This translation is to be used solely as a reference and the consolidated financial statements in this release are unaudited.

Financial Statements Summary for the Year Ended March 31, 2011 [Japan GAAP]

April 25, 2011

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

Scheduled date for annual meeting of shareholders: June 16, 2011
Scheduled date for filing of full-year report: June 17, 2011
Scheduled date for dividend payment: June 17, 2011
Earnings supplementary explanatory documents for the fiscal year: Yes
Earnings presentation for the fiscal year: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Year Ended March 31, 2011 (April 1, 2010 – March 31, 2011)

(1) Consolidated Results of Operation

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
Year ended March 31, 2011	3,434,545	(0.2)	471,911	6.3	440,676	4.2	255,122	19.9
Year ended March 31, 2010	3,442,146	(1.6)	443,862	0.1	422,870	(4.0)	212,764	(4.5)

(Note) Consolidated Statements of Comprehensive Income
As of March 31, 2011 : 250,829 million yen; -% As of March 31, 2010 : - million yen; -%

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Return on Assets	Operating Income Margin
	Yen	Yen	%	%	%
Year ended March 31, 2011	58,149.78	-	12.4	11.6	13.7
Year ended March 31, 2010	47,768.01	-	11.0	11.7	12.9

(Reference) Equity in net income of affiliates As of March 31, 2011 : (19,948) million yen As of March 31, 2010 : (9,968) million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Total Net Assets per Share
			%	Yen
As of March 31, 2011	3,778,918	2,171,839	55.7	495,386.23
As of March 31, 2010	3,819,536	2,078,450	52.8	453,003.09

(Reference) Shareholder's Equity As of March 31, 2011 : 2,103,331 million yen As of March 31, 2010 : 2,017,726 million yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents
Year ended March 31, 2011	717,353	(440,545)	(279,998)	159,869
Year ended March 31, 2010	739,991	(924,441)	149,238	165,476

2. Dividends

	Dividends per Share					Total Dividends for the Year	Payout Ratio	Ratio of Dividends to Shareholders' Equity
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total			
	Yen	Yen	Yen	Yen	Yen		%	%
Year ended March 31, 2010	-	6,500.00	-	6,500.00	13,000.00	57,903	27.2	3.0
Year ended March 31, 2011	-	6,500.00	-	7,500.00	14,000.00	60,795	24.1	3.0
Year ending March 31, 2012 (forecast)	-	7,500.00	-	7,500.00	15,000.00		25.5	

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2012 (April 1, 2011 - March 31, 2012)

(Percentage represents comparison to previous fiscal year)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income per Share
		%		%		%		%	Yen
Entire Fiscal Year	3,460,000	0.7	475,000	0.7	450,000	2.1	250,000	(2.0)	58,881.14

Forecast of consolidated business results for the first six months of the year is not prepared.

4. Other

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation): None

(2) Changes in significant accounting policies, procedures and presentation

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

2) Others: Yes

Note: Please refer to page 23 "Basis of Presenting Consolidated Financial Statements" and page 26 "Changes in Significant Accounting Policies" for details.

(3) Numbers of Outstanding Shares (common shares)

1) Number of shares outstanding (inclusive of treasury stock)	As of March 31, 2011	4,484,818
	As of March 31, 2010	4,484,818
2) Number of treasury stock	As of March 31, 2011	238,976
	As of March 31, 2010	30,705
3) Number of weighted average common shares outstanding (cumulative for all quarters)	For the fiscal year ended March 31, 2011	4,387,331
	For the fiscal year ended March 31, 2010	4,454,113

(Reference) Summary of KDDI Corporation's Financial Results and Financial Position

1. KDDI Corporation's Financial Results for the Year Ended March 31, 2011 (April 1, 2010 – March 31, 2011)

(1) KDDI Corporation's Results of Operation

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
Year ended March 31, 2011	3,138,742	(2.3)	428,269	3.4	422,929	3.0	256,823	19.6
Year ended March 31, 2010	3,211,347	(2.9)	414,075	(3.3)	410,485	(5.1)	214,650	(5.3)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Year ended March 31, 2011	58,537.60	-
Year ended March 31, 2010	48,191.55	-

(2) KDDI Corporation's Financial Position

	Total Assets	Net Assets	Equity Ratio	Total Net Assets per Share
			%	Yen
As of March 31, 2011	3,644,330	2,092,818	57.4	492,577.91
As of March 31, 2010	3,666,458	1,995,296	54.4	447,636.02

(Reference) Shareholder's Equity As of March 31, 2011: 2,091,407 million yen As of March 31, 2010: 1,993,821 million yen

Indication of audit procedure implementation status

This earnings report is exempt from audit procedure based upon the Financial Instruments and Exchange Act. It is under the audit procedure process at the time of disclosure of this report.

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 corporation and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors. Please refer to page 6 "4. Outlook for the Year Ending March 31, 2012" under 【the Attachment】 for the assumptions used and other notes.

【the Attachment】

* KDDI Corporation holds an earnings presentation for investors as below. Documents distributed at the presentation are scheduled to be posted on our website at the same time as the release of the financial statements summary. Videos and main Q&As are planned to be posted immediately after the presentation.
- Monday, April 25, 2011- Earnings presentation for institutional investors and analysts

* In addition to the above earnings presentation, KDDI Corporation holds conferences on its business and results for individual investors. Please check our website for the schedule and details.

1. Qualitative Information / Financial Statements, Etc.

(1) Analysis on Consolidated Operating Results

1. Results Overview

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	3,442,146	3,434,545	(7,601)	(0.2)
Operating Expenses	2,998,284	2,962,634	(35,650)	(1.2)
Operating Income	443,862	471,911	28,049	6.3
Non-operating Income (Expense)	(20,991)	(31,234)	(10,242)	-
Ordinary Income	422,870	440,676	17,806	4.2
Extraordinary Profit (Loss)	(54,244)	(95,416)	(41,172)	-
Income before Income Taxes and Minority Interests	368,626	345,259	(23,366)	(6.3)
Income Taxes	150,209	81,237	(68,971)	(45.9)
Income before Minority Interests	-	264,022	-	-
Minority Interests	5,652	8,900	3,247	57.4
Net Income	212,764	255,122	42,358	19.9

Operating revenues in the year ended March 31, 2011 amounted to ¥3,434,545 million, down 0.2% year on year. Contributing factors included the decrease in voice ARPU (Average Revenue per Unit) in the Mobile Business, which offset increase in the Fixed-line Business brought by income increase of group companies.

Decline in operating expenses in the Mobile Business and Fixed-line Business resulted operating income to rise 6.3% year on year to ¥471,911 million, while ordinary income increased 4.2% year on year to ¥440,676 million.

Net income was up 19.9% year on year, to ¥255,122 million. This was due to the post of extraordinary loss including loss on the Great East Japan Earthquake and impairment loss on facility used for current 800MHz band resulting from the reorganization of frequencies. In addition, income taxes dropped due to loss on liquidation of four intermediary holding companies that possessed shares of Jupiter Telecommunications Co., Ltd.

Overview of Economic Conditions

The Great East Japan Earthquake, which occurred on March 11, 2011, raised uncertainty about the state of the Japanese economy, which until that point had been exhibiting signs of a gradual recovery.

Damage of the earthquake on economy did not remain in the Tohoku region, which suffered direct and severe damage, but also spread to manufacturers around Japan that use parts produced in the Tohoku region.

The resulting shortfall in electricity supplied to the Kanto and Tohoku regions is anticipated to trigger major constraints in economic activities.

Emerging Asian and Latin American markets remained robust. While these economies are expected to continue enjoying major levels of growth, some countries are turning to money tightening measures in fear of inflation, and future economic trend will require careful ongoing monitoring.

Industry Trends

In the mobile communications market, competition for customers is intensifying in areas such as the provision of low-priced pricing plans, a wide variety of handset including smartphones, tablet-type terminals, and ebooks terminals, and music, video, ebooks, and other content services. In the fixed-line communications market, the expansion of broadband services, centered on FTTH, is accompanied by an ongoing convergence between fixed-line and mobile communications broadcasting. As a result, competition between services is entering a new phase.

KDDI's Position

KDDI Corporation would like to express its deepest sympathy and condolences to the victims of the Great East Japan Earthquake. We would also like to apologize for the inconvenience caused to customers using KDDI’s communication services. In an effort to restore services to the stricken region as quickly as possible and fulfill its role as a provider of communication services, KDDI Corporation provided disaster warning billboards, lent handsets, deployed vehicle-mounted satellite base stations and ground power unit, offered support involving usage fees. The Group also announced to donate ¥1.0 billion to the Japanese Red Cross Society. We intend to make our

utmost effort for the early recovery of the damaged areas. By the end of April 2011, we expect to have restored access to some 99% of fixed lines. With regard to au base stations, we expect to have brought coverage and quality in the affected area back to pre-earthquake levels by September 30, 2011.
As for our business conditions, in the Mobile Business, we are developing and marketing new handsets to meet increasingly diverse demand, fueled by the mainstream acceptance of smart phones, as well as of such devices like digital photo frames, ebook readers and mobile Wi-Fi routers. Moreover, with measures such as offering new pricing plans, we are working to expand our range of services targeting individual and corporate clients.
In the Fixed-line Business, the Group worked to enhance ease of use for its services and expand access lines centering on FTTH. The Group has offered more solutions services for corporate clients, while striving to bolster its systems that support corporate clients' business development by increasing its overseas locations. Moreover, the Group also promoted partnership with many companies in various areas in both Mobile Business and Fixed-line Business.

2. Results by Business Segment

Note 1: Results Summary

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011	Increase (Decrease)	Increase (Decrease) %
Mobile Business				
Operating revenues	2,650,135	2,590,724	(59,410)	(2.2)
Operating expenses	2,166,393	2,151,838	(14,554)	(0.7)
Operating income	483,742	438,885	(44,856)	(9.3)
Fixed-line Business				
Operating revenues	839,178	897,251	58,073	6.9
Operating expenses	883,395	873,262	(10,133)	(1.1)
Operating income	(44,217)	23,989	68,206	-
Other Business				
Operating revenues	112,247	114,326	2,079	1.9
Operating expenses	108,741	105,797	(2,944)	(2.7)
Operating income	3,505	8,529	5,024	143.3

Note: From the year ended March 31, 2011, the Group began applying the "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No. 17 of March 27, 2009) and "Guidance on Accounting Standard for Segment Information Disclosures" (ASBJ Guidance No. 20 of March 21, 2008). We have conducted comparisons with the previous year as the impact on the Group's consolidated financial statements for the year ended on March 31, 2011, as a result of this change was negligible.

Note 2: Total Subscriptions (Unit : Thousand line)

	As of March 31, 2010	As of March 31, 2011	Increase (Decrease)	Increase (Decrease) %
au[1]	31,872	32,999	1,127	3.5
CDMA 1X WIN	26,174	29,633	3,459	13.2
(Ref.) UQ WiMAX	150	807	656	437.3
FTTH	1,513	1,901	388	25.6
Metal-plus	2,852	2,543	(309)	(10.8)
Cable-plus phone	960	1,341	380	39.6
CATV[2]	972	1,088	116	11.9
Fixed access lines[3]	5,944	6,407	463	7.8

Notes: 1. Inclusive of module-type contracts
2. Number of households with at least one contract via broadcasting, internet, or telephone
3. Total access lines of FTTH, direct-revenue telephony (Metal-plus, Cable-plus phone), and CATV subs. excluding crossover.

