

# (1) Consolidated balance sheets (1/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	March 31, 2008	March 31, 2009
	Amounts	Amounts
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	75,546	200,546
Accounts receivable	453,382	513,396
Allowance for doubtful accounts	(14,004)	(14,433)
Inventories	61,911	77,395
Deferred tax assets	52,197	72,001
Prepaid expenses and other current assets	23,270	21,334
<b>Total Current Assets</b>	<b>652,302</b>	<b>870,238</b>
<b>Property, Plant and Equipment:</b>		
Telecommunications equipment	3,215,882	3,618,124
Buildings and structures	516,754	579,465
Machinery and tools	148,631	154,591
Land	52,987	241,984
Construction in progress	130,151	113,871
Other property, plant and equipment	2,205	10,508
	4,066,610	4,718,543
Accumulated depreciation	(2,449,079)	(2,766,480)
<b>Total Property, Plant and Equipment</b>	<b>1,617,531</b>	<b>1,952,062</b>
<b>Investments and Other Assets:</b>		
Investments in securities	46,044	40,567
Deposits and guarantee money	39,891	39,623
Intangible assets	297,097	287,689
Goodwill	25,503	24,371
Deferred tax assets	99,925	111,400
Other assets	111,425	114,326
Allowance for doubtful accounts	(10,443)	(11,143)
<b>Total Investments and Other Assets</b>	<b>609,442</b>	<b>606,833</b>
<b>Total Assets</b>	<b>2,879,275</b>	<b>3,429,133</b>

# (1) Consolidated balance sheets (2/2)

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	March 31, 2008	March 31, 2009
	Amounts	Amounts
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term loans and current portion of long-term loans	99,207	141,661
Accounts payable	318,494	327,416
Accrued income taxes	77,804	117,887
Accrued expenses	10,733	12,919
Allowance for bonuses	19,232	18,584
Other current liabilities	81,658	91,649
<b>Total Current Liabilities</b>	<b>607,128</b>	<b>710,115</b>
<b>Non-Current Liabilities:</b>		
Long-term loans	264,855	418,084
Bonds	207,768	307,753
Reserve for point service program	43,055	62,656
Reserve for retirement benefits and other non-current liabilities	40,738	49,195
<b>Total Non-Current Liabilities</b>	<b>556,416</b>	<b>837,688</b>
<b>Total Liabilities</b>	<b>1,163,544</b>	<b>1,547,803</b>
<b>Contingent Liabilities</b>		
<b>Net Assets</b>		
Common Stock:		
Authorized - 7,000,000 and 7,000,000 shares		
at March 31, 2008 and March 31, 2009, respectively		
Issued - 4,484,818.86 and 4,484,818.86 shares		
at March 31, 2008 and March 31, 2009, respectively		
	141,852	141,852
Additional paid-in capital surplus	367,267	367,092
Retained earnings	1,173,826	1,347,637
Treasury stock, at cost:		
Number of treasury stock - 23,032.89 and 30,705 shares		
at March 31, 2008 and March 31, 2009, respectively		
	(20,625)	(25,244)
<b>Total Shareholders' Equity</b>	<b>1,662,320</b>	<b>1,831,336</b>
Net unrealized gains on securities	18,571	18,529
Foreign currency translation adjustments	2,443	(8,806)
<b>Total Unrealized Gains and Translation Adjustments</b>	<b>21,014</b>	<b>9,724</b>
Stock Acquisition Rights	495	991
Minority Interests	31,902	39,277
<b>Total Net Assets</b>	<b>1,715,731</b>	<b>1,881,329</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,879,275</b>	<b>3,429,133</b>

