This translation is to be used solely as reference and only the Japanese original texts of the Statements Summary have legal effect and the consolidated financial statements in this release are unaudited.

Financial Statements Summary for the Nine Months Ended December 31, 2009

January 25, 2010

Company Name	**KDDI CORPORATION**		
Stock Listing	Tokyo Stock Exchange-First Section		
Code No.	9433	URL	http://www.kddi.com
Representative	Tadashi Onodera, President and Chairman		

Scheduled date for filing of quarterly report: January 29, 2010

Scheduled date for dividend payment: -

(Amount Unit : Millions of yen, unless otherwise stated)
(Amounts are rounded down to nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2009 (April 1, 2009 – December 31, 2009)

(1) Consolidated Results of Operation

(Percentage represents comparison change to the corresponding previous quarterly period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
Nine months ended December 31, 2009	2,585,307	(1.7)	376,812	(7.4)	362,826	(10.6)	212,645	(16.3)
Nine months ended December 31, 2008	2,629,698		406,730		405,818		253,922	

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended December 31, 2009	47,741.41	-
Nine months ended December 31, 2008	56,957.48	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Total Net Assets per Share
			%	Yen
As of December 31, 2009	3,514,037	2,067,867	57.2	451,523.47
As of March 31, 2009	3,429,132	1,881,329	53.7	413,339.32

(Reference) Shareholder's Equity As of December 31, 2009 : 2,011,136 million yen As of March 31, 2009 : 1,841,060 million yen

2. Dividends

	Dividends per Share				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2009	-	5,500.00	-	5,500.00	11,000.00
Fiscal Year ending March 31, 2010	-	6,500.00			
Fiscal Year ending March 31, 2010 (forecast)				5,500.00	12,000.00

Note: Changes in forecasts during the three months ended December 31, 2009 : No

3. Consolidated Financial Results Forecast for FY Ending March 31, 2010 (April 1,2009 – March 31, 2010)

(Percentage represents comparison to previous fiscal year)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income per Share
		%		%		%		%	Yen
Entire Fiscal Year	3,480,000	(0.5)	470,000	6.0	450,000	2.2	225,000	1.0	50,515.11

Note: Changes in forecasts during the three months ended December 31, 2009 : Yes

4. Other

(1) Changes in significant consolidated subsidiaries during the nine months ended December 31, 2009 (which resulted in changes in scope of consolidation) : None

(2) Application of accounting methods which are simplified or exceptional for quarterly consolidated financial statements: : Yes

Note: Please refer to page 13 “4. Others” under “Qualitative Information / Financial Statements, Etc.” for details.

(3) Changes in significant accounting policies, procedures and presentation in quarterly consolidated financial statements (Items to be disclosed in “Significant Changes in the Basis of Presenting Quarterly Consolidated Financial Statements”)

1) Changes resulting from the revision of the accounting standards and other regulations : Yes

2) Others : None

Note: Please refer to page 13 “4. Others” under “Qualitative Information / Financial Statements, Etc.” for details.

(4) Numbers of Outstanding Shares (common shares)

1) Number of shares outstanding (inclusive of treasury stock)	As of December 31, 2009	4,484,818
	As of March 31,2009	4,484,818
2) Number of treasury stock	As of December 31, 2009	30,705
	As of March 31,2009	30,705
3) Number of weighted average common shares outstanding (cumulative for all quarters)	For the nine months ended December 31, 2009	4,454,113
	For the nine months ended December 31, 2008	4,458,100

Explanation for Appropriate Use of Forecasts and Other Notes

The forward-looking statements such as operational forecasts contained in this statements summary are based on the information currently available to KDDI and certain assumptions which are regarded as legitimate. Large discrepancies may be seen in the actual results due to various factors. Please refer to page 11 “3. Qualitative Information on Consolidated Operating Results Forecast, (1) Outlook for the Fiscal Year Ending March 31, 2010” under “Qualitative Information / Financial Statements, Etc.” for the assumptions used and other notes.

Qualitative Information / Financial Statements, Etc.

1. Qualitative Information on Consolidated Operating Results

The financial position and operation performance of KDDI Group for the nine months ended December 31, 2009 (April 1, 2009 – December 31, 2009) and for the three months ended December 31, 2009 (October 1, 2009 – December 31, 2009) is as follows.

For the three months ended June 30, 2009, six months and three months ended September 30, 2009, please see Financial Statements Summary issued as of July 23, 2009 and October 23, 2009.

(1) Results Overview

For the nine months ended December 31, 2009 (Amount Unit: Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	2,629,698	2,585,307	(44,391)	(1.7)
Operating Expenses	2,222,968	2,208,494	(14,473)	(0.7)
Operating Income	406,730	376,812	(29,917)	(7.4)
Non-operating Income (Expense)	(912)	(13,986)	(13,073)	-
Ordinary Income	405,818	362,826	(42,991)	(10.6)
Extraordinary Profit (Loss)	34,518	3,605	(30,912)	(89.6)
Income before Income Taxes and Minority Interests	440,336	366,432	(73,904)	(16.8)
Income Taxes	184,024	149,558	(34,465)	(18.7)
Minority Interests	2,389	4,227	1,837	76.9
Net Income	253,922	212,645	(41,276)	(16.3)

For the three months ended December 31, 2009 (Amount Unit: Millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	882,365	862,220	(20,144)	(2.3)
Operating Expenses	738,516	736,390	(2,125)	(0.3)
Operating Income	143,848	125,829	(18,018)	(12.5)
Non-operating Income (Expense)	(260)	(4,514)	(4,253)	-
Ordinary Income	143,588	121,315	(22,272)	(15.5)
Extraordinary Profit (Loss)	35,394	(2,055)	(37,449)	-
Income before Income Taxes and Minority Interests	178,982	119,260	(59,722)	(33.4)
Income Taxes	75,034	50,391	(24,643)	(32.8)
Minority Interests	1,143	1,515	371	32.5
Net Income	102,804	67,353	(35,451)	(34.5)

Operating revenues in the nine months ended December 31, 2009 amounted to ¥2,585,307 million, down 1.7% year on year. Contributing factors included the decrease in ARPU (average revenue per user) caused by increased uptake of low-rate plans in the Mobile Business. Although operating expenses declined due to decreases in sales commissions and handsets procurement cost and other factors in the Mobile Business, operating income decreased 7.4% year on year to ¥376,812 million, ordinary income fell 10.6% year on year to ¥362,826 million. Net income was down 16.3% year on year to ¥212,645 million partly because the dividend due to liquidation of silent partnership contract was included in and recorded as the extraordinary income in the corresponding previous period.

Operating revenues in the three months ended December 31, 2009 amounted to ¥862,220 million, down 2.3% year on year. Contributing factors included decrease in ARPU due to increased uptake of low-rate plans in the Mobile Business. Although operating expenses declined due to decreases in sales commissions and handsets procurement cost and other factors in the Mobile Business, operating income declined 12.5% year on year to ¥125,829 million, ordinary income fell 15.5% year on year to ¥121,315 million. Net income was down 34.5% year on year to ¥67,353 million partly because the dividend due to liquidation of silent partnership contract was included in and recorded as the extraordinary income in the corresponding previous period.

Overview of Economic Conditions

The global economy, which has seen impacts on the real economy from the financial uncertainty in the United States, appears to be bottoming out. However, economic trends in the newly emerging economies that are driving recovery still require close watch, and there is lingering uncertainty about what the future holds.In Japan, meanwhile, there are signs of a partial recovery. These include slower declines in certain areas of individual consumption as fiscal stimulus measures to generate an economic boost take effect. However, deflationary trends have grown more acute, and employment and personal income conditions remain serious, resulting in conditions that will demand careful monitoring of the effects of governmental policies and overseas economic trends going forward.