Mobile Business

Operating revenues in the year ended March 31, 2011 amounted to ¥2,590,724 million, down 2.2% year on year. Contributing factors include the decrease in voice ARPU (Average Revenue per Unit) caused by the uptake of the Simple Course, despite increase in the number of terminal sales.
Even though average cost of sales commission per terminal reduced, increase in the number of terminal sales made the overall operating expense to increase slightly, and operating income decreased 9.3% year on year to ¥438,885 million.

<Overall>

- The number of "au" mobile phone subscriptions was 32.999 million as of March 31, 2011.
- The Group adopted "EV-DO Multi-Carrier" as the data communication infrastructure for au mobile phones and introduced "WIN HIGH SPEED," the expanded system that allows 9.2 Mbps downlink and 5.5 Mbps uplink speed at maximum from November 5, 2010. [1] Compared to the current "EV-DO Rev.A," where one mobile phone uses one carrier, the speed triples at maximum [1] [2].

[1] Applicable in the areas that support 9.2Mbps downlink (5.5Mbps uplink) speed at maximum. It is the best effort method service. The speed mentioned is the maximum speed by technical standard and does not show the actual usage speed. The speed may slow down significantly depending on the communication environment and traffic status.

[2] "EV-DO Rev.A" 3.1Mbps downlink/1.8Mbps uplink speed maximum.
"WIN HIGH SPEED" 9.2Mbps downlink/5.5Mbps uplink speed maximum.

- KDDI has conducted test usage of Tribrid Power Control Technology[3] that uses power generated from solar panels, power charged by rechargeable batteries, power in night time hours, and commercial electric power to reduce electric power consumption at 11 au base stations in Japan . We aim to adopt measures such as strengthening of solar power generation and collaboration with other power generation system to meet long-time power failures upon the experiences of the Great East Japan Earthquake.

[3] Term coined to refer to the combining of three types of industrial technologies from different fields.

<Mobile Terminals>

- A total of six models including "IS03," a smartphone featuring Android™ and Japanese standard functions such as Osaifu-Keitai® and one-seg broadcasting and "REGZA Phone IS04," a water-proof Android™ smartphone that allows high resolution videos.
  All conventional au feature phones became water-proof since summer 2010 models. A total of 31 models were released in FY 2011 including high-end models such as "AQUOS SHOT," "EXILIM-keitai," "BRAVIA® Phone," and "Cyber-shot™ phone," as well as "Simple Phone" series with simple usage functions, "mamorino2," which secures safety of children and comfort of parents, "URBANO MOND," which has high-quality design, and data communication terminals with WiMAX functions.
- "iida" brand released three handsets including "LIGHT POOL," "X-RAY," and "G11," as well as 17 models of "LIFESTYLE PRODUCTS" that provide peripheral items for terminals. Three concept models were produced in collaboration with internationally famous Italian design company "ALESSI."
- In addition, various terminals were introduced, including "SMT-i9100," a tablet type internet terminal featuring Wi-Fi function and Android™ 2.2 to enjoy Flash® contents, "biblio Leaf SP02," an ebook reader that allows downloading and storing of ebooks, and "PHOTO-U SP01," a digital photo frame with which users can enjoy pictures taken by mobile phones, audio and various contents with animations.

<Pricing Plans>

- "IS Flat," a new packet flat-rate service that allows customers to enjoy web services available with smartphones more casually and comfortably, was introduced in November, 2010. The new rate comes below the maximum rate of the conventional packet communication flat charge. "Maitsuki Discount (Monthly Discount)," where a fixed amount of discount is subtracted from monthly charge to allow customers to purchase smartphones at a reasonable price, was also introduced in November, 2010 to customers who purchase new models of au smartphone "IS series."
- The Group introduced "Kaigai Double-Teigaku," a flat-rate packet service, to allow customers comfortably use au mobile phones and smartphones that involve large data communication in foreign countries starting March 1, 2011. The service can be used in 23 countries and areas including the United States, China, and South Korea.

<Consumer Services>

- KDDI Corporation and Skype™ announced a strategic alliance on October 18, 2010, and as the first joint service, started offering "Skype™ au" service that allows voice calls and instant messaging on au smartphones featuring Android™ on November 26, 2010.
- The Group started providing "au one Market," a new application market to be used at au's smartphones featuring Android™ on June 30, 2010, to expand the variety of applications.
  The Group started offering "au Simple Payment Service," a settlement service for au mobile phone customers, on June 1, 2010. The service became available at "au one Market" from September 1, 2010, and at "Android™ market," provided by Google, from March 31, 2011, to allow usage at au smartphones

featuring Android™.

- “LISMO WAVE,” a music streaming service that allows users to listen to FM radio broadcasting from 52 private stations around Japan regardless of areas, as well as to enjoy music videos using Wi-Fi, has been offered from January 26, 2011.
- “Age Verification Service,” which verifies ages of customers using contents by utilizing subscriber information of au mobile phones, has been offered from January 31, 2011, as the first attempt by a domestic mobile phone carrier. More comfortable and safer usage of services regardless of adults or under age became available by contents providers using the age information.

<Corporate Services>

- The Group changed a part of “au Business Double Discounts,” an au mobile phone discount campaign for business customers, and began providing a new discount service from February 9, 2011. “au Business Double Discounts” is a discount service where calls between au mobile phones and calls from au mobile phones to KDDI phone lines subscribed under the same corporate name can be made free of charge.
- KDDI Corporation agreed with Three Laws of Mobility, Inc. (hereafter: 3LM) to provide security management service for Android™ developed by 3LM on March 1, 2011. Trial provision to business clients is planned to start from August, 2011.

Fixed-line Business

Operating revenues in the year ended March 31, 2011 amounted to ¥897,251 million, 6.9% increase year on year, due to the increase in operating revenues of group companies, which offset the decline in voice revenue of KDDI Corporation. The decline in operating expenses of KDDI Corporation from network streamlining practiced in the year ended March 31, 2010, led the Fixed-line Business to post an operating profit of ¥23,989 million, showing turnaround from operating loss.

< Overall >

- The number of FTTH service subscriptions, consisting of “au HIKARI” and services of consolidated subsidiaries (Chubu Telecommunications Co., Inc.’s “Commuf@-hikari,” Okinawa Cellular Telephone Company’s “au HIKARI Chura” and Okinawa Telecommunication Network Co., Inc.’s “Hikarifuru”) reached 1.901 million as of March 31, 2011.
- As of March 31, 2011, the number of “Metal-plus” subscriptions totaled 2.543 million.
- For “Cable-plus phone,” alliances with cable television companies grew steadily, reaching 114 companies and its subscriptions expanded to 1.341 million as of March 31, 2011.
- Consolidated subsidiary JCN Group, which oversees 19 cable companies primarily in the Tokyo metropolitan area, had 1.088 million cable television subscriptions as of March 31, 2011.

< Consumer Services >

- On the “au HIKARI MANSHION” front, the Group in June 2010 began extending “au HIKARI MANSHION Giga,” a service that realizes low-cost, high-speed telecommunications with uplink and downlink speeds of 1Gbps, to multi-unit housing of more than four floors.
- KDDI Corporation supplemented its “au HIKARI” TV service set-top box (STB) lineup with “HD-STB,” which is mounted with a 500GB hard disk, and started leasing this model from June 2, 2010. By connecting “HD-STB” to a digitally compatible antenna, customers can view terrestrial digital broadcasts. In addition, movies and other programs provided by the “LISMO Video Store,” a video-on-demand distribution site can be transferred to au mobile phones for viewing outside the house. In the future, KDDI Corporation will continue to strive for improvements to services that enable customers to enjoy video and music contents using broadband in their lives.

< Corporate Services >

- KDDI Corporation and INTELLIGENCE. LTD. jointly established “KDDI MATOMETE OFFICE CORPORATION” to manage sales of “KDDI Matomete Office” on February 15, 2011. “KDDI Matomete Office,” a membership program targeting small and medium sized business, has been provided from July 1, 2010. The establishment of the new company should allow various services including communication service, cloud service such as SaaS, procurement of communication and office appliances, as well as human resource services such as agent services, training and employment using Intelligence’s human resource services, to be offered comprehensively.
- In order to provide support for the construction of ICT environments for Japanese companies in Brazil,

KDDI Corporation launched “KDDI Brazil” within São Paulo. KDDI Brazil opened for business from January 7, 2011.

- TELEHOUSE AMERICA, KDDI’s American local subsidiary, launched “TELEHOUSE NEW YORK Chelsea” on January 24, 2011, in New York, while TELEHOUSE EUROPE and European entity of KDDI Corporation opened “TELEHOUSE ISTANBUL” in Istanbul, Turkey, on March 28, 2011, to provide data center services that match the “TELEHOUSE” global standard. The openings brought the total number of TELEHOUSE sites to number 20 sites in 13 cities straddling 10 regions worldwide (approximately 119,000 square meters). The Group’s offices outside Japan numbered 90 offices in 26 regions and 58 cities worldwide.

Other Business

Operating revenue for the year ended March 31, 2011 increased 1.9% year on year to ¥114,326 million. Operating income increased 143.3% year on year to 8,529 million.

3. Status of major affiliates

UQ Communications Inc. (hereafter: “UQ”), an equity method affiliate of the Group, has recorded 806,600 subscriptions and 14,376 base stations as of March 31, 2011.

The company promoted spread of “WiMAX Speed Wi-Fi” from June 2010 and started offering new pricing plan “UQ Flat Yearly Passport” from November 2010. The company expanded “WORLD WiMAX” service, which allows usage of WiMAX services in Japan and the United States, through cooperation with Clearwire Communications from September 2010. The service became available in South Korea through collaboration with KT Corporation from January 2011, and the convenience of the service is expanding steadily.

The accounts of Jibun Bank Corporation (hereafter: “Jibun Bank”), an equity method affiliate of the Group, numbered 1.2 million accounts, 260,000 accounts more from March 31, 2010, and 223.3 billion yen in deposits, 68.6 billion yen more from March 31, 2010.

It has renewed “Jibun Bank Loans” card loan service in October, 2010 and foreign currency deposit service via PCs started from November, 2010. Moreover, “JIBUN BANK Smartphone app” for smartphones such as IS03 started from December 2010 was offered Jibun Bank aims to make further efforts to expand its services to improve customer convenience.

Mobile General Insurance Planning Co., Ltd. established by KDDI Corporation and Aioi Nissay Dowa Insurance Co. through joint investment obtained the noninsurance life insurance business license from Financial Services Agency on February 25, 2011.

Mobile General Insurance Planning Co., Ltd. changed its name to “au Insurance Company, Limited” on March 1, 2011.

In June 2010, Jupiter Telecommunications Co., Ltd. (hereafter: “J:COM”), an equity-method affiliate, Sumitomo Corporation, and KDDI Corporation agreed to build an alliance relationship. In accordance with the agreement, we have continued working on cross-sales promotion of au and J:COM services in the Kansai region and forged ahead with joint development of next-generation STBs.

In April 2011, we began rolling out J:COM Phone Plus, which uses KDDI’s Cable-plus phone wholesale in J:COM’s service areas. In this manner, we are steadily enhancing our alliance.

Notes:
1. “Osaifu-Keitai” is a registered trademark of NTT DOCOMO, INC.
2. “Android” and “Android Market” are trademarks of Google Inc.
3. “REGZA” is a registered trademark of Toshiba Corporation.
4. “AQUOS SHOT” is a registered trademark of Sharp Corporation.
5. “EXILIM-keitai” is a registered trademark of Casio Computer Co., Ltd.
6. “BRAVIA” and “Cyber-shot” are registered trademarks of Sony Corporation.
7. “Wi-Fi” is a registered trademark of Wi-Fi Alliance®.
8. “Flash®” is a trademark or a registered trademark of Adobe Systems Incorporated in the United States and other countries.
9. Skype is a trademark of Skype Limited.
10. WiMAX is a registered trademark of WiMAX Forum.

