248,338	17,171	7.4	315,551
Charges for the use of telecommunications services of third parties	342,544	344,288	1,744	0.5	449,508
Other	251,232	266,881	15,648	6.2	363,527
Telecommunications Business Operating Income	292,610	339,029	46,419	15.9	315,654
II Other Business					
Sales of Terminal equipment and other	528,638	568,518	39,879	7.5	742,377
Cost of sales of terminal equipment and other	505,155	536,576	31,420	6.2	713,330
Other Business Operating Income	23,482	31,942	8,459	36.0	29,046
Operating Income	316,093	370,972	54,878	17.4	344,700
III Other revenues	14,853	15,177	323	2.2	21,514
Interest income	692	827	134	19.5	852
Equity in profit of affiliates	1,398	1,271	(127)	(9.1)	775
Dividend income from anonymous association	5,654	5,403	(251)	(4.4)	7,968
Other	7,108	7,675	567	8.0	11,917
IV Other expenses	11,371	10,698	(672)	(5.9)	15,292
Interest expense	9,365	7,663	(1,701)	(18.2)	11,841
Other	2,005	3,034	1,029	51.3	3,450
Ordinary Income	319,576	375,451	55,875	17.5	350,923
I Extraordinary profit	352	209	(143)	(40.8)	485
Gain on sales of securities	352	-	(352)	-	485
Gain on sales of affiliate securities	-	209	209	-	-
II Extraordinary loss	250	-	(250)	-	42,334
Impairment loss	-	-	-	-	42,083
Loss on devaluation of securities	250	-	(250)	-	251
Income before Income Taxes and Minority Interests	319,678	375,660	55,981	17.5	309,074
Income Taxes - Current	114,680	134,045	19,364	16.9	133,355
Income Taxes - Deferred	10,770	23,387	12,616	117.1	(14,922)
Minority Interests in Consolidated Subsidiaries	3,189	3,461	272	8.5	3,893
Net Income	191,038	214,765	23,726	12.4	186,747

(3) Consolidated Statements of Cash Flows

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	3Q Ended December 31, 2006 (A)	3Q Ended December 31, 2007 (B)	Year Ended March 31, 2007
	Amounts	Amounts	Amounts
I Cash Flows from Operating Activities			
Income before income taxes and minority interests	319,678	375,660	309,074
Depreciation and amortization	239,196	264,080	328,179
(Gain)loss on sales of PPE	65	(22)	58
Loss on disposal of PPE	10,127	11,229	21,849
Impairment Loss	-	-	42,083
(Increase) decrease in allowance for doubtful accounts	6	(244)	416
Increase (decrease) in reserve for retirement benefits	(4,996)	(348)	(5,413)
Interest and dividend income	(1,753)	(1,948)	(1,702)
Interest expenses	9,365	7,663	11,841
Equity in (gain) of affiliates	(1,398)	(1,271)	(775)
Loss on sales of investment securities	(303)	-	(443)
Gain on sales of affiliate securities	-	(209)	-
Investment securities write off	250	-	251
Increase in reserve for point services	4,539	5,317	5,785
(Increase) decrease in prepaid pension cost	703	(4,027)	(520)
(Increase)decrease in notes and accounts receivable	(30,255)	(824)	(38,053)
(Increase) decrease in inventories	(21,503)	(7,518)	(15,948)
Increase(decrease) in notes and accounts payable	62,915	(50,772)	115,518
Increase in advances	-	19,120	24,058
Other, net	443	(4,524)	932
Sub total	587,080	611,359	797,194
Interest and dividend income received	2,840	3,647	5,615
Interest expenses paid	(9,517)	(7,365)	(12,422)
Income taxes paid	(50,859)	(166,007)	(51,683)
Net cash provided by operating activities	529,545	441,633	738,703
II Cash Flows From Investing Activities			
Payments for purchase of PPE	(211,394)	(246,419)	(317,289)
Proceeds from sale of PPE	798	714	910
Payments for other intangible assets	(75,302)	(61,970)	(106,957)
Acquisition of investment securities	(960)	(1,089)	(2,055)
Proceeds from sale of investment securities	872	113	1,410
Payments for investment in affiliates	(8,794)	(26,474)	(9,628)
Increase in long-term prepayment	(7,775)	(7,327)	(11,650)
Other, net	436	(4,613)	3,042
Net cash used in investing activities	(302,119)	(347,066)	(442,218)
Free Cash Flows	227,426	94,566	296,485
III Cash Flows from Financing Activities			
Net increase(decrease) in short-term loans	(765)	(188)	(23,013)
Proceeds from issuance of long-term loans	10,000	-	93,000
Repayment of long-term loans	(149,406)	(152,111)	(168,153)
Repayment of long-term accounts payable	(4)	-	-
Proceeds from new bond issue	-	80,000	-
Payment for redemption of bonds	(76,687)	(50,000)	(76,875)
Payment for acquisition of treasury stocks	(26,059)	(318)	(46,281)
Dividends paid	(39,560)	(45,110)	(40,022)
Payments received from minority shareholders	88	533	88
Others, net	2,337	(153)	2,338
Net Cash used in Financing Activities	(280,058)	(167,349)	(258,919)
IV Translation Adjustments on Cash and Cash Equivalents	585	(100)	1,085
V Net increase in Cash and Cash Equivalents	(52,047)	(72,882)	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	98,956	119,771	192,654