Industry Trends

In the mobile communications market, competition for customers is intensifying further in areas such as provision of inexpensive pricing plans, handset variety, and provision of music, video, e-books and other content services. In the fixed-line market, meanwhile, the expansion of broadband services, centered around FTTH, is accompanied by an ongoing convergence between fixed-line and mobile communications, as well as between communications and broadcasting. As a result, competition between services is entering a new phase.

KDDI's Position

In the Mobile Business, KDDI worked to enhance its services targeting individual and corporate clients in order to meet diversifying customer needs by developing and launching enhanced lineups of handsets, devising and offering new pricing plans, as well as the new “iida” brand released in April 2009.

In the Fixed-line Business, KDDI worked to enhance ease-of-use for its services and expand access lines, particularly FTTH services, while offering more solutions services for corporate clients. The Company also strove to bolster its systems for supporting corporate clients’ international business development by increasing its overseas locations.

⑵ Results by Business Segment

The consolidated financial results of the KDDI Group for the nine months ended December 31, 2009 in each business segment are as follows;

1) Results Summary

For the nine months ended December 31, 2009 (Amount Unit: Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009	Increase (Decrease)	Increase (Decrease) %
Mobile Business				
Operating Revenues	2,049,540	2,001,379	(48,160)	(2.3)
Operating Expenses	1,606,948	1,593,468	(13,479)	(0.8)
Operating Income	442,591	407,911	(34,680)	(7.8)
Fixed-line Business				
Operating Revenues	635,253	623,759	(11,494)	(1.8)
Operating Expenses	671,642	658,551	(13,090)	(1.9)
Operating Income	(36,388)	(34,791)	1,596	-
Other Business				
Operating Revenues	51,090	75,093	24,002	47.0
Operating Expenses	51,174	71,992	20,817	40.7
Operating Income	(84)	3,100	3,185	-

For the three months ended December 31, 2009 (Amount Unit: Millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009	Increase (Decrease)	Increase (Decrease) %
Mobile Business				
Operating Revenues	688,869	663,505	(25,364)	(3.7)
Operating Expenses	534,200	527,628	(6,572)	(1.2)
Operating Income	154,669	135,876	(18,792)	(12.2)
Fixed-line Business				
Operating Revenues	212,145	208,905	(3,239)	(1.5)
Operating Expenses	223,332	221,379	(1,952)	(0.9)
Operating Income	(11,186)	(12,473)	(1,287)	-
Other Business				
Operating Revenues	18,781	32,410	13,629	72.6
Operating Expenses	18,386	30,241	11,855	64.5
Operating Income	395	2,169	1,773	448.5

2) Total Subscriptions

(Unit : Thousand line)

	As of December 31, 2008	As of December 31, 2009	Increase (Decrease)	Increase (Decrease) %
au[1]	30,550	31,393	843	2.8
CDMA 1X WIN	21,799	25,149	3,350	15.4
FTTH	1,025	1,426	401	39.1
Metal-plus	3,201	2,927	(274)	(8.6)
Cable-plus phone	517	871	354	68.5
CATV[2]	712	913	201	28.2
Fixed access lines[3]	5,265	5,813	548	10.4

Note 1 : Inclusive of module-type contracts

Note 2 : Number of households which subscribe any of broadcast, internet or telephone service

Note 3 : Total access lines of FTTH, Metal-plus phone, Cable-plus phone and CATV excluding crossover.

Mobile Business

Operating revenues in the nine months ended December 31, 2009 amounted to ¥2,001,379 million, down 2.3% year on year. Contributing factors included the decrease in ARPU (average revenue per user) caused by the increased uptake of low-rate plans and decreased revenue from handset sales caused by smaller handset unit sold. Operating expenses declined due to decreases in sales commissions and handsets procurement cost due to the decrease in handset sales unit. As a result, operating income decreased 7.8% year on year to ¥407,911 million.

Operating revenues in the three months ended December 31, 2009 amounted to ¥663,505 million, down 3.7% year on year. Contributing factors included the decrease in ARPU caused by the increased uptake of low-rate plans and decreased average revenue from handset sales. Although operating expenses declined due to decreases in sales commissions and handsets procurement cost and other factors, operating income declined 12.2% year on year to ¥135,876 million.

Key Topics

< Overall >

- The number of au mobile phone subscriptions was 31.393 million as of December 31, 2009.
- On December 3, 2009, KDDI began operating an au mobile phone base station equipped with “tribrid”[1] power control technology that utilizes power from solar electric generation system and linked charged storage batteries, and takes advantage of off-peak and commercial-use electricity. This technology is expected to reduce commercial power consumption by KDDI and associated CO2 emissions by between 20 to 30%[2]. The first of these base stations is installed in the city of Niigata, Japan, with plans to extend installations nationwide in future.
Going forward, the Company is committed to pursuing a variety of eco-awareness activities to fulfill its important responsibility as a global corporation to promote measures to protect the natural environment.

Note 1: In the various areas of industrial technology, in contrast to “hybrid,” which typically refers to the joining of two different technologies, the term “tribrid” describes the integration of three types of technology.

Note 2: Calculation based on test results by KDDI.

< Mobile Handsets >

- The au brand introduced a new product lineup to meet users’ diverse lifestyles.
The new models, released in succession starting October 30, 2009, included “AQUOS SHOT SH003”, equipped with a 12.1M-pixel camera and a 3.4-inch touch-panel display that make it easy to shoot ultra-high-quality photos; “SA001,” the world's thinnest[1] 1seg-enabled slide-type handset; the compactly-designed, GLOBAL PASSPORT GSM-enabled “S002”; the world’s thinnest[2] waterproof handset, the “T003”; “EXILIM CA003”, equipped with a 12.2M-pixel camera capable of high-speed burst shooting at 20 frames per second; the stylish “EXILIM CA004” that also takes high-quality photos; the “SH004”, equipped with a high-sensitivity CCD camera; and the “BRAVIA® Phone U1”, which can play back videos recorded with a Blu-ray Disc recorder—even in the bath.
Going forward, KDDI plans to release several other products, including the Wi-Fi-enabled “AQUOS SHOT SH006” equipped with a 12.1M-pixel camera; the slim, waterproof “SH005”, which will be available in a choice of seven colors; “URBANO BARONE”, the second model in the URBANO series, combining rich functionality and sophisticated design to appeal to adult users; easy-to-use, simple-style “Simple Phone K004”; and the “mamorino” for junior users that comes standardized for the first time in the industry[3] with COCO-SECOM’s alarm-synched emergency service[4].

Under the iida brand, on December 1, 2009 KDDI unveiled the “PRISMOID” handset, along with the SIWA mobile phone pouch, created especially for the PRISMOID model.

In addition, more models than ever are compatible with KDDI's many convenient features, such as the newly revamped LISMO, the improved Decoration Mail function pre-installed with 3,000 pictographs[5], the largest number in the industry; and EZ News EX.

Note 1: For a 1seg-enabled slide-type handset. Source: Mediainteractive Inc. (August 2009).

Note 2: For a waterproof flip-type handset. Source: TOSHIBA CORPORATION (August 2009).

Note 3: For a mobile handset compatible with COCO-SECOM’s alarm-synced emergency service. Source: SECOM CO., LTD. (SECOM) (October 2009)

Note 4: Separate service contract with SECOM required to use SECOM’s emergency service.