4. Outlook for the Year Ending March 31, 2012

The consolidated financial results outlook of the Group for the year ending March 31, 2012 is as follows;

(Amount unit: Millions of yen)

	Year ended March 31, 2011	Forecast, year ending March 31, 2012	Increase (Decrease)	Increase (Decrease) %
Operating revenues	3,434,545	3,460,000	25,454	0.7
Operating income	471,911	475,000	3,088	0.7
Ordinary income	440,676	450,000	9,323	2.1
Net income	255,122	250,000	(5,122)	(2.0)

In the Mobile Business, although voice ARPU is expected to decline due to more take up of “Simple course,” The Group will work to further expand terminal sales and increase data ARPU mainly from smartphone users. The Fixed-line Business is planned to record ¥3,460,000 million in operating revenue, first increase in four years, through expansion of FTTH customer base and strengthening of solution business for corporate clients.

Regarding operating expenses, although the Mobile Business will likely see higher procurement costs accompanying increase in terminal sales, the Group will work to curb overall operating expenses to counteract the decline in operating revenues through streamlining of networks in the Fixed-line Business and other measures. As a result, KDDI Corporation expects operating income of ¥475,000 million and ordinary income of ¥450,000 million, both of which record rise from the previous year.

Further, KDDI Corporation expects net income will remain around the same level at ¥250,000 million, due to a decrease in extraordinary loss and a rise in income taxes.

Because forecasting for the period is difficult due to volatile conditions in the telecommunications market related to competition among carriers, KDDI Corporation has not prepared a forecast of consolidated business results for the first six months of the fiscal year.

(2) Analysis on Consolidated Financial Position

1. Consolidated Financial Position

	Year ended March 31, 2010	Year ended March 31, 2011	Increase (Decrease)
Total assets	¥3,819,536M	¥ 3,778,918	(¥40,618M)
Shareholder’s equity	¥2,017,726M	¥2,103,331	¥ 85,604M
Equity ratio	52.8%	55.7%	2.8%
Net assets per share	¥453,003.09	¥ 495,386.23	¥ 42,383.14
Interest-bearing debt	¥1,096,778M	¥979,629	(¥117,148M)

Consolidated total assets as of March 31, 2011 amounted to ¥3,778,918 million, a decrease of ¥40,618 million from March 31, 2010. This decrease was primarily attributable to factors such as decrease in noncurrent assets in telecommunications business and securities.
Total liabilities amounted to ¥1,607,078 million, a decrease of ¥134,007 million from March 31, 2010. The major factors contributing to this decline were decreases in short-term loans payable and long-term loans payable.
An increase in retained earnings and a decrease in purchase of own shares resulted net asset to amount to ¥2,171,839 million..
As a result of these factors, the shareholders' equity ratio rose from 52.8% to 55.7%.

2. Consolidated Cash Flows

(Amount unit: Millions of yen)

	Year ended March 31 2010	Year ended March 31, 2011	Increase (Decrease)
Net cash provided by (used in) operating activities	739,991	717,353	(22,637)
Net cash provided by (used in) investing activities	(924,441)	(440,545)	483,895
Free cash flows	(184,449)	276,807	461,257
Net cash provided by (used in) financing activities	149,238	(279,998)	(429,236)
Effect of exchange rate change on cash and cash equivalents	377	(2,416)	(2,794)
Net increase (decrease) in cash and cash equivalents	(34,833)	(5,607)	29,226
Cash and cash equivalents at beginning of period	200,310	165,476	(34,833)
Cash and cash equivalents at end of period	165,476	159,869	(5,607)

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 net cash of ¥717,353 million largely due to ¥345,259 million of income before income taxes and minority interests, ¥449,318 million of depreciation, ¥52,141 million of impairment loss, and ¥143,876 million of income taxes paid, etc.
Investing activities used net cash of ¥440,545 million mainly due to ¥346,112 million for purchase of property, plant and equipment, ¥76,045 million for purchase of intangible assets.
Financing activities provided net cash of ¥279,998 million. This includes ¥99,999 million for purchase of treasury stock, ¥83,000 million for redemption of bonds, and ¥57,903 million for cash dividends paid.
The sum of cash flows from operating and investing activities showed a net outflow of ¥276,807 million, up ¥461,257 million year on year.
As a result, total amount of net cash and cash equivalents as of March 31, 2011, decreased ¥ 5,607 million from March 31, 2010, to ¥159,869 million.

3. Cash Flows Indicators

	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011
Shareholder’s equity ratio	54.1%	58.5%	53.7%	52.8%	55.7%
Market equity ratio	149.8%	94.4%	60.0%	56.4%	57.9%
Debt repayment period (year)	0.8	1.0	1.2	1.5	1.4
Interest coverage ratio	59.4	52.7	60.6	59.7	51.1

Note:

- Equity ratio: (Total net assets – Stock acquisition rights – Minority interests) / Total assets
- Market equity ratio: Market capitalization / Total assets
- Debt repayment period: Interest bearing debt / Cash flows from operating activities
- Interest coverage ratio: Cash flows from operating activities / Interest payments

- Market capitalization is calculated by multiplying the closing stock price at fiscal year-end by the number of shares outstanding (not including treasury stock).
- Cash flows from operating activities in consolidated statements of cash flows are used for operating cash flows.
- Figures for interest-bearing debt cover the amounts of loans and bonds that are recognized in consolidated balance sheets and liabilities upon which interest is paid. Further, regarding interest payments, the amount of interest expenses paid in consolidated statements of cash flows is used.

(3) Profit Distribution

Regarding the return of profits to shareholders as one of the priorities of its business management, KDDI Corporation has a basic policy of continuing to pay stable dividends while maintaining financial soundness.

Regarding dividend payments for the year ended March 31, 2011, KDDI Corporation has already paid an interim cash dividend of ¥6,500 per share. In order to express gratitude to its shareholders for their constant support, and in light of an overall consideration of business development aimed at improving future business results, KDDI Corporation plans to pay an increased year-end cash dividend of ¥7,500 per share, up ¥1,000 year on year.

Further, for the year ending March 31, 2012, KDDI Corporation plans to pay out ¥7,500 per share for both interim and year-end cash dividend, making the full-year amount ¥15,000 per share.

Going forward, KDDI Corporation will work to increase the consolidated payout ratio to 25% - 30% range while considering investment for the sustainable growth remains.

(4) Business Risks

As the 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
- natural disasters and accidents including earthquake, tsunami, typhoon, etc.
- 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 Group

2. The Group

The Group comprises KDDI Corporation, 105 consolidated subsidiaries (Japan: 41 companies, overseas: 64 companies), and 24 affiliates (Japan: 16 companies, overseas: 8 companies). The Group's main business lines are the Mobile Business, which provides mobile communication services, sales of mobile terminals, and content business, etc., and the Fixed-line Business, which provides broadband services, domestic and international telecommunications services, data center services, and ICT solution services, etc. Affiliates include 20 equity-method affiliates (Japan: 14 companies, overseas: 6 companies).

The status of KDDI Corporation, consolidated subsidiaries and affiliates within the Group business and their relationships with segments are as shown below.

<Mobile Business>

Principal services	Major consolidated subsidiaries and affiliates	
Mobile communication services (voice and data), sales of mobile terminals, contest business	domestic	KDDI Corporation ■ Okinawa Cellular Telephone Company [JASDAQ] ■ KDDI Technical & Engineering Service Corporation ■ Wire and Wireless Co., Ltd. ■ mediba corporation □ UQ Communications Inc. □ Mobaoku Co., Ltd. etc.
	overseas	■ KKBOX, Inc.

<Fixed-line Business>

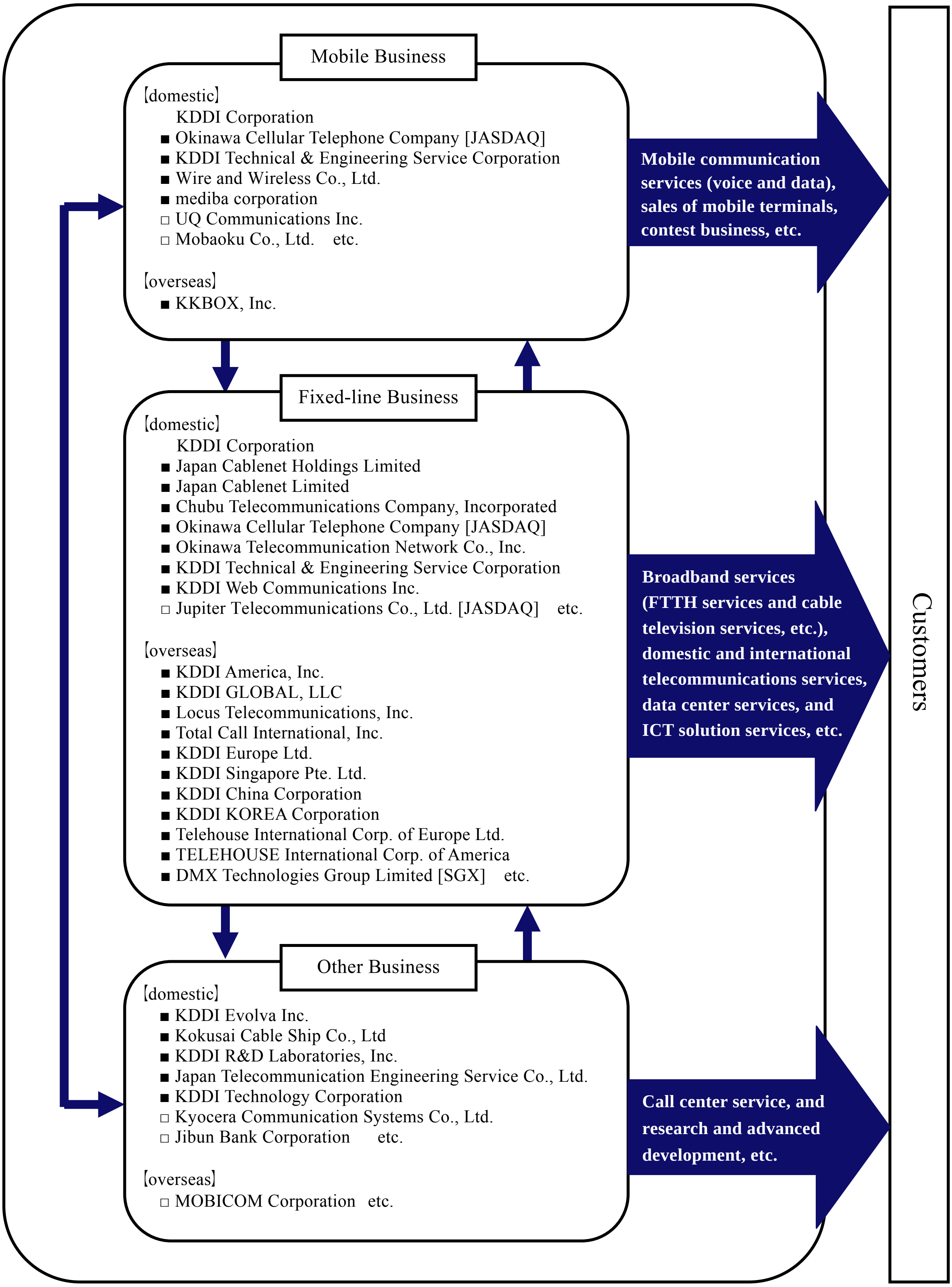
Principal services	Major consolidated subsidiaries and affiliates	
Broadband services (FTTH services and cable television services, etc.), domestic and international telecommunications services, data center services, and ICT solution services	domestic	KDDI Corporation ■ Japan Cablenet Holdings Limited ■ Japan Cablenet Limited ■ Chubu Telecommunications Company, Incorporated ■ Okinawa Cellular Telephone Company [JASDAQ] ■ Okinawa Telecommunication Network Co., Inc. ■ KDDI Technical & Engineering Service Corporation ■ KDDI Web Communications Inc. □ Jupiter Telecommunications Co., Ltd. [JASDAQ] etc.
	overseas	■ KDDI America, Inc. ■ KDDI GLOBAL, LLC ■ Locus Telecommunications, Inc. ■ Total Call International, Inc. ■ KDDI Europe Ltd. ■ KDDI Singapore Pte. Ltd. ■ KDDI China Corporation ■ KDDI KOREA Corporation ■ Telehouse International Corp. of Europe Ltd. ■ TELEHOUSE International Corp. of America ■ DMX Technologies Group Limited [SGX] etc.

