

(1) Consolidated Balance Sheets (1/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	March 31, 2007 (A)		March 31, 2008 (B)		Change (B)-(A)
	Amounts	% of the total	Amounts	% of the total	
I Fixed Assets					
A Telecommunications Assets					
Property, Plant and Equipment	1,462,110	52.2	1,542,127	53.6	80,016
Intangible Assets and Goodwill	227,686	8.1	269,028	9.3	41,341
Total Telecommunications Assets	1,689,797	60.3	1,811,155	62.9	121,357
B Other Business Assets					
Property, Plant and Equipment	38,496		75,403		36,906
Intangible Assets	7,215		53,572		46,356
Total Other Business Assets	45,712	1.6	128,975	4.4	83,263
C Investments and Other Assets					
Investments in securities	51,269		46,044		(5,224)
Deferred income taxes	114,955		99,925		(15,029)
Deposits and guarantee money	38,180		39,890		1,710
Other Assets	137,983		111,424		(26,559)
Allowance for loss on investments and other assets	(9,227)		(10,442)		(1,214)
Total Investments and Other Assets	333,160	11.9	286,842	10.0	(46,318)
Total Fixed Assets	2,068,671	73.8	2,226,973	77.3	158,302
II Current Assets					
Cash and cash equivalents	174,036		73,771		(100,264)
Accounts receivable	439,293		453,382		14,088
Marketable securities	20,247		3,227		(17,020)
Inventories	55,099		61,910		6,811
Deferred income taxes	45,520		52,196		6,675
Other current assets	15,379		21,817		6,437
Allowance for doubtful accounts	(15,007)		(14,003)		1,003
Total Current assets	734,569	26.2	652,301	22.7	(82,267)
Total Assets	2,803,240	100.0	2,879,274	100.0	76,034

(1) Consolidated Balance Sheets (2/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	March 31, 2007 (A)		March 31, 2008 (B)		Change (B)-(A)
	Amounts	% of the total	Amounts	% of the total	Amounts
LIABILITIES AND SHAREHOLDERS' EQUITY					
I	Non-Current Liabilities:				
	Bonds	167,779	207,767		39,987
	Long-term loans	192,858	264,855		71,996
	Reserve for point service program	30,678	43,055		12,376
	Other non-current liabilities	40,242	40,737		495
	Total Non-Current Liabilities	431,559	556,416	19.3	124,856
II	Current Liabilities:				
	Short-term loans and current portion of long-term loans	259,858	99,206		(160,651)
	Accounts Payable	391,937	318,494		(73,442)
	Accrued expenses	11,419	10,733		(686)
	Accrued income taxes	100,404	77,804		(22,599)
	Allowance for bonuses	18,179	19,231		1,052
	Other current liabilities	52,767	81,657		28,889
	Total Current Liabilities	834,566	607,127	21.1	(227,438)
	Total Liabilities	1,266,126	1,163,544	40.4	(102,582)
NET ASSETS					
I	Shareholder's Equity				
	Common stock	141,851	141,851	4.8	-
	Capital surplus	367,271	367,266	12.8	(4)
	Retained earnings	1,000,662	1,173,826	40.8	173,163
	Treasury stock, at cost	(20,310)	(20,625)	(0.7)	(315)
	Total Shareholder's Equity	1,489,475	1,662,319	57.7	172,843
II	Unrealized gains and Adjustment				
	Net unrealized gains on securities	22,322	18,570	0.6	(3,751)
	Foreign Currency Translation Adjustment	4,466	2,443	0.1	(2,023)
	Total Unrealized gains and Adjustment	26,788	21,014	0.7	(5,774)
III	Share Warrant	136	494	0.1	357
IV	Minority Interests	20,712	31,902	1.1	11,190
	Total Net Assets	1,537,113	1,715,730	59.6	178,616
	Total Liabilities and Net Assets	2,803,240	2,879,274	100.0	76,034