Note 5: As of September 30, 2009. Pictograph selection may vary by handset.

< Content Service>

- KDDI revamped its LISMO music/video service for au. The service now serves as an integrated entertainment brand to offer book content in addition to music and videos.
  Beginning from October 19, 2009, the service also offered new functions, including a search function across music, video, and book content, and download of multiple content files.
  To enable customers to enjoy high-resolution videos with outstanding sound quality, KDDI began enabling the transfer of up to 10 MB of high-quality video on au mobile phones from December 3, 2009.

< Pricing Plans >

- On November 9, 2009 KDDI unveiled two new pricing plans, called “Plan E Simple” and “Plan E”. Users subscribing to these new services with “EZ WIN Course” will be able to send free emails from au mobile phone to all recipients, even with photo/video attachments (“GUN-GUN Mail” package).
  Beginning February 9, 2010, KDDI will begin accepting applications for a discount campaign that will allow students or families with children who are students signing a new contract with KDDI to save ¥390 (tax inclusive) per month on their basic monthly charges for up to 3 years if they enroll in the GUN-GUN Student Discount. Applicants must subscribe to either the “Plan E Simple” or “Plan E” au mobile phone pricing plans, as well as either the “Everybody Discount” or “Smile-heart Discount”.
- Under the “PacketWIN Single Service” – a CDMA 1X WIN data communications service utilizing WIN data cards – KDDI began offering “Everybody Discount Single”, a discount on basic monthly charges for anyone signing a continuous two-year contract, from November 1, 2009. KDDI also increased the amount of discounts and extended charge-free communications for certain WIN Single Set Discount (flat rate/pay-as-you-go)[1] pricing plans, and did the same for certain “PacketWIN Single Service” (pay-as-you-go) pricing plans from December 1, 2009.

Note 1: Service offers a discount on basic charges for PacketWIN Single Service for customers using both an au mobile phone and WIN data card.

< Corporate Services>

- On October 29, 2009, KDDI launched the sale of “E07K” for corporate clients, a mobile phone with a high level of design equipped with the security functions and applications required for business. By excluding the external memory unit, which pose data security risks, and applications for functions like music and video, the E07K comes ready to meet business application needs.
- The number of subscribers to KDDI communications modules surpassed 1 million on October 2, 2009. Communications modules are compact communications terminals that can be incorporated into a host of products and devices, giving them communications functions comparable to a mobile phone.
  Since the start of service in 2001, KDDI communications modules have been used in a range of fields. Going forward, KDDI will work through communications modules to meet the “machine-to-machine” communications needs that are rapidly expanding in every area of life.

Note: EXILIM is a registered trademark of Casio Computer Co, Ltd.

Note: AQUOS SHOT is a registered trademark of Sharp Corporation

Note: BRAVIA is a registered trademark of Sony Corporation

Fixed-line Business

Operating revenues in the Fixed-line Business for the nine months ended December 31, 2009 amounted to ¥623,759 million, 1.8% decrease year on year, mainly due to decline in voice service revenue. Although operating expenses declined mainly due to lower access charges for services, the Fixed-line Business posted an operating loss of ¥34,791 million, showed ¥1,596 million recovery year on year.

Operating revenues in the Fixed-line Business for the three months ended December 31, 2009 amounted to ¥208,905 million, 1.5% decrease year on year, mainly due to decline in voice service revenue. Although operating expenses declined mainly due to lower access charges for services, the Fixed-line Business posted an operating loss of ¥12,473 million, ¥1,287 million increase year on year.

Key Topics

< Overall >

- The number of FTTH service subscriptions, consisting of "HIKARI-one"[1] and consolidated subsidiary Chubu Telecommunications Co., Inc.'s "Commuf@-hikari" service, reached 1.426 million as of December 31, 2009.

  Note 1: The name of the "HIKARI-one" service was changed to "au HIKARI" on January 1, 2010.
- As of December 31, 2009, the number of "Metal-plus" subscriptions totaled 2.927 million.
- "Cable-plus phone" saw steady expansion of the alliance with cable television companies, which reached 81 companies and 0.871 million subscriptions as of December 31, 2009.
- Consolidated subsidiary JCN Group, which oversees 17 cable companies primarily in the Tokyo metropolitan area, counted 0.913 million cable television subscriptions as of December 31, 2009.
- On November 1, 2009, construction was completed linking Unity, a trans-Pacific submarine fiber-optic cable system between Japan and the United States, with the KDDI Chikura Cable Landing Station (Chiba Prefecture, Japan) located on the Japanese coast. The project is being promoted jointly by Bharti Airtel, Global Transit, Google, Pacnet, SingTel, and KDDI. Operation of Unity, which directly connects the United States and Japan through a 9,600 km submarine fiber-optic cable, is scheduled to begin this spring, and will help raise KDDI's profile as a telecommunications hub for Japan.

< Pricing Plans >

- On November 10, 2009, KDDI launched "au Collective Line", a service offering for NTT telephone line subscribers with discounted calling charges for a monthly fee of ¥420 (tax inclusive). When subscribers register for all four categories of "My Line" service with KDDI, and subscribe to "KDDI Collective Billing Service", they receive a total discount of ¥420 (tax inclusive, equivalent to the monthly fee) on their monthly billing. Through this service and the "au Collective Talk" introduced in August 2008, KDDI is moving beyond the au Home Phone service area to make it more convenient to use the phone services it offers anywhere in Japan.
- For the "HIKARI-one"[1] TV service, KDDI revised service charges on November 4, 2009, giving customers more freedom to select the service of their choice. For a monthly fee of ¥315 (tax inclusive), customers receive a set-top box (STB) that allows them to watch the video-on-demand and specialized channel offerings of their choice, all at a lower cost. This pricing plan is a first of its kind that customers are able to view channels on demand using only a STB, among video services available via a fiber-optic broadband.

  Note 1: The name of the "HIKARI-one" service was changed to "au HIKARI" on January 1, 2010.

< Corporate Services >

- The "KDDI Internet" Internet connection service for corporate clients became compatible with next-generation Internet protocol IPv6 as of October 1, 2009. This upgrade provides customers with an environment for moving ahead into the IPv6 era while continuing to use IPv4.
- From November 9, 2009, KDDI began provision of KDDI Secure PC Access, a service that ensures the security of transferring from external PCs using a mobile or fixed Internet connection for authentication. Through this service, users at remote locations can work within the same operating environment as if they were using their office PCs.
- The Company has established KDDI SHANGHAI CORPORATION, which began business on October 15, 2009. KDDI SHANGHAI aims to create optimum ICT environments for Japanese companies developing business in China, particularly around Shanghai. KDDI SHANGHAI will expand its role as a one-stop, comprehensive access point for a wide range of ICT solutions and services.
- On December 1, 2009, KDDI acquired 52.22% stake in Hong Kong-based systems integration and digital media services provider DMX Technologies Group Limited (CEO: Jismyl Teo Chor Khin; "DMX"), after acquiring shares of the company valued at ¥11.9 billion. Following completion of this transaction, DMX became a consolidated subsidiary of KDDI.

With this acquisition, KDDI has bolstered the infrastructure of its solutions business in Asia and advances into several new business domains, including digital and security solutions. At the same time, KDDI is taking steps to reinforce its structure for assisting customers by enhancing its network of bases overseas.