<Others>

Principal services	Major consolidated subsidiaries and affiliates	
Call center service, and research and advanced development	domestic	■ KDDI Evolva Inc. ■ Kokusai Cable Ship Co., Ltd ■ KDDI R&D Laboratories, Inc. ■ Japan Telecommunication Engineering Service Co., Ltd. ■ KDDI Technology Corporation □ Kyocera Communication Systems Co., Ltd. □ Jibun Bank Corporation etc.
	overseas	□ MOBICOM Corporation etc.

Note; ■: consolidated subsidiaries □: equity-method affiliate

Business schematic diagram of corporate groups are shown as below.



Note: ■: consolidated subsidiaries □: equity-method affiliate

3. Management Policy

(1) Basic Management Policies

- We aim to become a company that can provide excitement, safety, happiness and smiles of gratitude to people in the world by offering highly credible networks and value-added products and services.
- The Group will advance total customer satisfaction (TCS) initiatives that will heighten the level of satisfaction among all stakeholders.
- The Group will emphasize cash flows and work to become a company that is attractive to its shareholders and other investors.
- The Group will work to establish an even sounder financial position by making efficient capital investments and reducing various expenses rigorously.
- To step up information security, we are working to ensure thorough information management and compliance and reinforcing our risk management structure.
- The Group will actively implement activities to preserve the environment—including energy saving, resource saving, recycling, and green purchasing—in order to emphasize harmony with the global environment and create a rich society that is fully in accord with human nature.
- The Group will actively contribute to the development of a rich communications-based society in adherence with the overriding goal of its corporate social responsibility initiatives, which seek to support social and economic activities in all areas by providing secure and convenient telecommunications services.

(2) Medium-to Long-term Management Strategies, Targeted Management Indicators, and Important Issues

We will promote our mission as a telecommunication company that supports a lifeline through construction of telecommunication infrastructure network that can be recovered quickly in case of major natural disasters, and creation of more minutes BCP (Business Continuity Plan) upon the experiences of the Great East Japan Earthquake.

The Group has formalized “three commitments” to respond quickly to changes in the operating environment, while at the same time growing sustainably and taking the lead in meeting emerging needs.

- **“More connected”** -- We will aim to achieve multi-network connectivity by organically linking networks owned by the Group, including mobile phone, FTTH, CATV and WiMAX networks, and various devices. We will also provide a high-speed communication environment and attractive content optimized for multi-device access. At the same time, KDDI Corporation will enable multi-use services tailored to regional lifestyle and individual customer preferences, thereby making ourselves “more connected” to customer.

- **“More global”** -- Overseas, many countries are experiencing robust economic growth. Meanwhile, Internet diffusion in numerous emerging markets continues to lag. The Group is working to meet the needs of markets around the world by developing communication-related businesses tailored to individual countries’ cultural and socioeconomic conditions, and is working toward global information and telecommunication technology (ICT) and building communication environments to this end.

- **“More diverse values”** -- The ongoing proliferation of Internet technologies, led by IP connectivity, are spawning ICT needs in a broadening host of fields, including medicine, health, education, government and the environment. By taking a more active part in various corporate initiatives and lifestyle aspects, the Group aims to add a host of further value to customers.

In the Mobile Business, we will strive to recover au service momentum, enhance customer satisfaction and meet diverse customer needs. At the same time, we will work to expand our handset lineup, develop and offer advanced new services and content, expand our service area and raise service quality. In particular, we are focusing on smartphones with the enhanced communication features that such as standard functions in Japan. Through the “au + WIMAX” service, we also plan to offer the fastest communication speeds in Japan to various terminals, including smartphones, Wi-Fi routers and other data communication devices, and tablets. By enhancing our overall product lineup in this way, we will strive to deliver a more optimal mobile communication environment and expand our business domain.

The Group will strive to improve convenience by providing services based on the ideas of fixed-mobile convergence.

We also aim to make steady progress in reorganizing the 800MHz band.
Through the above-mentioned initiatives, we expect to gradually reduce the churn rate, achieve a net increase in MNP (Mobile Number Portability), boost our share of the net increase, and raise data ARPU.
In the Fixed-line Business, we aim to bolster both revenues and profits. Along with efforts to promote sales of FTTH services such as “au HIKARI,” “Commuf@-hikari”, and “au HIKARI Chura,” the Group will seek ties with cable television companies with the goal of expanding its access lines, including for “Cable-plus phone” and cable television services provided by JCN Group.
With respect to corporate clients, the Group aims to contribute to business development of customers in Japan and overseas by providing network services and various cloud services such as virtual data center as one-stop service to support clouding of corporate IT system, as well as offering BCP solutions using smartphone and tablet terminals etc.
Through these initiatives, we will continue working to lower network access costs.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Assets		
Noncurrent assets		
Noncurrent assets-telecommunications business		
Property, plant and equipment		
Machinery[4]	2,555,068	2,653,301
Accumulated depreciation	(1,868,476)	(2,024,885)
Machinery, net	686,592	628,415
Antenna facilities	540,760	593,481
Accumulated depreciation	(214,507)	(240,019)
Antenna facilities, net	326,252	353,461
Local line facilities[4]	343,466	354,061
Accumulated depreciation	(213,418)	(228,849)
Local line facilities, net	130,047	125,212
Long-distance line facilities	111,269	106,804
Accumulated depreciation	(95,601)	(96,802)
Long-distance line facilities, net	15,667	10,002
Engineering facilities[4]	68,921	64,175
Accumulated depreciation	(35,567)	(36,977)
Engineering facilities, net	33,353	27,198
Submarine line facilities[4]	71,640	55,103
Accumulated depreciation	(59,558)	(45,567)
Submarine line facilities, net	12,081	9,536
Buildings[4]	425,283	421,992
Accumulated depreciation	(198,272)	(207,774)
Buildings, net	227,011	214,217
Structures	77,486	79,377
Accumulated depreciation	(45,728)	(46,931)
Structures, net	31,757	32,446
Land	240,746	242,197
Construction in progress	84,087	75,236
Other tangible Assets[4]	114,617	116,963
Accumulated depreciation	(74,544)	(82,776)
Other tangible assets, net	40,073	34,187
Total property, plant and equipment[1]	1,827,672	1,752,112
Intangible assets		
Right of using facilities	7,368	9,120
Software	221,785	191,719
Goodwill	24,411	17,563
Other intangible assets	8,445	10,223
Total intangible assets	262,010	228,626
Total noncurrent assets-telecommunications business	2,089,683	1,980,738
Incidental business facilities		
Property, plant and equipment		
Property, plant and equipment	210,500	231,868
Accumulated depreciation	(97,125)	(111,158)
Property, plant and equipment, net	113,374	120,709
Total property, plant and equipment	113,374	120,709

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Intangible assets		
Total intangible assets[1]	60,733	62,301
Total noncurrent assets-incidental business	174,108	183,010
Investments and other assets		
Investment securities[4]	93,057	73,898
Stocks of subsidiaries and affiliates[2]	372,167	356,887
Investments in capital of subsidiaries and affiliates[2]	182	182
Long-term prepaid expenses	79,878	82,240
Deferred tax assets	100,392	128,686
Lease and guarantee deposits	38,380	-
Other investment and other assets[4]	10,882	49,278
Allowance for doubtful accounts	(8,576)	(8,103)
Total investments and other assets	686,367	683,069
Total noncurrent assets	2,950,158	2,846,819
Current assets		
Cash and deposits[4]	96,863	136,921
Notes and accounts receivable-trade[4]	536,309	573,508
Accounts receivable-other	44,515	35,486
Income taxes receivable	-	32,703
Short-term investment securities	70,000	25,201
Supplies[4]	49,249	58,352
Deferred tax assets	67,398	64,079
Other current assets[4]	18,751	19,612
Allowance for doubtful accounts	(13,709)	(13,767)
Total current assets	869,378	932,098
Total assets	3,819,536	3,778,918
Liabilities		
Noncurrent liabilities		
Bonds payable[4]	374,968	414,978
Long-term loans payable[4]	497,775	414,187
Provision for retirement benefits	18,542	18,656
Provision for point card certificates	78,693	85,197
Other noncurrent liabilities	34,178	66,780
Total noncurrent liabilities	1,004,159	999,800
Current liabilities		
Current portion of noncurrent liabilities[4]	111,941	138,799
Notes and accounts payable-trade[4]	66,553	65,598
Short-term loans payable[4]	101,166	1,304
Accounts payable-other	250,517	192,402
Accrued expenses	16,150	14,253
Income taxes payable	67,856	57,764
Advances received	74,608	72,437
Provision for bonuses	18,975	19,519
Provision for loss on the Great East Japan Earthquake	-	16,282
Other current liabilities	29,156	28,913
Total current liabilities	736,927	607,278
Total liabilities	1,741,086	1,607,078

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Net assets		
Shareholders' equity		
Capital stock	141,851	141,851
Capital surplus	367,091	367,091
Retained earnings	1,506,951	1,704,170
Treasury stock	(25,244)	(125,244)
Total shareholders' equity	1,990,650	2,087,869
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34,326	28,612
Deferred gains or losses on hedges	-	32
Foreign currency translation adjustment	(7,250)	(13,182)
Total accumulated other comprehensive income	27,076	15,461
Subscription rights to shares	1,606	1,504
Minority interests	59,117	67,002
Total net assets	2,078,450	2,171,839
Total liabilities and net assets	3,819,536	3,778,918

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Income)