(2) Consolidated Statements of Income

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	Year Ended March 31, 2007 (A)		Year Ended March 31, 2008 (B)		Change (B)-(A)
	Amounts	% of the total	Amounts	% of the total	Amounts
I Telecommunications Business					
Operating Revenues	2,592,882	77.7	2,749,896	76.5	157,014
Operating Expenses	2,277,228	68.3	2,421,162	67.4	143,934
Sales expenses	1,148,640		1,259,845		111,204
Depreciation	315,551		337,941		22,390
Charges for the use of telecommunications services of third parties	449,508		453,685		4,176
Other	363,527		369,690		6,163
Telecommunications Business Operating Income	315,654	9.4	328,734	9.1	13,080
II Other Business					
Sales of Terminal equipment and other	742,377	22.3	846,387	23.5	104,009
Cost of sales of terminal equipment and other	713,330	21.4	774,669	21.5	61,338
Other Business Operating Income	29,046	0.9	71,717	2.0	42,671
Operating Income	344,700	10.3	400,451	11.1	55,751
III Other revenues	21,514	0.7	22,515	0.6	1,000
Interest income	852		1,188		336
Equity in profit of affiliates	775		2,110		1,334
Dividend income from anonymous association	7,968		7,899		(69)
Other	11,917		11,316		(601)
IV Other expenses	15,292	0.5	15,040	0.4	(251)
Interest expense	11,841		10,010		(1,831)
Other	3,450		5,030		1,579
Ordinary Income	350,923	10.5	407,926	11.3	57,003
I Extraordinary profit	485	0.0	209	0.0	(276)
Gain on sales of investment securities	485		-		(485)
Gain on sales of affiliate securities	-		209		209
II Extraordinary loss	42,334	1.2	28,930	0.8	(13,404)
Impairment loss	42,083		21,229		(20,853)
Loss on disposal of PPE	-		7,543		7,543
Loss on devaluation of securities	251		157		(94)
Income before Income Taxes and Minority Interests	309,074	9.3	379,205	10.5	70,131
Income Taxes - Current	133,355	4.0	143,221	3.9	9,865
Income Taxes - Deferred	(14,922)	(0.4)	14,490	0.4	29,413
Minority Interests in Consolidated Subsidiaries	3,893	0.1	3,706	0.1	(186)
Net Income	186,747	5.6	217,786	6.1	31,038

(3) Consolidated Statements of Cash Flows

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	Year Ended March 31, 2007 (A)	Year Ended March 31, 2008 (B)	Change (B)-(A)
	Amounts	Amounts	Amounts
I Cash Flows from Operating Activities			
Income before income taxes and minority interests	309,074	379,205	70,131
Depreciation and amortization	328,179	359,524	31,345
(Gain) loss on sales of PPE	58	(24)	(82)
Loss on disposal of PPE	21,849	17,828	(4,021)
Impairment Loss	42,083	21,229	(20,853)
Increase in allowance for doubtful accounts	416	25	(391)
Decrease in reserve for retirement benefits	(5,413)	(550)	4,862
Interest and dividend income	(1,702)	(2,353)	(650)
Interest expenses	11,841	10,010	(1,831)
Equity in gain of affiliates	(775)	(2,110)	(1,334)
Gain on sales of investment securities	(443)	-	443
Gain on sales of affiliate securities	-	(209)	(209)
Investment securities write off	251	157	(94)
Increase in reserve for point services	5,785	12,376	6,590
Increase in prepaid pension cost	(520)	(5,395)	(4,874)
(Increase) decrease in notes and accounts receivable	(38,053)	8,579	46,632
Increase in inventories	(15,948)	(8,397)	7,550
Increase (decrease) in notes and accounts payable	115,518	(99,792)	(215,311)
Increase in advances	24,058	23,218	(840)
Other, net	932	4,534	3,601
Sub total	797,194	717,856	(79,337)
Interest and dividend income received	5,615	4,065	(1,549)
Interest expenses paid	(12,422)	(10,334)	2,087
Income taxes paid	(51,683)	(166,353)	(114,669)
Net cash provided by operating activities	738,703	545,233	(193,469)
II Cash Flows From Investing Activities			
Payments for purchase of PPE	(317,289)	(384,712)	(67,422)
Proceeds from sale of PPE	910	880	(30)
Payments for other intangible assets	(106,957)	(115,344)	(8,386)
Acquisition of investment securities	(2,055)	(1,089)	966
Proceeds from sale of investment securities	1,410	134	(1,275)
Payments for investment in affiliates	(9,628)	(37,174)	(27,546)
Increase in long-term prepayment	(11,650)	(15,424)	(3,773)
Other, net	3,042	(4,958)	(8,001)
Net cash used in investing activities	(442,218)	(557,688)	(115,470)
Free Cash Flows	296,485	(12,454)	(308,939)
III Cash Flows from Financing Activities			
Net increase (decrease) in short-term loans	(23,013)	1,280	24,294
Proceeds from issuance of long-term loans	93,000	118,125	25,125
Repayment of long-term loans	(168,153)	(168,336)	(182)
Proceeds from new bond issue	-	80,000	80,000
Payment for redemption of bonds	(76,875)	(90,000)	(13,125)
Payment for acquisition of treasury stocks	(46,281)	(353)	45,927
Dividends paid	(40,022)	(45,570)	(5,548)
Payments received from minority shareholders	88	659	571
Others, net	2,338	(214)	(2,553)
Net Cash used in Financing Activities	(258,919)	(104,409)	154,509
IV Translation Adjustments on Cash and Cash Equivalents	1,085	(244)	(1,329)
V Net increase (decrease) in Cash and Cash Equivalents	38,651	(117,108)	(155,759)
VI Cash and Cash Equivalents at Beginning of Quarter/Year	151,003	192,654	41,651
VII Net increase in Cash and Cash Equivalents of newly consolidated subsidiaries	2,999	-	(2,999)
Cash and Cash Equivalents at End of Quarter/Year	192,654	75,545	(117,108)