- On December 2, 2009, KDDI opened and launched services at the data center TELEHOUSE CAPE TOWN in Cape Town, Republic of South Africa. This facility is the first data center opened by a Japanese telecommunications carrier in Africa. TELEHOUSE CAPE TOWN is a data center boasting high specs that meet TELEHOUSE global standards, which have been receiving high praise throughout the world, and will safely store the ICT assets indispensable for its customers' businesses.
- KDDI added the "KDDI Global IP-VPN Economy" option to the "KDDI Global IP-VPN" service, a corporate data communications service, and introduced the service in 120 countries and regions around the world on December 17, 2009.
  "KDDI Global IP-VPN Economy" uses a DSL line as an overseas access line, making it possible to construct an international intranet that is less expensive than the traditional "KDDI Global IP-VPN" service.

< Key Services in the Fourth Quarter and Beyond >

- From January 1, 2010, KDDI changed the name of its "HIKARI-one" fiber-optic service to "au HIKARI" in order to underscore the link between its fixed-line communications and mobile communications services.
- Beginning January 6, 2010, the "au HIKARI Home" FTTH service was newly extended to Tochigi and Miyagi Prefectures. On the same date, the service area was also expanded in the Hokkaido region. As a result, "au HIKARI Home" is conveniently available in eight prefectures[1] in Japan's Kanto region, Miyagi Prefecture in the Tohoku region, and in Hokkaido.

  Note 1: Available in Tokyo, Kanagawa, Saitama, Chiba, Ibaraki, Tochigi, Gunma and Yamanashi Prefectures
- From January 6, 2010, KDDI began offering "au HIKARI Condo Mini Giga", a low-cost FTTH service comparable to ADSL with speeds up to 1 Gbps, for customers in low-rise multi-unit housing in Japan's Kanto region.
- Okinawa Telecommunication Network Co., Inc. (OTNet) becomes a consolidated subsidiary of Okinawa Cellular Telephone Company (OCT) in January 2010. OCT will start offering "au HIKARI Chura", a bundled service comprising high-speed Internet, telephone and television (provided by KDDI), in Okinawa Prefecture via fiber-optic lines in March 2010. As the prefecture's only comprehensive telecommunications operator, OCT will help further develop Okinawa's information and telecommunications market through the provision of comfortable, convenient and affordable communications services, with the aim of contributing to the prefecture's future socioeconomic development.
- FPT Information System Company (FIS), the largest system integrator (SI) in Vietnam, and ITX Corporation, which is expanding its telecommunications service business, and KDDI reached an agreement to establish the joint venture TELEHOUSE VIETNAM and develop the data center business in Vietnam, and concluded a contract with shareholders. The joint venture will open the new data center TELEHOUSE HANOI in Hanoi, Vietnam, and will commence the operation in March 2010.
  This will meet the demand for a high-quality data center, both among foreign and Japanese companies that have entered the local Vietnamese market, where there are few data centers that meet international standards.

<u>Other Business</u>

Operating revenues in the Other Business segment for the nine months ended December 31, 2009 increased 47.0% year on year to ¥75,093 million. Operating income increased ¥3,185 million to ¥3,100 million.

Operating revenues in the Other Business segment for the three months ended December 31, 2009 increased 72.6% year on year to ¥32,410 million mainly due to the improvement in the revenues from call center business and content business. Operating income increased ¥1,773 million to ¥2,169 million.

⑶ Status of major affiliates

UQ Communications Inc. was established through investment by KDDI, Intel Capital Corporation, East Japan Railway Company, Kyocera Corporation, Daiwa Securities Group Inc. and The Bank of Tokyo-Mitsubishi UFJ Ltd. In February 2009, UQ began "UQ WiMAX" services in Tokyo's 23 wards, in Yokohama, and in parts of Kawasaki. On July 1, 2009 it expanded the service area beyond the Tokyo metropolitan area to include Nagoya, Osaka, Kyoto, and Kobe and launched commercial services. By the end of 2009, the service area was further expanded to 366 cities and towns of 46 prefectures.

Jibun Bank was established with equity investments from KDDI and the Bank of Tokyo-Mitsubishi UFJ, Ltd. Since commencing services in July 2008, the bank has steadily increased its lineup of service offerings, adding insurance products (car, medical, and cancer), as well as foreign currency accounts since April 2009. Both the number of accounts and the balance of deposits are growing firmly, and the bank is looking toward expanding its customer base and achieving early profitability.

2. Qualitative Information on Consolidated Financial Position

Consolidated total assets as of December 31, 2009 amounted to ¥3,514,037 million, an increase of ¥84,905 million from March 31, 2009. This increase was primarily attributable to factors such as increase in accounts receivable due to the increase in installment credit and increase in incidental business facilities associated with the increase of consolidated subsidiaries.

Total liabilities amounted to ¥1,446,170 million, a decline of ¥101,632 million from March 31, 2009. The major factors contributing to this decline were decreases in short-term loans payable and income taxes payable.

Net assets increased to ¥2,067,867 million mainly due to an increase in retained earnings. As a result of these factors, the shareholders' equity ratio rose from 53.7% to 57.2%.

The following describes the cash flow situation for the nine months ended December 31, 2009..

(Amount Unit: Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009	Increase (Decrease)
Net cash provided by (used in) operating activities	546,818	548,878	2,060
Net cash provided by (used in) investing activities	(618,492)	(417,216)	201,275
Free cash flows	(71,673)	131,662	203,336
Net cash provided by (used in) financing activities	147,683	(106,313)	(253,996)
Effect of exchange rate change on cash and cash equivalents	(1,568)	139	1,708
Net increase (decrease) in cash and cash equivalents	74,442	25,489	(48,952)
Cash and cash equivalents at beginning of period	75,545	200,310	124,764
Cash and cash equivalents at end of period	149,988	225,800	75,812

Note Free cash flows are calculated as the sum of “net cash provided by (used in) operating activities” and “net cash provided by (used in) investing activities.”

Operating activities provided almost the same amount of cash year on year basis, due to a decrease in inventories as well as an increase in depreciation, a decrease in income before income taxes and minority interests on the other hand.

Investing activities showed less use of cash year on year basis. The reasons for this include the expenditure for the purchase of trust beneficiary right recorded during the previous corresponding period.

Financing activities used more cash year on year basis, mainly due to a decrease in proceeds from long-term loans payable and repayment of short-term loans payable.

3. Qualitative Information on Consolidated Operating Results Forecast

(1) Outlook for the Fiscal Year Ending March 31, 2010

Overview

- KDDI is strengthening its business foundation to by responding the rapid changes in its operating environment in order to achieve sustainable growth.
- The Company will strive to be No.1 in customer satisfaction in all services and tackle the challenge of new value creation.
- KDDI, by promoting more assertively total customer satisfaction (TCS) activities in order to raise satisfaction among all stakeholders, will endeavor to boost corporate value further and strengthen its brand competitiveness.
- Regarding information security, the Company will pursue extensive information management and compliance, and promote adoption of a more robust risk management structure.
- With an emphasis on harmony with the natural environment, KDDI will contribute to the creation of a more humane and prosperous society through vigorous environmental conservation activities, including energy and resource conservation, recycling, and 'green' purchasing.
- KDDI has positioned support for all socioeconomic activities through the provision of safe and secure information and communications services as the principle underlying its CSR activities, and will work from this vantage to actively contribute to a prosperous communications society.

Mobile Business

In a bid to lift the level of customer satisfaction even higher, the Company will take steps to expand its business domains while pushing to strengthen overall product appeal and deliver a more secure mobile environment than ever before. To this end, the Company will develop and offer attractive handsets, new services, and new content that match customers' diverse needs, in addition to extending its service area and improving quality through customer home visits and other measures.
With respect to corporate clients, the Company will develop and provide converged services of the areas of mobile and fixed-line communications, and other offerings, in an effort to improve customer convenience.