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Operating income and loss from telecommunications		
Operating revenue		
Total operating revenue	2,606,165	2,489,403
Operating expenses		
Business expenses	702,116	653,017
Operating expenses	291	117
Facilities maintenance expenses	227,852	305,697
Common expenses	1,733	2,297
Administrative expenses	111,285	70,927
Experiment and research expenses	9,937	8,866
Depreciation	440,290	423,447
Noncurrent assets retirement cost	26,933	18,540
Communication facility fee	402,030	362,480
Taxes and dues	39,918	39,500
Total operation expenses[1]	1,962,389	1,884,891
Net operating income from telecommunication	643,775	604,511
Operating income and loss from incidental business		
Operating revenue	835,981	945,142
Operating expenses[1]	1,035,895	1,077,742
Net operating loss from incidental business	(199,913)	(132,599)
Operating income	443,862	471,911
Non-operating income		
Interest income	484	640
Dividends income	1,100	1,527
Gain on investments in silent partnership	897	978
Miscellaneous income	5,615	6,888
Total non-operating income	8,098	10,034
Non-operating expenses		
Interest expenses	12,688	14,160
Equity in losses of affiliates	9,968	19,948
Miscellaneous expenses	6,433	7,159
Total non-operating expenses	29,090	41,269
Ordinary income	422,870	440,676
Extraordinary income		
Gain on sales of noncurrent assets[2]	515	1,314
Gain on sales of investment securities	1,014	5,618
Gain on negative goodwill	-	534
Reversal of allowance for doubtful accounts	5,309	-
Gain on reversal of subscription rights to shares	-	450
Total extraordinary income	6,839	7,918
Extraordinary loss		
Impairment loss[3]	10,734	52,141
Loss on retirement of noncurrent assets[5]	-	31,816
Loss on valuation of investment securities	2,291	368
Loss on sales of stocks of subsidiaries and affiliates	-	176
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,242
Loss on the Great East Japan Earthquake[6]	-	17,590
Business restructuring expenses[4]	48,056	-
Total extraordinary losses	61,083	103,335
Income before income taxes and minority interests	368,626	345,259

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Income taxes-current	148,310	102,617
Income taxes-deferred	1,898	(21,380)
Total income taxes	150,209	81,237
Income before minority interests	-	264,022
Minority interests in income	5,652	8,900
Net income	212,764	255,122

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Comprehensive Income)

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Income before minority interests	-	264,022
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(5,678)
Foreign currency translation adjustment	-	(7,496)
Share of other comprehensive income of associates accounted for using equity method	-	(17)
Total other comprehensive income[2]	-	(13,192)
Comprehensive income[1]	-	250,829
Comprehensive income attributable to		
Comprehensive income attributable to parent company	-	243,508
Comprehensive income attributable to minority interests	-	7,321

(3) Consolidated Statements of Changes in Net Assets

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Shareholders' equity		
Capital stock		
Balance at the end of precious period	141,851	141,851
Balance at the end of current period	141,851	141,851
Capital surplus		
Balance at the end of precious period	367,091	367,091
Balance at the end of current period	367,091	367,091
Retained earnings		
Balance at the end of precious period	1,347,637	1,506,951
Changes of items during the period		
Dividends from surplus	(53,449)	(57,903)
Net income	212,764	255,122
Total changes of items during the period	159,314	197,218
Balance at the end of current period	1,506,951	1,704,170
Treasury stock		
Balance at the end of precious period	(25,244)	(25,244)
Changes of items during the period		
Purchase of treasury stock	-	(99,999)
Total changes of items during the period	-	(99,999)
Balance at the end of current period	(25,244)	(125,244)
Total shareholders' equity		
Balance at the end of precious period	1,831,336	1,990,650
Changes of items during the period		
Dividends from surplus	(53,449)	(57,903)
Net income	212,764	255,122
Purchase of treasury stock	-	(99,999)
Total changes of items during the period	159,314	97,218
Balance at the end of current period	1,990,650	2,087,869
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	18,529	34,326
Changes of items during the period		
Net changes of items other than shareholders' equity	15,797	(5,714)
Total changes of items during the period	15,797	(5,714)
Balance at the end of current period	34,326	28,612
Deferred gains or losses on hedges		
Balance at the end of previous period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	32
Total changes of items during the period	-	32
Balance at the end of current period	-	32
Foreign currency translation adjustment		
Balance at the end of previous period	(8,805)	(7,250)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,554	(5,932)
Total changes of items during the period	1,554	(5,932)
Balance at the end of current period	(7,250)	(13,182)

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Total accumulated other comprehensive income		
Balance at the end of previous period	9,723	27,076
Changes of items during the period		
Net changes of items other than shareholders' equity	17,352	(11,614)
Total changes of items during the period	17,352	(11,614)
Balance at the end of current period	27,076	15,461
Subscription rights to shares		
Balance at the end of previous period	991	1,606
Changes of items during the period		
Net changes of items other than shareholders' equity	615	(101)
Total changes of items during the period	615	(101)
Balance at the end of current period	1,606	1,504
Minority interests		
Balance at the end of previous period	39,278	59,117
Changes of items during the period		
Net changes of items other than shareholders' equity	19,839	7,885
Total changes of items during the period	19,839	7,885
Balance at the end of current period	59,117	67,002
Total net assets		
Balance at the end of previous period	1,881,329	2,708,450
Changes of items during the period		
Dividends from surplus	(53,449)	(57,903)
Net income	212,764	255,122
Purchase of treasury stock	-	(99,999)
Net changes of items other than shareholders' equity	37,807	(3,830)
Total changes of items during the period	197,121	93,388
Balance at the end of current period	2,078,450	2,171,839

(4) Consolidated Statements of Cash Flows

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	368,626	345,259
Depreciation and amortization	460,939	449,318
Impairment loss	10,734	52,141
Amortization of goodwill and negative goodwill	9,039	-
Amortization of goodwill	-	11,373
Gain on negative goodwill	-	(534)
Loss (gain) on sales of noncurrent assets	(485)	(1,280)
Loss on retirement of noncurrent assets	22,450	15,467
Increase (decrease) in provision for loss on the Great East Japan Earthquake	-	16,282
Business restructuring expenses	40,656	-
Increase (decrease) in allowance for doubtful accounts	(3,746)	(246)
Increase (decrease) in provision for retirement benefits	3	40
Interest and dividends income	(1,585)	(2,167)
Interest expenses	12,688	14,160
Equity in (earnings) losses of affiliates	9,968	19,948
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	176
Loss (gain) on valuation of investment securities	2,291	368
Increase (decrease) in provision for point card certificates	16,046	6,504
Decrease (increase) in prepaid pension costs	3,910	1,586
Decrease (increase) in notes and accounts receivable-trade	(46,412)	(31,577)
Decrease (increase) in inventories	29,431	(9,344)
Increase (decrease) in notes and accounts payable-trade	1,215	(754)
Increase (decrease) in accounts payable-other	(3,203)	(12,131)
Increase (decrease) in accrued expenses	1,326	(799)
Increase (decrease) in advances received	5,891	(238)
Other, net	6,896	(5,849)
Subtotal	946,684	867,701
Interest and dividends income received	3,642	7,578
Interest expenses paid	(12,385)	(14,049)
Income taxes paid	(197,950)	(143,876)
Net cash provided by (used in) operating activities	739,991	717,353
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(393,667)	(346,112)
Proceeds from sales of property, plant and equipment	602	1,535
Purchase of intangible assets	(100,874)	(76,045)
Purchase of investment securities	(672)	(1,417)
Proceeds from sales of investment securities	747	15,789
Purchase of stocks of subsidiaries and affiliates	(23,784)	(3,890)
Purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation[2]	(387,258)	(5,398)
Proceeds from purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	2,563	-
Payments for sales of investments in subsidiaries and affiliates resulting in change in scope of consolidation	-	(904)
Purchase of long-term prepaid expenses	(23,937)	(22,398)
Other, net	1,839	(1,705)
Net cash provided by (used in) investing activities	(924,441)	(440,545)

(Amount Unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	18,965	(99,714)
Proceeds from long-term loans payable	99,500	50,000
Repayment of long-term loans payable	(41,166)	(24,753)
Proceeds from issuance of bonds	150,000	40,000
Redemption of bonds	(19,800)	(83,000)
Purchase of treasury stock	-	(99,999)
Cash dividends paid	(53,447)	(57,903)
Cash dividends paid to minority shareholders	(1,042)	(1,083)
Proceeds from stock issuance to minority shareholders	-	1,867
Other, net	(3,769)	(5,411)
Net cash provided by (used in) financing activities	149,238	(279,998)
Effect of exchange rate change on cash and cash equivalents	377	(2,416)
Net increase (decrease) in cash and cash equivalents	(34,833)	(5,607)
Cash and cash equivalents at beginning of period	200,310	165,476
Cash and cash equivalents at end of period[1]	165,476	159,869

(5) Going Concern Assumption

None

(6) Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation
   a) Number of consolidated subsidiaries: 105

   b) Major consolidated subsidiaries:
   Okinawa Cellular Telephone Company, KDDI Technical & Engineering Service Corporation, KDDI Evolva Inc, Japan Cablenet Limited, CHUBU TELECOMMUNICATION CO., INC., Okinawa Telecommunication Network Co., Inc., KMN Corporation, KDDI R&D Laboratories, Inc., KDDI AMERICA Inc., Locus Telecommunications, Inc., Total Call International, Inc., KDDI Europe Ltd., TELEHOUSE International Corp. of America, Telehouse International Corp. of Europe Ltd., DMX Technologies Group Limited

   (Added)
   - 4 companies due to stock acquisition
     Wire and Wireless Co., Ltd. and KKBOX, Inc. and its 2 subsidiaries
   - 1 company due to additional purchase of owned shares
     CABLE TELEVISION TOKYO, LTD.
   - 5 companies due to new establishment
     MediaFLO Broadcast Planning Incorporated, KDDI DO BRASIL SOLUCOES EM TECNOLOGIA LTDA, KDDI MATOMETE OFFICE CORPORATION, DMX Technologies (India) Private. Limited, Limited liability company KDDI Rus

   (Removed)
   - 1 company due to sale of shares
     HOLA PARAGUAY S.A.
   - 1 company due to liquidation
     MediaFLO Japan Planning Inc.
   - 2 companies due to merger
     Missha Queens Mall Corp. and BeCreations, Inc.: merged by LTI Cosmetics, Inc.

   c) Special purpose companies

   1) Overview of special purpose companies and transactions made through such companies

   KDDI Corporation securitized its properties in order to improve its financial position by reducing interest-bearing debt. This securitization is conducted using special purpose companies (“SPCs”), a particular type of limited liability company.
   For the securitization, KDDI Corporation transfers its real estate properties to a SPCs, which procures funds from debt using these assets as collateral. KDDI Corporation then receives these funds as proceeds from sale.
   After securitization, the same properties are leased back to KDDI Corporation. Since all investments in the SPCs by anonymous associations are expected to be collected, as of March 31, 2011, we have determined that there is no possibility of incurring future losses.
   As of March 31, 2011, there is one SPC with a transaction balance. Total assets in this SPC, as of its most recent closing date, amounted to ¥9,489 million, with total liabilities of ¥8,113 million.
   Neither KDDI Corporation nor any of its consolidated subsidiaries has made investments that confer voting rights in this SPC, and no directors or employees have been dispatched to it.

2) Transaction amounts with SPCs during the year ended March 31, 2011

(Amount unit: Millions of yen)

	Major transaction amounts for the year ended March 31, 2011 and balance as of March 31, 2011	Major income and loss	
		Items	Amounts
Transferred properties [1]	14,547	-	-
Long-term accounts receivable	1,282	-	-
Investments by anonymous association [2]	727	Dividend	978
Lease transaction	-	Lease payments	1,668

Note 1: Transaction amounts related to the transferred properties are represented as the transfer price at the time of the transfer.

Note 2: Transaction amounts related to the investments made by the anonymous association are represented as the amounts invested as of March 31, 2011.

2. Equity method affiliate

a) Number of equity method affiliate: 20

b) Major equity method affiliates

Jupiter Telecommunications Co., Ltd., Kyocera Communication Systems Co., Ltd., Japan Internet Exchange Co. Ltd., UQ Communications Inc., Jibun Bank Corporation, Mobaoku Co., Ltd., MOBICOM Corporation

(Added)
- 2 companies due to stock acquisition
  Microfinance International Corporation and Efun Technology Entertainment Co., Ltd.:
  Efun Technology Entertainment Co., Ltd. added to equity method affiliate due to stock acquisition of its parent company, KKBOX, Inc.
- 2 companies due to new establishment
  e-book distribution company and Telehouse International Corporation of Vietnam:
  e-book distribution company changed its name to booklista Co., Ltd.

