

(1) Consolidated balance sheets (1/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	December 31, 2008	March 31, 2008
	Amounts	Amounts
ASSETS		
Current Assets:		
Cash and cash equivalents	200,546	75,546
Accounts receivable	486,619	453,382
Allowance for doubtful accounts	(14,592)	(14,004)
Inventories	90,765	61,911
Deferred tax assets	57,990	52,197
Prepaid expenses and other current assets	(11,274)	23,270
Total Current Assets	810,053	652,302
Property, Plant and Equipment:		
Telecommunications equipment	3,622,541	3,215,882
Buildings and structures	576,741	516,754
Machinery and tools	158,136	148,631
Land	242,454	52,987
Construction in progress	109,857	130,151
Other property, plant and equipment	8,841	2,205
	4,718,570	4,066,610
Accumulated depreciation	(2,722,462)	(2,449,079)
Total Property, Plant and Equipment	1,996,107	1,617,531
Investments and Other Assets:		
Investments in securities	46,178	46,044
Deposits and guarantee money	40,537	39,891
Intangible assets	289,537	297,097
Goodwill	25,691	25,503
Deferred tax assets	96,292	99,925
Other assets	104,217	111,425
Allowance for doubtful accounts	(10,437)	(10,443)
Total Investments and Other Assets	592,014	609,442
Total Assets	3,398,174	2,879,275

(1) Consolidated balance sheets (2/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	December 31, 2008	March 31, 2008
	Amounts	Amounts
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term loans and current portion of long-term loans	134,108	99,207
Accounts payable	328,806	318,494
Accrued income taxes	102,709	77,804
Accrued expenses	13,402	10,733
Allowance for bonuses	9,311	19,232
Other current liabilities	94,988	81,658
Total Current Liabilities	683,322	607,128
Non-Current Liabilities:		
Long-term loans	430,813	264,855
Bonds	257,750	207,768
Reserve for point service program	57,474	43,055
Reserve for retirement benefits and other non-current liabilities	46,739	40,738
Total Non-Current Liabilities	792,776	556,416
Total Liabilities	1,476,098	1,163,544
Contingent Liabilities		
Net Assets		
Common Stock:		
Authorized - 7,000,000 and 7,000,000 shares at March 31, 2008 and December 31, 2008, respectively		
Issued - 4,484,818.86 and 4,484,818.86 shares at March 31, 2008 and December 31, 2008, respectively	141,852	141,852
Additional paid-in capital surplus	367,092	367,267
Retained earnings	1,378,760	1,173,826
Treasury stock, at cost:		
Number of treasury stock - 23,032.89 and 27,133.37 shares at March 31, 2008 and December 31, 2008, respectively	(25,244)	(20,625)
Total Shareholders' Equity	1,862,459	1,662,320
Net unrealized gains on securities	19,465	18,571
Foreign currency translation adjustments	(1,882)	2,443
Total Unrealized Gains and Translation Adjustments	17,583	21,014
Stock Acquisition Rights	871	495
Minority Interests	41,163	31,902
Total Net Assets	1,922,076	1,715,731
Total Liabilities and Shareholders' Equity	3,398,174	2,879,275

(2) Consolidated Statements of Income

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	3Q Ended December 31, 2008
	Amounts
Operating Revenues:	
Revenues from telecommunication business	2,065,235
Sales of terminal equipment and other	564,464
Total Operating Revenues	2,629,699
Operating Expenses:	
Sales expenses	517,291
Depreciation	290,253
Charges for use of telecommunications services of third parties	339,006
Cost of sales of terminal equipment and other	771,626
Other	304,792
Total Operating Expenses	2,222,968
Operating Income	406,731
Other Expenses (Income):	
Interest expense	8,964
Interest income	(761)
Valuation loss on investments in securities	1,293
Gain on disposal of property, plant and equipment	(609)
Equity in gain of affiliates	1,328
Gain on recovery of bad debt	(217)
Dividend income from anonymous association	(6,388)
Dividends due to liquidation of silent partnership contract	(36,283)
Loss on disposal of property, plant and equipment	132
Impairment loss	949
Other, net	(2,012)
Total Other Expenses	(33,606)
Income before Income Taxes and Minority Interests	440,336
Income Taxes:	
Current	186,172
Deferred	(2,147)
Total Income Taxes	184,025
Minority Interests in Consolidated Subsidiaries	2,390
Net Income	253,922

(3) Consolidated Statements of Cash Flows

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	3Q Ended December 31, 2008
	Amounts
I Cash Flows from Operating Activities	
Income before income taxes and Minority interests Adjustments for:	440,336
Depreciation and amortization	302,358
Impairment Loss	949
Amortization of goodwill	7,303
Gain on sales of property, plant and equipment	(478)
Loss on disposal of property, plant and equipment	13,767
Dividends due to liquidation of silent partnership contract	(36,283)
Increase (decrease) in allowance for doubtful accounts	698
Decrease in reserve for retirement benefits	111
Interest and dividend income	(1,851)
Interest expenses	8,964
Equity in gain of affiliates	1,327
Gain on sales of investment securities	7
Valuation loss in investments in securities	1,292
Increase in reserve for point services	14,419
Change in assets and liabilities:	
Decrease in prepaid pension cost	2,041
Increase (decrease) in notes and accounts receivable	(30,946)
Increase (decrease) in inventories	(27,281)
(Increase) decrease in notes and accounts payable	26,996
Decrease in prepaid pension cost	1,662
Increase (decrease) in notes and accounts receivable	(436)
Increase in advances received	8,970
Other, net	(21,629)
Sub total	712,301
Interest and dividend income received	3,876
Interest expenses paid	(8,056)
Income taxes paid	(161,302)
Net cash provided by operating activities	546,818
II Cash Flows from Investing Activities:	
Payments for purchase of property, plant and equipment	(341,686)
Purchase of trust beneficiary right	(207,057)
Proceeds from sale of property, plant and equipment	1,041
Payments for other intangible assets	(61,993)
Payments for acquisition of investment in securities	(68)
Proceeds from sale of investment in securities	123
Payments for investment in affiliates	(5,004)
Payments for acquisition of affiliates' shares resulting in changes in scope of consolidation	(36,027)
Proceeds from repayment of investment and dividends due to liquidation of silent partnership contract	45,283
Payments for increase in long-term prepayment	(13,809)
Other, net	706
Net cash used in investing activities	(618,492)
Free Cash Flows	(71,673)
III Cash Flows from Financing Activities	
Net increase (decrease) in short-term loans	68,959
Proceeds from long-term loans	170,000
Repayment of long-term loans	(66,238)
Proceeds from new bond issue	70,000
Payment for redemption of bonds	(40,000)
Payments for acquisition of treasury stocks	(5,259)
Dividends paid	(48,607)
Dividends paid to minority shareholders	(945)
Others, net	(224)
Net cash used in financing activities	147,683
IV Translation Adjustments on Cash and Cash Equivalents	(1,568)
V Net increase (decrease) in Cash and Cash Equivalents	74,442
VI Cash and Cash Equivalents at Beginning of Quarter	75,545
Cash and Cash Equivalents at End of Quarter	149,988