Fixed-Line Business

Along with efforts to promote sales of the "au HIKARI", "au HIKARI Chura"[1] and "Commuf@-hikari" FTTH services, KDDI will seek ties with cable television companies with the goal of expanding its access lines, including for "Cable-plus phone" and cable television services.

With respect to corporate clients, KDDI, guided by the slogan "Maximize Your Corporate Strength," will assist clients in developing their businesses anywhere in the world using data centers as a core leverage point to offer services that encompass everything from network lines and IT equipment to sophisticated operation and maintenance services.

Note 1: Okinawa Cellular Telephone Company is scheduled to commence with the provision of FTTH service in Okinawa Prefecture from March 2010.

Full-Year Results

The estimated consolidated financial results for FY ending March 2010 for full-year basis disclosed in the Financial Statements Summary for the Six Months ended September 30, 2009 (disclosed on October 23, 2009) is revised as follows.

(Amount Unit: Millions of yen)

	Previous estimation as of October 23, 2009 (A)	Revised estimation (B)	Increase (Decrease) (B-A)	Increase (Decrease) %	(ref) Full-year results for previous FY
Operating revenues	3,480,000	3,480,000	-	-	3,497,509
Operating income	470,000	470,000	-	-	443,207
Ordinary income	450,000	450,000	-	-	440,455
Net income	255,000	225,000	(30,000)	(11.8)	222,736

<u>Reasons for the Revision of Full-Year Results Estimation</u>

The full-year result estimation for net income was revised from initial ¥255.0B to ¥225.0B. This is based on the estimated amount of roughly ¥55.0B[1] in extraordinary loss from business restructuring expenses for streamlining network (combining/removal of low-use facilities) in the Fixed-line Business as well as impairment loss etc. for other purposes.

Note 1: The amount is an estimation based on the information currently available to KDDI. Discrepancies may be seen in the actual results due to the effect from various factors.

(2) Business Risks

As KDDI Group pursues its business, there are various risks involved. The Group takes every effort to reduce these risks by preventing and hedging them.

However, there are various uncertainties which could have negative impacts on the Group's brand image, liability, financial position and/or earnings performance such as;

- subscription growth trends out of line with the Group expectations due to competition, rival technologies and rapid market shifts
- breach of obligations regarding communications security and protection of customer privacy
- revision or repeal of laws and ordinances governing telecommunications, together with related government policies
- general legal and regulatory, litigation and patents, personnel retention and training, retirement benefits, asset-impairment accounting, telecommunications sector consolidation and business restructuring in the KDDI Group

4. Others

(1) Changes in significant consolidated subsidiaries during the nine months ended December 31, 2009 (which resulted in changes in scope of consolidation)

None

(2) Application of accounting methods which are simplified or exceptional for quarterly consolidated financial statements

1) Simplified accounting methods

Valuation of inventories

The Company omitted physical stocktaking of inventories and calculated inventories as of December 31, 2009 by a reasonable method based on the actual inventories as of September 30, 2009.

Calculation of depreciation expense for noncurrent assets

The depreciation expense for noncurrent assets that are depreciated by the declining-balance method is calculated by proportionally allocating the depreciation expense for the consolidated fiscal year.

Calculation of income taxes, deferred tax assets and deferred tax liabilities

The collectability of deferred tax assets is determined based on the future earnings projections and tax planning used in the previous fiscal year, when the business environment and temporary differences are not considered to have changed significantly from the end of the previous fiscal year.

2) Exceptional accounting method for quarterly consolidated financial statements

None

(3) Changes in significant accounting policies, procedures and presentation in quarterly consolidated financial statements

Change in accounting standard for completed construction and completed construction cost

The Company previously applied the completed-construction accounting standard for recognizing revenues associated with construction contracts. However, from April 1, 2009 the Company has applied the “Accounting Standard for Construction Contracts” (ASBJ Statement No.15, December 27, 2007) and the “Implementation Guidance on the Accounting Standard for Construction Contracts” (ASBJ Guidance No.18, December 27, 2007). As a result, the percentage-of-completion method (cost-comparison method using primarily estimate of construction progress) is applied for construction contracts for which construction started in the three months ended June 30, 2009 and for which the progress of the construction by the end of September 30, 2009 is deemed certain to be achieved. The completed-contract method is applied to other construction contracts.

This change has minor impact on the quarterly consolidated financial statements.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Amount Unit: Millions of yen)

	As of December 31, 2009	As of March 31, 2009
Assets		
Noncurrent assets		
Noncurrent assets-telecommunications business		
Property, plant and equipment		
Machinery, net	702,516	717,513
Antenna facilities, net	310,670	285,974
Local line facilities, net	135,867	120,642
Long-distance line facilities, net	33,063	38,552
Engineering facilities, net	39,411	40,782
Submarine line facilities, net	14,835	18,337
Buildings, net	228,482	227,678
Structures, net	30,822	29,972
Land	240,851	240,895
Construction in progress	80,682	111,723
Other tangible assets, net	41,223	44,121
Total property, plant and equipment [1]	1,858,428	1,876,195
Intangible assets		
Right of using facilities	7,155	6,920
Software	229,033	223,190
Goodwill	20,424	24,371
Other intangible assets	8,369	7,971
Total intangible assets	264,983	262,454
Total noncurrent assets-telecommunications business	2,123,412	2,138,649
Incidental business facilities		
Property, plant and equipment [1]	100,594	75,866
Intangible assets	56,661	49,606
Total noncurrent assets-incidental business	157,256	125,472
Investments and other assets		
Investment securities [3]	57,882	40,566
Stocks of subsidiaries and affiliates	37,770	23,961
Investments in capital of subsidiaries and affiliates	197	169
Long-term prepaid expenses	78,250	77,584
Deferred tax assets	93,384	111,400
Lease and guarantee deposits	38,947	39,623
Other investment and other assets	9,469	12,609
Allowance for doubtful accounts	(8,120)	(11,143)
Total investments and other assets	307,781	294,772
Total noncurrent assets	2,588,450	2,558,894
Current assets		
Cash and deposits [3]	98,321	94,242
Notes and accounts receivable-trade	535,095	476,633
Accounts receivable-other	22,454	36,762
Short-term investment securities	127,996	106,964
Supplies	58,479	77,394
Deferred tax assets	60,306	72,001
Other current assets	36,510	20,673
Allowance for doubtful accounts	(13,577)	(14,433)
Total current assets	925,587	870,237
Total assets	3,514,037	3,429,132

(Amount Unit: Millions of yen)

	As of December 31, 2009	As of March 31, 2009
Liabilities		
Noncurrent liabilities		
Bonds payable [3]	274,966	307,753
Long-term loans payable	431,799	418,084
Provision for retirement benefits	18,941	17,839
Provision for point card certificates	75,519	62,655
Other noncurrent liabilities [3]	34,403	31,355
Total noncurrent liabilities	835,629	837,688
Current liabilities		
Current portion of noncurrent liabilities [3]	115,628	60,710
Notes and accounts payable-trade	97,994	61,837
Short-term loans payable [3]	736	80,951
Accounts payable-other	219,768	265,578
Accrued expenses	15,767	12,918
Income taxes payable	49,934	117,887
Advances received	74,042	70,292
Provision for bonuses	9,760	18,583
Other current liabilities	26,907	21,355
Total current liabilities	610,541	710,115
Total liabilities	1,446,170	1,547,803
Net assets		
Shareholders' equity		
Capital stock	141,851	141,851
Capital surplus	367,091	367,091
Retained earnings	1,506,833	1,347,637
Treasury stock	(25,244)	(25,244)
Total shareholders' equity	1,990,532	1,831,336
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	28,611	18,529
Foreign currency translation adjustment	(8,006)	(8,805)
Total valuation and translation adjustments	20,604	9,723
Subscription rights to shares	1,360	991
Minority interests	55,369	39,278
Total net assets	2,067,867	1,881,329
Total liabilities and net assets	3,514,037	3,429,132