(Removed)
- 1 company due to sale of shares
  International Assistance Co., Ltd.
- 1 company due to additional purchase, resulting in subsidiary
  CABLE TELEVISION TOKYO, LTD.

c) Non equity method affiliates (CJSC Vostoktelecom etc.) are not included within the scope of the equity method because they are insignificant and their net incomes and retained earnings (the amounts equivalent to KDDI Corporation’s interest in the companies) do not significantly affect consolidated financial statements.

d) For equity method companies with the fiscal year end that differ from the consolidated fiscal year end, the financial statements for the fiscal year of each company are used.

3. Fiscal year of consolidated subsidiaries

Among consolidated subsidiaries, the fiscal year end of 60 companies, including KDDI AMERICA Inc, KDDI Europe Ltd., is December 31 of each year. For the preparation of consolidated financial statements, KDDI Corporation uses financial statements as of December 31 and makes adjustments as necessary for consolidation in relation to significant transactions during their year-end date and the consolidated year-end date.

Total Call International, Inc. and its 1 subsidiary changed the fiscal year end from April 30 to December 31. This change has minor impact on the consolidated financial statements.

4. Accounting policies

a) Valuation standards and methods for major assets

1) Securities

Other securities

a): Other securities for which market quotations are available are stated at fair value prevailing at the balance sheet date with unrealized gains and losses, directly included in net assets. The cost of securities sold is determined by the moving-average method.

b): Other securities for which market quotations are not available are valued at cost mainly determined by the moving-average method.

2) Inventories

Supplies

Stated at cost. Cost is determined by the moving-average method (the method of write-downs based on the decrease in profitability is applied in order to calculate the inventory value on the balance sheet).

b) Depreciation and amortization for major assets

1) Property, plant and equipment other than leased assets

KDDI Corporation: Machinery: declining-balance method
Property, plant and equipment other than machinery: straight-line method

Consolidated subsidiaries: Mainly straight-line method

Useful life of principle assets is as follows:

Machinery: 9 years

Antenna facilities, Local line facilities, Long-distance line facilities, Engineering facilities, Submarine line facilities and Buildings: 5 to 38 years

2) Intangible assets other than leased assets: straight-line method

Software for internal use is amortized under the straight-line method over the expected useful lives (5 years).

3) Leased assets

Leased assets related to financial leases that do not transfer ownership rights to the lessees are amortized under the straight-line method based on the lease term as the useful life and residual value of zero.

Finance leases other than those, which are deemed to transfer the ownership rights of the leased assets to the lessees, that started before March 31, 2008, are accounted for by a method similar to that applicable to ordinary operating leases.

4) Long-term prepaid expenses: Straight-line method

c) Deferred assets

Bond issuance expenses: Entire amount of expenses is fully charged at time of expenditure.

d) Significant allowances

1) Allowance for doubtful accounts

To prepare for uncollectible credits, general allowance is recorded based on the actual bad debt ratio, and specific allowance is recorded based on the amount deemed to the uncollectible considering the collectibility.

2) Provision for retirement benefits

The amount for employee retirement benefits at March 31, 2010 is based on the estimated value of benefit obligations, plan assets and retirement benefit trust assets at March 31, 2010.

Prior service cost is amortized on a straight-line basis over the average remaining service life of employees (14 years) in the year in which it arises and unrecognized actuarial differences are amortized on a straight-line basis over the average remaining service life of employees (14 years) from the year following that in which they arise.

3) Provision for point card certificates

In order to prepare for the future cost generating from the utilization of points that customers have earned under the point services such as “au Point Program,” based on its past experience, KDDI Corporation reserves an amount considered appropriate to cover possible utilization of the points during or after the next consolidated fiscal year.

4) Allowance for bonuses

To allow for the payment of bonuses to employees, KDDI Corporation records the standard for estimated amounts of bonuses to be paid.

5) Impairment loss on the Great East Japan Earthquake

Amount for recovery of assets damaged by the Tohoku Region Pacific Coast Earthquake that occurred on March 11, 2011 has been estimated. It includes loss and recovery cost of au base stations, domestic cable and others, support cost to agencies, and other recovery costs.

However, the estimated amount may change due to reconsideration of contents and areas of repair accompanied with survey and recovery development of areas prohibited of entrance.

e) Foreign currency transaction
All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net profit or loss for the period.
All assets and liabilities of foreign subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Revenues and expenses for the year are translated into Japanese yen at the average exchange rate during the year and translation adjustments are included in "Foreign currency translation adjustments" and "Minority interests" of "Net assets."

f) Amortization of goodwill
Goodwill is amortized under the straight-line method over a period of 5 to 20 years. However, minimal amounts of goodwill is recognized as expenses or gains for the year ended March 31, 2011.

g) Cash and cash equivalents in the consolidated cash flow statements
Cash and cash equivalents are composed of cash on hand, bank deposits able to be withdrawn on demand and short-term highly liquid investments with a maturity of three months or less at the time of purchase and which bear lower risks from fluctuations in value.

h) Others
Accounting method for consumption taxes
Consumption taxes are accounted for using the net method of reporting.

(7) Changes in Significant Accounting Policies in the Preparation of Consolidated Financial Statements

(Application of "Accounting Standard for Equity Method of Accounting for Investment" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method")
Effective from the year ended March 31, 2011, the Group applies the "Accounting Standard for Equity Method of Accounting for Investment" (Accounting Standards Board of Japan [ASBJ] Statement No. 16 of March 10, 2008) and the "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No. 24 of March 10, 2008).
There is no impact on the Group's consolidated financial statements for the year as a result of this change.

(Application of "Accounting Standard for Asset Retirement Obligations")
Effective from the year ended March 31, 2011, the Group applies the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 of March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 of March 31, 2008).
There is no significant impact on the Group's consolidated financial statements for the year as a result of this change.

(Application of "Accounting Standard for Business Combinations" and others)
Effective from the year ended March 31, 2011, the Group began applying the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 of December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 of December 26, 2008), the "Partial amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23 of December 26, 2008), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 of December 26, 2008), the "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16 of December 26, 2008), and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 of December 26, 2008).

(Changes in Presentation)
(Consolidated Balance Sheets)
"Lease and guarantee deposits" listed in the previous consolidated fiscal year has been included in "Other investment and other assets" as its monetary value has become less significant from this consolidated fiscal year. "Lease and guarantee deposits" for this fiscal year included in "Other investment and other assets" is ¥35,565 million.

(Consolidated Statements of Income)
Based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 of December 26, 2008), the Group applies the "Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No.5**,** March 24, 2009). As a result, "Income before minority interests" is included in the consolidated financial statements for the year ended March 31, 2011.

(Additional information)

Effective from this fiscal year, KDDI Group applies “Accounting Standard for Presentation of Comprehensive Income”（ASBJ Statement No.25 June 30, 2010).

However, the amount of “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” in the consolidated fiscal year are shown as “Valuation and translation adjustments” and “Total valuation and translation adjustments”.

(8) Notes for Consolidated Financial Statements

Consolidated financial statements of KDDI Corporation are prepared under the “Regulations concerning the terms, forms and preparation methods for quarterly consolidated financial statements” (Ministry of Finance Ordinance No. 28, 1976, herein after “Regulations for consolidated financial statements”), and in accordance with these regulations and the “Rules for telecommunications business accounting” (Ministry of Posts and Telecommunications Ordinance No. 26, 1985).

The consolidated financial statements for the year ended March 31, 2010 were prepared under the pre-revision Regulations for consolidated financial statements and Rules for telecommunications business accounting. The consolidated financial statements for the year ended March 31, 2011 are prepared under the revised Regulations for consolidated financial statements and Rules for telecommunications business accounting.

(Consolidated Balance Sheets)

As of March 31, 2010			As of March 31, 2011		
Note 1	Reduction entry amount of noncurrent assets		Note 1	Reduction entry amount of noncurrent assets	
	Reduction entry amount due to contribution for construction	¥49M		Reduction entry amount due to contribution for construction	¥1,217M
	(cumulative total)	¥17,393M		(cumulative total)	¥18,116M
2	Notes relating to affiliates The amounts that relate to subsidiaries and affiliates and that are included in respective items are as follows.		2	Notes relating to affiliates The amounts that relate to subsidiaries and affiliates and that are included in respective items are as follows.	
	Stocks of subsidiaries and affiliates	¥372,167M		Stocks of subsidiaries and affiliates	¥356,887M
	(of which investment in jointly controlled entities)	¥568M		(of which investment in jointly controlled entities)	¥659M
	Investments in capital of subsidiaries and affiliates	¥182M		Investments in capital of subsidiaries and affiliates	¥182M
3	Contingent liabilities (1) Guarantor liabilities, etc.		3	Contingent liabilities (1) Guarantor liabilities, etc.	
	[As a guarantor for office lease contract of:] KDDI America, Inc. etc.	¥355M		[As a guarantor for loans of:] UQ Communications Inc.	¥118,873M
	(liabilities denominated in foreign currencies included)	US$3M			
	[As a guarantor for loans of:] UQ Communications Inc.	¥30,608M			
	(2) Contingent liabilities existing in cable system supply contract	¥4,652M		(2) Contingent liabilities existing in cable system supply contract	¥4,157M
	(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	¥536M		(3) Contingent liabilities resulting from the liquidation of Minex Corporation	¥479M
	(liabilities denominated in foreign currencies included)	US$5M		(liabilities denominated in foreign currencies included)	US$5M
4	Assets pledged as collateral and liabilities with collateral:		4	Assets pledged as collateral and liabilities with collateral:	
	（KDDI） 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 KDDI Corporation have been pledged as general collateral for corporate bonds issued.			（KDDI） No change from the year ended March 31, 2010.	
	Bonds	¥20,000M		Bonds	¥20,000M

As of March 31, 2010		As of March 31, 2011	
(Consolidated subsidiaries)		(Consolidated subsidiaries)	
Assets pledged as collateral		Assets pledged as collateral	
Machinery	¥735M	Machinery	¥535M
Local line facilities	¥684M	Local line facilities	¥470M
Engineering facilities	¥20M	Engineering facilities	¥19M
Submarine line facilities	¥13M	Submarine line facilities	¥10M
Buildings	¥216M	Buildings	¥189M
Other tangible assets	¥193M	Other tangible assets	¥112M
Investment securities	¥220M	Investment securities	¥571M
Other investments and other assets	¥119M	Other investments and other assets	¥92M
Cash and deposits	¥466M	Notes and accounts receivable-trade	¥201M
Notes and accounts receivable-trade	¥994M	Total	¥2,203M
Supplies	¥70M	(assets denominated in foreign currencies included)	US$10M
Other current assets	¥12M		
Total	¥3,748M		
(assets denominated in foreign currencies included)	US$21M		
Corresponding liabilities		Corresponding liabilities	
Long-term loans payable	¥2,388M	Long-term loans payable	¥1,599M
Current portion of noncurrent liabilities	¥476M	Current portion of noncurrent liabilities	¥450M
		Notes and accounts payable-trade	¥6M
Short-term loans payable	¥727M	Short-term loans payable	¥1,304M
Total	¥3,592M	Total	¥3,360M
(liabilities denominated in foreign currencies included)	US$14M	(liabilities denominated in foreign currencies included)	US$17M

(Consolidated Statements of Income)

As of March 31, 2010	As of March 31, 2011
Note 1 Operating expenses include research and development expenses of ¥30,987 million.	Note 1 Operating expenses include research and development expenses of ¥33,263 million.
2 Gain on sales of noncurrent assets is gain on sales of real estate of ¥221 million, which accompanied sales of idle land etc., and gain on sales of other facilities of ¥293 million.	2 Gain on sales of noncurrent assets is gain on sales of real estate of ¥1,105 million, which accompanied sales of land etc, and gain on sales of other facilities of ¥209 million.
3 In the year ended March 31, 2010, KDDI Group mainly recognized impairment loss for the following assets and asset groups.	3 In the year ended March 31, 2011, KDDI Group mainly recognized impairment loss for the following assets and asset groups.