## (2) Consolidated Statements of Income

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	Year Ended March 31, 2008	Year Ended March 31, 2009
	Amounts	Amounts
<b>Operating Revenues:</b>		
Revenues from telecommunication business	2,749,897	2,720,675
Sales of terminal equipment and other	846,387	776,835
<b>Total Operating Revenues</b>	<b>3,596,284</b>	<b>3,497,509</b>
<b>Operating Expenses:</b>		
Sales expenses	1,259,845	705,927
Depreciation	337,941	417,805
Charges for use of telecommunications services of third parties	453,686	433,938
Cost of sales of terminal equipment and other	774,670	1,065,031
Other	369,690	431,600
<b>Total Operating Expenses</b>	<b>3,195,832</b>	<b>3,054,302</b>
<b>Operating Income</b>	<b>400,452</b>	<b>443,207</b>
<b>Other Expenses (Income):</b>		
Interest expense	10,010	11,961
Interest income	(1,189)	(1,036)
Valuation loss on investments in securities	157	5,269
Gain on sales of affiliates' shares	(209)	-
Gain on disposal of property, plant and equipment	-	(777)
Equity in gain of affiliates	(2,110)	2,248
Gain on recovery of bad debt	(353)	(271)
Dividend income from anonymous association	(7,899)	(7,211)
Dividends due to liquidation of silent partnership contract	-	(36,283)
Loss on disposal of property, plant and equipment	7,544	9,337
Impairment loss	21,230	68,046
Other, net	(5,934)	(2,937)
<b>Total Other Expenses</b>	<b>21,247</b>	<b>48,344</b>
<b>Income before Income Taxes and Minority Interests</b>	<b>379,205</b>	<b>394,863</b>
<b>Income Taxes:</b>		
Current	143,221	200,896
Deferred	14,491	(30,572)
<b>Total Income Taxes</b>	<b>157,712</b>	<b>170,324</b>
<b>Minority Interests in Consolidated Subsidiaries</b>	<b>3,707</b>	<b>1,803</b>
<b>Net Income</b>	<b>217,786</b>	<b>222,736</b>

### (3) Consolidated Statements of Cash Flows

KDDI Corporation and Consolidated Subsidiaries

(Millions of yen)

	Year Ended March 31, 2008	Year Ended March 31, 2009
	Amounts	Amounts
<b>I Cash Flows from Operating Activities</b>		
Income before income taxes and Minority interests Adjustments for:	379,205	394,862
Depreciation and amortization	359,524	444,358
Impairment Loss	21,229	68,046
Loss on sales of property, plant and equipment	(24)	(513)
Loss on disposal of property, plant and equipment	17,828	26,199
Dividends due to liquidation of silent partnership contract	-	(36,283)
Increase (decrease) in allowance for doubtful accounts	25	1,438
Decrease in reserve for retirement benefits	(550)	(773)
Interest and dividend income	(2,353)	(2,495)
Interest expenses	10,010	11,960
Equity in gain of affiliates	(2,110)	2,248
Gain on sales of investment securities	-	7
Gain on sales of affiliates' shares	(209)	-
Valuation loss in investments in securities	157	5,269
Increase in reserve for point service	12,376	19,600
Changes in assets and liabilities:		
Increase in prepaid pension cost	(5,395)	47
(Increase) decrease in notes and accounts receivable	8,579	(60,918)
(Increase) decrease in inventories	(8,397)	(13,108)
Increase (decrease) in notes and accounts payable	(99,792)	6,420
Increase in advances received	23,218	10,616
Other, net	4,534	4,330
Sub total	717,856	881,315
Interest and dividend income received	4,065	4,339
Interest expenses paid	(10,334)	(11,747)
Income taxes paid	(166,353)	(161,676)
Net cash provided by operating activities	545,233	712,230
<b>II Cash Flows from Investing Activities:</b>		
Payments for purchase of property, plant and equipment	(384,712)	(466,268)
Purchase of trust beneficiary right	-	(207,057)
Proceeds from sale of property, plant and equipment	880	1,489
Payments for other intangible assets	(115,344)	(81,711)
Payments for acquisition of investment in securities	(1,089)	(100)
Proceeds from sale of investment in securities	134	130
Payments for investment in affiliates	(13,748)	(5,227)
Payments for acquisition of affiliates' shares resulting in changes in scope of consolidation	(23,426)	(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	(15,424)	(26,289)
Other, net	(4,958)	308
Net cash used in investing activities	(557,688)	(775,470)
Free Cash Flows	(12,454)	(63,239)
<b>III Cash Flows from Financing Activities</b>		
Net increase (decrease) in short-term loans	1,280	76,629
Proceeds from long-term loans	118,125	170,000
Repayments of long-term loans	(168,336)	(79,048)
Proceeds from new bond issue	80,000	120,000
Payment for redemption of bonds	(90,000)	(40,000)
Payments for acquisition of treasury stocks	(353)	(5,259)
Dividends paid	(45,570)	(50,006)
Payments received from minority shareholders	659	-
Others, net	(214)	(824)
Net cash used in financing activities	(104,409)	191,490
IV Translation Adjustments on Cash and Cash Equivalents	(244)	(3,485)
V Net increase (decrease) in Cash and Cash Equivalents	(117,108)	124,764
VI Cash and Cash Equivalents at Beginning of Year	192,654	75,545
VII Cash and Cash Equivalents at End of Year	75,545	200,310