(2) Consolidated statements of income (Nine months)

(Amount Unit: Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Operating income and loss from telecommunications		
Operating revenue		
Total operation revenue	2,065,234	1,987,201
Operating expenses		
Business expenses	517,290	523,210
Operating expenses	300	189
Facilities maintenance expenses	169,723	167,886
Common expenses	1,950	1,336
Administrative expenses	77,080	83,064
Experiment and research expenses	6,182	6,388
Depreciation	290,253	324,174
Noncurrent assets retirement cost	18,405	16,656
Communication facility fee	339,006	318,685
Taxes and dues	31,148	27,515
Total operation expenses	1,451,342	1,469,107
Net operating income from telecommunication	613,892	518,093
Operating income and loss from incidental business		
Operating revenue	564,464	598,106
Operating expenses	771,626	739,386
Net operating loss from incidental business	(207,161)	(141,280)
Operating income	406,730	376,812
Non-operating income		
Interest income	761	377
Gain on bad debts recovered	217	-
Gain on investments in silent partnership	6,388	-
Miscellaneous income	6,812	5,411
Total non-operating income	14,179	5,789
Non-operating expenses		
Interest expenses	8,964	9,495
Equity in losses of affiliates	1,327	6,505
Miscellaneous expenses	4,799	3,773
Total non-operating expenses	15,091	19,775
Ordinary income	405,818	362,826
Extraordinary income		
Gain on sales of noncurrent assets	608	269
Gain on sales of investment securities	-	541
Dividends due to liquidation of silent partnership contract	36,283	-
Reversal of allowance for doubtful accounts	-	5,309
Total extraordinary income	36,892	6,120
Extraordinary loss		
Loss on sales of noncurrent assets	132	-
Impairment loss	949	-
Loss on valuation of investment securities	1,292	204
Business restructuring expenses [1]	-	2,310
Total extraordinary losses	2,374	2,514
Income before income taxes and minority interests	440,336	366,432

(Amount Unit: Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Income taxes-current	186,171	130,754
Income taxes-deferred	(2,147)	18,804
Total income taxes	184,024	149,558
Minority interests in income	2,389	4,227
Net income	253,922	212,645

Consolidated statements of income (Three months)

(Amount Unit: Millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009
Operating income and loss from telecommunications		
Operating revenue		
Total operation revenue	687,171	656,250
Operating expenses		
Business expenses	171,770	168,924
Operating expenses	103	44
Facilities maintenance expenses	56,415	55,398
Common expenses	650	449
Administrative expenses	26,430	27,234
Experiment and research expenses	2,090	2,742
Depreciation	102,746	112,089
Noncurrent assets retirement cost	5,438	8,075
Communication facility fee	112,287	106,963
Taxes and dues	16,636	12,819
Total operation expenses	494,569	494,743
Net operating income from telecommunication	192,602	161,506
Operating income and loss from incidental business		
Operating revenue	195,193	205,969
Operating expenses	243,946	241,646
Net operating loss from incidental business	(48,753)	(35,676)
Operating income	143,848	125,829
Non-operating income		
Interest income	202	93
Gain on bad debts recovered	57	-
Gain on investments in silent partnership	2,832	-
Miscellaneous income	2,248	2,229
Total non-operating income	5,341	2,323
Non-operating expenses		
Interest expenses	3,117	3,092
Equity in losses of affiliates	678	2,867
Miscellaneous expenses	1,806	878
Total non-operating expenses	5,602	6,838
Ordinary income	143,588	121,315
Extraordinary income		
Gain on sales of noncurrent assets	52	37
Gain on sales of investment securities	-	221
Dividends due to liquidation of silent partnership contract	36,283	-
Reversal of allowance for doubtful accounts	-	0
Total extraordinary income	36,336	258
Extraordinary loss		
Loss on sales of noncurrent assets	0	-
Loss on valuation of investment securities	941	3
Business restructuring expenses [1]	-	2,310
Total extraordinary losses	941	2,313
Income before income taxes and minority interests	178,982	119,260
Income taxes-current	75,631	48,793
Income taxes-deferred	(597)	1,597
Total income taxes	75,034	50,391
Minority interests in income	1,143	1,515
Net income	102,804	67,353

(3) Consolidated statements of cash flows

(Amount Unit: Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	440,336	366,432
Depreciation and amortization	302,358	339,420
Impairment loss	949	-
Amortization of goodwill and negative goodwill	7,303	8,112
Loss (gain) on sales of noncurrent assets	(478)	(250)
Loss on retirement of noncurrent assets	13,767	13,282
Business restructuring expenses	-	1,905
Dividends due to liquidation of silent partnership contract	(36,283)	-
Increase (decrease) in allowance for doubtful accounts	698	(4,289)
Increase (decrease) in provision for retirement benefits	111	599
Interest and dividends income	(1,851)	(1,472)
Interest expenses	8,964	9,495
Equity in (earnings) losses of affiliates	1,327	6,505
Loss (gain) on sales of investment securities	7	(541)
Loss (gain) on valuation of investment securities	1,292	204
Increase (decrease) in provision for point card certificates	14,419	12,869
Decrease (increase) in prepaid pension costs	2,041	2,930
Decrease (increase) in notes and accounts receivable-trade	(30,946)	(26,463)
Decrease (increase) in inventories	(27,281)	19,755
Increase (decrease) in notes and accounts payable-trade	26,996	34,115
Increase (decrease) in accounts payable-other	1,662	(20,809)
Increase (decrease) in accrued expenses	(436)	1,909
Increase (decrease) in advances received	8,970	6,225
Other, net	(21,629)	(17,546)
Subtotal	712,301	752,392
Interest and dividends income received	3,876	3,117
Interest expenses paid	(8,056)	(9,033)
Income taxes paid	(161,302)	(197,596)
Net cash provided by (used in) operating activities	546,818	548,878
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(341,686)	(279,264)
Purchase of trust beneficiary right [2]	(207,057)	-
Proceeds from sales of property, plant and equipment	1,041	312
Purchase of intangible assets	(61,993)	(85,141)
Purchase of investment securities	(68)	(280)
Proceeds from sales of investment securities	123	744
Purchase of stocks of subsidiaries and affiliates	(5,004)	(22,818)
Purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	(36,027)	(17,090)
Proceeds from purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	-	2,202
Proceeds from repayment of investment and dividends due to liquidation of silent partnership contract	45,283	-
Purchase of long-term prepaid expenses	(13,809)	(17,293)
Other, net	706	1,413
Net cash provided by (used in) investing activities	(618,492)	(417,216)