As of March 31, 2010:

Location	Usage for	Item	Impairment loss amount
KDDI Corporation Domestic transmission line facilities, idle assets, etc. (Tokyo, etc.)	Telecommunications business	Local line facilities, Engineering facilities, etc.	¥10,323M

As of March 31, 2011:

Location	Usage for	Item	Impairment loss amount
KDDI Corporation, etc. Facility used for current 800MHz band (Tokyo, Nagoya, Osaka, etc.)	Telecommunications business	Machinery, etc.	¥13,079M
KDDI Corporation Domestic transmission line facilities, idle assets, etc. (Tokyo, etc.)	Telecommunications business	Local line facilities, Engineering facilities, etc.	¥17,471M
KDDI Corporation Facility used for legacy service (Tokyo, etc.)	Telecommunications business	Machinery, local line facilities, etc.	¥21,209M

As of March 31, 2010:

The KDDI Group calculates impairment losses by grouping assets based on minimum units that have identifiable cash flows essentially independent from the cash flows of other assets or groups of assets.

As a result, in the year ended March 31, 2010, for domestic transmission system with declining utilization rates and idle assets, including a certain portion of the above mentioned domestic transmission system, the book value has been reduced to recoverable value. The said reduction is recognized as impairment loss of ¥10,323 million in extraordinary loss.

This consists of ¥5,275 million for local line facilities, ¥3,586 million for engineering facilities and ¥1,460 million for others.

Further, the recoverable amount for the said assets is estimated based on the net selling price. The calculation of market value is based on appraised value and other factors, with the value of assets that are difficult to sell or convert to other uses set at ¥0.

In addition, impairment loss of ¥411 million on business assets in certain subsidiaries was recognized in extraordinary loss.

This consists of ¥215 million for machinery, ¥101 million for software and ¥94 million for others.

As of March 31, 2011:

The KDDI Group calculates impairment losses by grouping assets based on minimum units that have identifiable cash flows essentially independent from the cash flows of other assets or groups of assets.

The use of the facility for current 800MHz band will be discontinued from July 2012 due to a reorganization of frequencies, while transfer of mobile handsets to new frequency band is being promoted. Recognizing the downward trend in subscribers using handsets compatible with such equipments, the book value of those assets was written down to the amount deemed recoverable, resulting in an extraordinary loss on asset impairment of ¥13,079 million. Of which, ¥12,373 million comes from machineries and ¥705 million from others.
The recoverable value of these assets for the Group was estimated based on the usage value, and calculated based on a future cash flow discount rate of 5.54%.

As of March 31, 2010	As of March 31, 2011
	In the year ended March 31, 2011, for domestic transmission system with declining utilization rates and idle assets, the book value has been reduced to recoverable value. The said reduction is recognized as impairment loss of ¥17,471 million in extraordinary loss. This consists of ¥10,687 million for local line facilities, ¥4,485 million for engineering facilities and ¥2,298 million for others. Further, the recoverable amount for the said assets is estimated based on the net selling price. The calculation of market value is based on appraised value and other factors, with the value of assets that are difficult to sell or convert to other uses set at ¥0. Due to the worsening market environment and the downward trend in the subscribers of a part of legacy services in the Fixed-line Business during the year ended March 31, 2011, KDDI Corporation set up a cash management system for cash flows generated by such equipment, and pooled those assets into an independent asset grouping. Recognizing the worsening market environment and the downward trend in the subscribers, the book value of those assets was written down to the amount deemed recoverable, resulting in an extraordinary loss on asset impairment of ¥21,209 million. Of which, ¥10,468 million comes for machineries, ¥7,753 million for local line facilities, and ¥2,987 million for others. The recoverable value of this asset group was estimated based on the usage value, and calculated based on a future cash flow discount rate of 5.54%. In addition, impairment loss of ¥380 million on business assets in certain subsidiaries was recognized in extraordinary loss. This consists of ¥95 million for long-distance line facilities, ¥84 million for buildings, ¥79 million for machinery, ¥77 million for local line facilities, and ¥44 million for others.

As of March 31, 2010	As of March 31, 2011
4 Business restructuring expenses include ¥32,832 million of impairment loss regarding network streamlining (combining and disposal of low-use facilities) and ¥15,224 million for loss on retirement of noncurrent assets in Fixed-line Business.	―――

Details of impairment loss are as follows.

Location	Usage for	Item	Impairment loss amount
KDDI Corporation Domestic line facilities etc. (Tokyo, etc.)	Telecommunications business	Long-distance line facilities, Local line facilities, Machinery, Submarine line facilities etc.	¥32,832M

For domestic transmission lines assets for which utilization rates declined due to network streamlining (combining and disposal of low-use facilities) in Fixed-line Business, the book value was reduced to recoverable value and said reduction is recognized as impairment loss of ¥32,832 million in business restructuring expenses (extraordinary loss).

This consists of ¥14,830 million for long-distance line facilities, ¥7,965 million for local line facilities, ¥6,500 million for machinery, ¥3,145 million for submarine line facilities and ¥390 million for others.

Further, the recoverable amount for the said assets is estimated based on the net selling price. However appraised value of these assets is set at ¥0 as these are difficult to sell or convert to other uses.

Loss on retirement of noncurrent assets consists of ¥3,888 million for machinery, ¥1,694 million for engineering facilities, ¥2,240 million for other noncurrent assets and ¥7,400 for disposal cost, etc.

As of March 31, 2010	As of March 31, 2011
―――	5 Loss on retirement of noncurrent assets consists of ¥28,383 million for disposal of property, plant, and equipment, related to the disposal of facility used for current 800MHz band, ¥3,256 million for disposal of property, plant, and equipment, related to the disposal of facility used for legacy service, and ¥176 million for others.
―――	6 Loss on the Great East Japan Earthquake It is for recovery of assets damaged by the Tohoku Region Pacific Coast Earthquake that occurred on March 11, 2011. It includes loss and recovery cost of au base stations, domestic cable and others, support cost to agencies, and other recovery costs. It includes ¥16,282 million in transfer for losses on the Great East Japan Earthquake.

(Consolidated Statements of Comprehensive Income)

For the year ended March 31, 2011

Note1: Comprehensive income for the year ended March 31, 2010

Comprehensive income attributable to parent company	¥230,116 million
Comprehensive income attributable to minority interests	¥6,182 million
Total	¥236,298 million

Note2: Other comprehensive income for the year ended March 31, 2010

Valuation difference on available-for-sale securities	¥15,802 million
Foreign currency translation adjustment	¥2,452 million
Share of other comprehensive income of associates accounted for using equity method	(¥373 million)
Total	¥17,881 million

(Consolidated Statements of Changes in Net Assets)
For the year ended March 31, 2010

1. Total number and type of shares outstanding and total number and type of treasury stock

	As of March 31, 2009	Increase during the year ended March 31, 2010	Decrease during the year ended March 31, 2010	As of March 31, 2010
Shares outstanding				
Common stock	4,484,818	-	-	4,484,818
Total	4,484,818	-	-	4,484,818
Treasury stock				
Common stock	30,705	-	-	30,705
Total	30,705	-	-	30,705

2. Subscription warrants and own share option

<table>
<tr><th rowspan="2"></th><th rowspan="2">Breakdown of subscription warrants</th><th rowspan="2">Types of shares subject to subscription warrants</th><th colspan="4">Number of shares subject to subscription warrants</th><th rowspan="2">Balance as of March 31, 2010</th></tr>
<tr><th>As of March 31, 2009</th><th>Increase during the year ended March 31, 2010</th><th>Decrease during the year ended March 31, 2010</th><th>As of March 31, 2010</th></tr>
<tr><td>KDDI (parent company)</td><td>Subscription warrants as stock options</td><td colspan="5">-</td><td>¥1,475M</td></tr>
<tr><td>Consolidated subsidiaries</td><td>Subscription warrants as stock options</td><td colspan="5">-</td><td>¥131M</td></tr>
<tr><td colspan="2">Total</td><td colspan="5">-</td><td>¥1,606M</td></tr>
</table>

3. Dividends

(1) Cash dividends payments

Resolution	Type of shares	Total dividends	Dividends per share	Record date	Effective date
June 18, 2009 Annual meeting of shareholders	Common stock	¥24,497M	¥5,500	March 31, 2009	June 19, 2009
October 23, 2009 Meeting of the Board of Directors	Common stock	¥28,951M	¥6,500	September 30, 2009	November 20, 2009

As to the resolution as of October 23, 2009, dividend per share includes ¥1,000 commemorative dividend.

(2) Approval of dividends payments for which the record date is in the fiscal year under review and the effective date is in the following fiscal year is planned as follows

Resolution	Type of shares	Total dividends	Dividend resource	Dividends per share	Record date	Effective date
June 17, 2010 Annual meeting of shareholders	Common stock	¥28,951M	Retained earnings	¥6,500	March 31, 2010	June 18, 2010

For the year ended March 31, 2011

1. Total number and type of shares outstanding and total number and type of treasury stock

	As of March 31, 2010	Increase during the year ended March 31, 2011	Decrease during the year ended March 31, 2011	As of March 31, 2011
Shares outstanding				
Common stock	4,484,818	-	-	4,484,818
Total	4,484,818	-	-	4,484,818
Treasury stock				
Common stock	30,705	208,271	-	238,976
Total	30,705	208,271	-	238,976

2. Subscription warrants and own share option

	Breakdown of subscription warrants	Types of shares subject to subscription warrants	Number of shares subject to subscription warrants				Balance as of March 31, 2011
			As of March 31, 2010	Increase during the year ended March 31, 2011	Decrease during the year ended March 31, 2011	As of March 31, 2011	
KDDI (parent company)	Subscription warrants as stock options	-					¥1,410M
Consolidated subsidiaries	Subscription warrants as stock options	-					¥94M
Total		-					¥1,504M

3. Dividends

(1) Cash dividends payments

Resolution	Type of shares	Total dividends	Dividends per share	Record date	Effective date
June 17, 2010 Annual meeting of shareholders	Common stock	¥28,951M	¥6,500	March 31, 2010	June 18, 2010
October 22, 2010 Meeting of the Board of Directors	Common stock	¥28,951M	¥6,500	September 30, 2010	November 19, 2010

(2) Approval of dividends payments for which the record date is in the fiscal year under review and the effective date is in the following fiscal year is planned as follows

Resolution	Type of shares	Total dividends	Dividend resource	Dividends per share	Record date	Effective date
June 16, 2011 Annual meeting of shareholders	Common stock	¥31,843M	Retained earnings	¥7,500	March 31, 2011	June 17, 2011

(Consolidated Statement of Cash Flows)

Year ended March 31, 2010	Year ended March 31, 2011
Note 1 Relationship between balance of cash and cash equivalents and items presented in consolidated balance sheets as of March 31, 2010 Cash and deposits account ¥96,863M Securities account ¥70,000M Total ¥166,863M Time deposit with terms exceeding 3 months and deposits with collateral (¥1,386M) Cash and cash equivalents ¥165,476M	Note 1 Relationship between balance of cash and cash equivalents and items presented in consolidated balance sheets as of March 31, 2011 Cash and deposits account ¥136,921M Securities account ¥25,201M Total ¥162,123M Time deposit with terms exceeding 3 month and deposits with collateral (¥2,253M) Cash and cash equivalents ¥159,869M
2 Assets and liabilities of newly consolidated subsidiaries Liberty Global Japan II, LLC, Liberty Japan, LLC, and Liberty Jupiter, LLC, have been newly consolidated due to the acquisition of shares. Accordingly, the following shows the breakdown of assets and liabilities that existed at the time of consolidation, and the relationship between acquisition cost of the ownership of interest in three companies and the expense (net amount) required for the acquisition of the subsidiaries. Noncurrent assets ¥363,106M Noncurrent liabilities (¥335M) Current liabilities (¥227M) Acquisition costs ¥362,543M Temporary payment related to acquisition (¥8M) Net acquisition cost ¥362,534M	―――
3 Assets and liabilities related to finance lease transactions newly recognized in the year ended March 31, 2010, were ¥8,111 million and ¥9,164 million respectively.	3 Assets and liabilities related to finance lease transactions newly recognized in the year ended March 31, 2011, were ¥5,672 million and ¥5,959 million respectively.