(Amount Unit: Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	68,959	(80,616)
Proceeds from long-term loans payable	170,000	29,500
Repayment of long-term loans payable	(66,238)	(28,930)
Proceeds from issuance of bonds	70,000	50,000
Redemption of bonds	(40,000)	(19,800)
Purchase of treasury stock	(5,259)	-
Cash dividends paid	(48,607)	(52,968)
Cash dividends paid to minority shareholders	(945)	(1,038)
Other, net	(224)	(2,460)
Net cash provided by (used in) financing activities	147,683	(106,313)
Effect of exchange rate change on cash and cash equivalents	(1,568)	139
Net increase (decrease) in cash and cash equivalents	74,442	25,489
Cash and cash equivalents at beginning of period	75,545	200,310
Cash and cash equivalents at end of period [1]	149,988	225,800

(4) Note for the assumption of going concern

None

(5) Segment information

[Business segment information]

For the three months ended December 31, 2008 (October 1, 2008 to December 31, 2008)

(Amount Unit: Millions of yen)

	Mobile Business	Fixed-line Business	Other Business	Total	Elimination and corporate	Consoli-dation
Sales and Operating Income (Loss)						
Sales						
1) Outside sales	685,773	189,056	7,535	882,365	-	882,365
2) Intersegment sales	3,096	23,089	11,245	37,431	(37,431)	-
Total	688,869	212,145	18,781	919,797	(37,431)	882,365
Operating expenses	534,200	223,332	18,386	775,918	(37,402)	738,516
Operating income (loss)	154,669	(11,186)	395	143,878	(29)	143,848

For the three months ended December 31, 2009 (October 1, 2009 to December 31, 2009)

(Amount Unit: Millions of yen)

	Mobile Business	Fixed-line Business	Other Business	Total	Elimination and corporate	Consoli-dation
Sales and Operating Income (Loss)						
Sales						
1) Outside sales	659,966	187,711	14,542	862,220	-	862,220
2) Intersegment sales	3,538	21,194	17,868	42,601	(42,601)	-
Total	663,505	208,905	32,410	904,821	(42,601)	862,220
Operating expenses	527,628	221,379	30,241	779,249	(42,858)	736,390
Operating income (loss)	135,876	(12,473)	2,169	125,572	257	125,829

For the nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008)

(Amount Unit: Millions of yen)

	Mobile Business	Fixed-line Business	Other Business	Total	Elimination and corporate	Consoli-dation
Sales and Operating Income (Loss)						
Sales						
1) Outside sales	2,040,856	568,361	20,480	2,629,698	-	2,629,698
2) Intersegment sales	8,683	66,891	30,610	106,185	(106,185)	-
Total	2,049,540	635,253	51,090	2,735,884	(106,185)	2,629,698
Operating expenses	1,606,948	671,642	51,174	2,329,765	(106,796)	2,222,968
Operating income (loss)	442,591	(36,388)	(84)	406,118	611	406,730

For the nine months ended December 31, 2009 (April 1, 2009 to December 31, 2009)

(Amount Unit: Millions of yen)

	Mobile Business	Fixed-line Business	Other Business	Total	Elimination and corporate	Consoli-dation
Sales and Operating Income (Loss)						
Sales						
1) Outside sales	1,991,220	559,481	34,605	2,585,307	-	2,585,307
2) Intersegment sales	10,159	64,277	40,488	114,924	(114,924)	-
Total	2,001,379	623,759	75,093	2,700,232	(114,924)	2,585,307
Operating expenses	1,593,468	658,551	71,992	2,324,011	(115,517)	2,208,494
Operating income (loss)	407,911	(34,791)	3,100	376,220	592	376,812

Note 1: Business segments and principal services/operations of each segment

Business Segment	Principal Services/Operations
Mobile Business	Mobile phone services, sales of mobile phone handsets, mobile solutions services, etc.
Fixed-line Business	Local, long-distance, and international telecommunications services, internet services, solutions services, data center services, cable television services, etc.
Other Business	Call center business, content business, research and advanced development, and other mobile phone services, etc.

Note 2: Change in accounting policy

For the nine months ended December 31, 2008

As noted in "Changes in significant accounting policies, procedures and presentation in quarterly consolidated financial statements" under "4. Others," from the three months ended June 30, 2008, the Company changed its accounting method for depreciation of material depreciable assets. As a result of this change, the depreciation cost in the Mobile Business increased ¥40,239 million for the nine months ended December 31, 2008, while operating income decreased by the equal amount.

Note 3: Change in period of useful life

For the nine months ended December 31, 2008

As noted in "Changes in significant accounting policies, procedures and presentation in quarterly consolidated financial statements" under "4. Others," from the three months ended June 30, 2008, the Company has extended the useful life of assets. As a result of this change, the depreciation cost in the Mobile Business decreased ¥32,141 million for the nine months ended December 31, 2008 and ¥9,588 million in the Fixed-line Business, while operating income in both segments increased by the equal amount.

Note 4: Change in business segments

For the nine months ended December 31, 2008

The cable television business, other fixed-line services, other data center services, and related services, which used to have been classified in the Other segment, have been switched to the Fixed-line segment.

Note: other fixed-line services / other data center services: Overseas Fixed-line Business

The KDDI Group has clarified the strategies and scope of the Fixed-line Business. In Japan, amid a competitive business environment where broadband accounts for a growing portion of the fixed-line communications market, the Group will develop the access line business, including "Metal-plus", FTTH and cable television, to seek stable expansion of the customer base. In the Overseas Fixed-line Business, the Group will seek growth in overseas businesses by providing global ICT (Information and Communication Technology) solutions, with the global data center TELEHOUSE as the central company.

In line with these measures, the Group has revised the scope of the previous Fixed-line Business, and from the three months ended June 30, 2008 has adopted profitability management in accordance with internal controls and these business strategies. From the standpoint of disclosures well business segments have been reorganized to match the categories adopted for internal controls, and so provide for more accurate disclosure of the Group's business operations.

Taking advantage of the change in scope of the Fixed-line Business, the method of distributing the assets of the filling company has been changed to further clarify the taxable capacity of each business segment.

The information for each of the business segments for the nine months ended December 31, 2008 when the business segmentation and asset distribution method before the reclassification is as follows.

For the nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008)

(Amount Unit: Millions of yen)

	Mobile Business	Fixed-line Business	Other Business	Total	Elimination and corporate	Consoli-dation
Sales and Operating Income (Loss)						
Sales						
1) Outside sales	2,040,856	482,105	106,736	2,629,698	-	2,629,698
2) Intersegment sales	8,683	72,039	41,568	122,290	(122,290)	-
Total	2,049,540	554,144	148,304	2,751,989	(122,290)	2,629,698
Operating expenses	1,606,948	596,592	142,378	2,345,919	(122,951)	2,222,968
Operating income (loss)	442,591	(42,447)	5,925	406,070	660	406,730

Business segments and principal services/operations of each segment

Business Segment	Principal Services/Operations
Mobile Business	Mobile phone services, sales of mobile phone handsets, mobile solutions services, etc.
Fixed-line Business	Local, long-distance, and international telecommunications services, internet services, solutions services, data center services, etc.
Other Business	Call center business, content business, cable television services, research and advanced development, other fixed-line services, other mobile phone services and other data center service, etc.

[Geographic segment information]

For the three months ended December 31, 2008 (October 1, 2008 to December 31, 2008), the three months ended December 31, 2009 (October 1, 2009 to December 31, 2009), the nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008) and the nine months ended December 31, 2009 (April 1, 2009 to December 31, 2009)

Information by geographic segment is not shown since net sales in Japan accounted for over 90% of total net sales in all business segments.

[Net sales from overseas operations]

For the three months ended December 31, 2008 (October 1, 2008 to December 31, 2008), the three months ended December 31, 2009 (October 1, 2009 to December 31, 2009), the nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008) and the nine months ended December 31, 2009 (April 1, 2009 to December 31, 2009)

Net sales from overseas operations are not shown since they account for less than 10% of consolidated net sales.

(6) Material changes in shareholders' equity

None

6. Other Information

Notes

Quarterly consolidated financial statements are prepared under the "Regulations concerning the terms, forms and preparation methods for quarterly consolidated financial statements" (Rule No. 64 of the Cabinet Office, Government of Japan of 2007, herein after "Regulations for quarterly consolidated financial statements"), and in accordance with these regulations and the "Rules for telecommunications business accounting" (Ministerial Ordinance of Ministry of Posts and Telecommunications No. 26 of 1985).

The consolidated financial statements for the three months ended December 31, 2008 (October 1, 2008 to December 31, 2008) and nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008) were prepared under the pre-revision Regulations for quarterly consolidated financial statements and Rules for telecommunications business accounting. The consolidated financial statements for the three months ended December 31, 2009 (October 1, 2009 to December 31, 2009) and the nine months ended December 31, 2009 (April 1, 2009 to December 31, 2009) are prepared under the revised Regulations for quarterly consolidated financial statements and Rules for telecommunications business accounting.

(Related to Consolidated Balance Sheets)

As of December 31, 2009			As of March 31, 2009		
Note 1	The accumulated depreciation on property, plant and equipment was ¥2,894,668 million.		Note 1	The accumulated depreciation on property, plant and equipment was ¥2,767,559 million.	
2	Contingent liabilities		2	Contingent liabilities	
	(1) Guarantor liabilities, etc			(1) Guarantor liabilities, etc	
	[As a guarantor for office lease contract of:]			[As a guarantor for office lease contract of:]	
	KDDI America, Inc. etc.	¥371M		KDDI America, Inc. etc.	¥459M
	(liabilities denominated in foreign currencies included)	US$4M		(liabilities denominated in foreign currencies included)	US$4M
	[As a guarantor for loans of:]			[As a guarantor for loans of:]	
	UQ Communications, Inc. etc.	¥16,270M		Kita Cable Network, Inc.	¥328M
	(2) Contingent liabilities existing in cable system supply contract	¥4,605M		(2) Contingent liabilities existing in cable system supply contract	¥4,958M
	(liabilities denominated in foreign currencies included)	US$50M		(liabilities denominated in foreign currencies included)	US$50M
	(3) Contingent liabilities resulting from the liquidation of Minex Corporation	¥531M		(3) Contingent liabilities resulting from the liquidation of Minex Corporation	¥566M
	(liabilities denominated in foreign currencies included)	US$5M		(liabilities denominated in foreign currencies included)	US$5M
Note 3	Assets pledged as collateral and liabilities with collateral:		Note 3	Assets pledged as collateral and liabilities with collateral:	
	Contingent liabilities				
	Securities	¥329M			
	Cash and deposits	¥307M		-	
	Total	¥636M			
	(in foreign currency)	US$7M			
	Liabilities with collateral				
	Other noncurrent liabilities	¥9M			
	Current portion of noncurrent liabilities	¥0M			
	Short-term loans payable	¥197M			
	Total	¥208M			
	(in foreign currency)	US$2M			
	In compliance with the provisions of Article 4 of the Supplementary Provisions to the Law Concerning the Rationalization of Regulations in the Telecommunications Field, the total assets of the Company have been pledged as general collateral for corporate bonds issued.			In compliance with the provisions of Article 4 of the Supplementary Provisions to the Law Concerning the Rationalization of Regulations in the Telecommunications Field, the total assets of the Company have been pledged as general collateral for corporate bonds issued.	
	Bonds	¥20,000M		Bonds	¥20,000M
				Current portion of noncurrent liabilities	¥19,800M

(Related to Consolidated Statement of Income)

Nine months ended December 31, 2008	Nine months ended December 31, 2009
-	Note 1 Business restructuring expenses of ¥2,310 million include disposal of low-use facilities and other due to network streamlining in Fixed-line Business. Machinery ¥1,801M Buildings ¥38M Other ¥66M Disposal expenses and other ¥405M Total ¥2,310M

Three months ended December 31, 2008	Three months ended December 31, 2009
-	Note 1 Business restructuring expenses of ¥2,310 million include disposal of low-use facilities and other due to network streamlining in Fixed-line Business. Machinery ¥1,801M Buildings ¥38M Other ¥66M Disposal expenses and other ¥405M Total ¥2,310M

(Related to Consolidated Statement of Cash Flows)

Nine months ended December 31, 2008	Nine months ended December 31, 2009
Note 1 Relationship between quarter-end balance of cash and cash equivalents and items presented in quarterly consolidated balance sheets as of December 31, 2008 Cash and deposits account ¥101,118M Securities account ¥50,000M Total ¥151,119M Certificates of Deposit with terms exceeding 3 month (¥1,131M) Cash and cash equivalents ¥149,988M Note 2 As regards the acquired trust beneficiary right, the ownership of entrusted assets that extinguished accompanying the ending of real estate trust contracts was transferred to the Company. The following acquired assets were recorded in the consolidated balance sheets as machinery, net (¥259 million), buildings, net (¥17,214 million), structures, net (¥43 million), land (¥189,276 million) and other tangible assets, net (¥114 million) within noncurrent assets-telecommunications business, and property, plant and equipment of incidental business facilities (¥148 million).	Note 1 Relationship between quarter-end balance of cash and cash equivalents and items presented in quarterly consolidated balance sheets as of December 31, 2009 Cash and deposits account ¥98,321M Securities account ¥127,996M Total ¥226,318M Certificates of Deposit with terms exceeding 3 month (¥517M) Cash and cash equivalents ¥225,800M

(Related to per Share Information)

1. Net assets per share

As of December 31, 2009		As of March 31, 2009	
Net assets per share	¥451,523.47	Net assets per share	¥413,339.32

2. Net income per share etc.

Nine months ended December 31, 2008		Nine months ended December 31, 2009	
Net income per share	¥56,957.48	Net income per share	¥47,741.41
Diluted net income per share is not given as the Company has no potential stocks with dilution effect.		Diluted net income per share is not given as the Company has no potential stocks with dilution effect.	

Note: The following shows the basis of calculating net income per share.

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Net income per share for the quarter		
Net income for the quarter	¥253,922M	¥212,645M
Amount not belonging to common shareholders	-	-
Net income for the quarter related to common stock	¥253,922M	¥212,645M
Number of weighted average common shares outstanding during the quarter	4,458,100	4,454,113
Overview of potential stock not included in calculation of diluted net income per share because the stock have no dilution effect, despite material changes since the end of the previous fiscal year.	-	-

Three months ended December 31, 2008		Three months ended December 31, 2009	
Net income per share	¥23,074.57	Net income per share	¥15,121.63
Diluted net income per share is not given as the Company has no potential stocks with dilution effect.		Diluted net income per share is not given as the Company has no potential stocks with dilution effect.	

Note: The following shows the basis of calculating net income per share.

	Three months ended December 31, 2008	Three months ended December 31, 2009
Net income per share for the quarter		
Net income for the quarter	¥102,804M	¥67,353M
Amount not belonging to common shareholders	-	-
Net income for the quarter related to common stock	¥102,804M	¥67,353M
Number of weighted average common shares outstanding during the quarter	4,455,316	4,454,113
Overview of potential stock not included in calculation of diluted net income per share because the stock have no dilution effect, despite material changes since the end of the previous fiscal year.	-	-