(Segment Information)

[Business segment information]

For the year ended March 31, 2010

(Amount unit: Millions of yen)

	Mobile Business	Fixed-line Business	Other Business	Total	Elimination and corporate	Consoli-dation
I. Sales and Operating Income (Loss)						
Sales						
(1) Outside sales	2,637,806	751,195	53,144	3,442,146	-	3,442,146
(2) Intersegment sales	12,329	87,982	59,102	159,413	(159,413)	-
Total	2,650,135	839,178	112,247	3,601,560	(159,413)	3,442,146
Operating expenses	2,166,393	883,395	108,741	3,158,529	(160,245)	2,998,284
Operating income (loss)	483,742	(44,217)	3,505	443,030	831	443,862
II. Identifiable Assets, Depreciation, Impairment Losses and Capital Expenditures						
Identifiable assets	1,987,650	990,747	57,041	3,035,439	784,097	3,819,536
Depreciation	327,984	131,754	2,266	462,004	(1,065)	460,939
Impairment losses	77	43,324	163	43,565	1	43,567
Capital Expenditures	375,877	142,368	2,900	521,145	10,991	532,137

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
Fixed-line Business	Local, long-distance, and international telecommunications services, internet services, solutions services, data center services, cable television services
Other Business	Call center business, content business, research and advanced development, and other mobile phone services, etc.

Note 2: Depreciation and capital expenditures include long-term prepaid expenses and depreciation related to these expenses.

Note 3: Impairment loss in Fixed-line Business includes ¥32,832 million of business restructuring expenses regarding network streamlining (combining and disposal of low-use facilities) in Fixed-line Business.

Note 4: In Assets, the value of company-wide assets included in the “Elimination and Corporate” category is ¥945,975 million. The majority of these assets are surplus funds provided to companies, long-term investments, and assets related to administrative divisions.
Further, in accordance with the acquisition of entire ownership of interest in intermediary holding companies which Liberty Global Inc. group owns, the ownership interest (stocks of subsidiaries and affiliates) of Jupiter Telecommunications Co., Ltd. was increased.

Note 5: For depreciation related to Companywide assets, amounts allocated to each segment are ¥8,614 million for the Mobile Business and ¥7,218 million for the Fixed-line Business.

[Geographic segment information]

For the year ended March 31, 2010, information by geographic segment is not shown since total sales and total assets in Japan accounted for over 90% of total sales and total assets in all business segments.

[Net sales from overseas operations]

For the year ended March 31, 2010, net sales from overseas operations are not shown since they account for less than 10% of consolidated net sales.

[Segment Information]

For the year ended March 31, 2011

1. Outline of business segments reported

The business segments the Group reports are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors, etc. to evaluate regularly in determining how to allocate resources and assess their business performance.

As the Group is a comprehensive telecommunications company combining mobile and fixed-line communications in a single company, its business segments reported comprise of the “Mobile Business” and the “Fixed-line Business.”

The Mobile Business provides mobile services (voice and data service), sales of mobile phone handsets and content and other services. The Fixed-Line Business provides various fixed-line communications services, including broadband services centering in FTTH and CATV access lines, long distance and international telecommunications services. In addition, the Group offers data center services and various ICT solutions services outside of Japan.

2. Method of calculating sales and income (loss), identifiable assets, and other items by business segment reported

Accounting method for business segment reported is the same as presentations on “Basis of Presenting Consolidated Financial Statements.”

Income by business segments reported are calculated based on operating income.

Intersegment sales are calculated based on third-party trading prices.

3. Information on sales and income (loss), identifiable assets, and other items by business segment reported

For the year ended March 31, 2010

(Amount unit: Millions of yen)

	Mobile Business	Fixed-line Business	Subtotal	Others	Total	Elimination and Corporate	Consolidation
Sales and Operating Income (Loss)							
Sales							
(1) Outside sales	2,644,026	751,755	3,395,781	46,364	3,442,146	-	3,442,146
(2) Intersegment sales	9,132	87,871	97,003	54,370	151,374	(151,374)	-
Total	2,653,159	839,626	3,492,957	100,735	3,593,521	(151,374)	3,442,146
Income by business segment	485,664	(44,030)	441,663	1,367	443,001	860	443,862
Identifiable assets by business segment	2,003,999	1,333,612	3,337,612	67,805	3,405,417	414,119	3,819,536
Other items							
Depreciation	328,675	131,753	460,429	1,185	461,614	(675)	460,939
Investment to equity-method affiliates	11,374	341,802	353,176	18,978	372,155	-	372,155
Increase of property, plant and equipment and intangible assets	377,150	142,382	519,532	1,556	521,089	11,048	532,137

For the year ended March 31, 2011

(Amount unit: Millions of yen)

	Mobile Business	Fixed-line Business	Subtotal	Others[1]	Total	Elimination and corporate[2]	Consolidation
Sales and Operating Income (Loss)							
Sales							
(1) Outside sales	2,582,366	803,589	3,385,956	48,589	3,434,545	-	3,434,545
(2) Intersegment sales	8,358	93,661	102,019	65,736	167,756	(167,756)	-
Total	2,590,724	897,251	3,487,975	114,326	3,602,302	(167,756)	3,434,545
Income by business segment	438,885	23,989	462,875	8,529	471,404	506	471,911
Identifiable assets by business segment	2,024,393	1,278,619	3,303,012	65,813	3,368,825	410,092	3,778,918
Other items							
Depreciation[3]	324,486	124,100	448,587	1,359	449,947	(628)	449,318
Investment to equity-method affiliates	2,192	336,520	338,712	18,168	356,880	-	356,880
Increase of property, plant and equipment and intangible assets[4]	324,248	99,550	423,799	1,215	425,015	6,532	431,548

Notes: 1. The “Others” category incorporates operations not included in business segments reported, including call center business, research and technological development, and other operations.

2.

(1) Adjustment of segment income (loss) refers to elimination of intersegment transactions.

(2) Adjustments of segment assets worth ¥410,092 million include company-wide assets of 568,260 million. The majority of these assets are surplus funds provided to companies, long-term investments and assets related to administrative divisions.

3. For depreciation related to company-wide assets, amounts allocated to each reported segment are ¥9,474 million for the Mobile Business and ¥6,788 million for the Fixed-line Business.

4. Operating income (loss) for segment is adjusted on operating income on the consolidated statements of income for the fiscal year.

(Relative information)

For the year ended March 31, 2011

1. Products and services information

Products and services information is not shown since the same information is in the segment information.

2. Geographic segment information

1) Sales

Sales information by geographic segment is not shown since outside sales in Japan accounted for over 90% of operating revenue on the consolidated statements of income.

2) Property, plant and equipment

Property, plant and equipment information by geographic segment is not shown since property, plant and equipment in Japan accounted for over 90% of property, plant and equipment on the consolidated balance sheets.

3. Information by major clients

Information by major clients is not shown since outside sales for major clients accounted for less 10% of operating revenue on the consolidated statements of income.

(Information on impairment loss in noncurrent assets by business segment)

For the year ended March 31, 2011

(Amount unit: Millions of yen)

	Mobile Business	Fixed-line Business	Other Business	Corporate	Consolidation
Impairment Loss	13,060	38,923	125	30	52,141

(Information on amortization of goodwill and unamortized balance by business segment)

For the year ended March 31, 2011

(Amount unit: Millions of yen)

	Mobile Business	Fixed-line Business	Other Business	Consolidation
Amortization of goodwill	115	11,255	2	11,373
Balance at end of period	4,249	60,363	-	64,612

(Information on negative goodwill by business segment)

For the year ended March 31, 2011

No significant items to be reported.

[Additional information]

Effective from the year ended March 31, 2011, the Group applies the “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No. 17 of March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20 of March 21, 2009).

(Lease Payment)

As a lessee

Year ended March 31, 2010	Year ended March 31, 2011
1. Finance leases No significant items to be reported. 2. Operating leases No significant items to be reported.	1. Finance leases No significant items to be reported. 2. Operating leases No significant items to be reported.

As a lessor

Year ended March 31, 2010	Year ended March 31, 2011
Finance leases No significant items to be reported.	Finance leases No significant items to be reported.

(Related Party Transaction)

For the year ended March 31, 2010

None

For the year ended March 31, 2011

(Related Party Transaction)

Transactions with KDDI Corporation and related party

Affiliates of KDDI Corporation

(Amount unit: Millions of yen)

Type	Company Name	Percentage for Possession of Voting Rights	Relationship with Related Party	Contents of Transaction	Amount for Trans-action	Title of Account	Amount as of March 31, 2011
Equity-method Affiliate	UQ Communi-cations Inc.	Possession Direct 32.3%	Debit guarantee of loans	Debit guarantee[Note]	118,700	-	-
				Receiving warrantee fee	262	Accounts receivable-other	89

Terms and conditions and policies for terms and conditions

Note: Guarantee amounts for bank borrowings as of year end are shown in the transaction column.

(Income Taxes)

Year ended March 31, 2010

1. Significant components of deferred tax assets and liabilities

(Amount unit: Millions of yen)

Deferred tax assets	
Depreciation and amortization	47,567
Allowance for doubtful accounts	12,097
Disposal of fixed assets	20,213
Inventory write down	5,381
Impairment loss	28,400
Reserve for retirement benefits	2,814
Allowance for bonus payment	8,141
Accrued expenses	3,448
Net operating loss carried forward	4,321
Unrealized profits	2,484
Reserve for point service program	31,940
Accrued enterprise taxes	5,656
Advances received	25,425
Assets adjustment account	4,738
Other	8,544
Gross deferred tax assets	211,177
Valuation allowance	(14,981)
Net deferred tax assets	196,195
Deferred tax liabilities	
Special depreciation reserve	(1,340)
Net unrealized gains on securities	(20,478)
Retained earnings for overseas affiliates	(905)
Other	(6,821)
Total deferred tax liabilities	(29,545)
Net deferred tax assets	166,650

2. Summary of significant differences between the statutory tax rate and KDDI Corporation's effective tax rate

Note omitted because the difference between the statutory tax rate and KDDI Corporation's effective tax rate is less than 5% of the statutory tax rate.

Year ended March 31, 2011

1. Significant components of deferred tax assets and liabilities

(Amount unit: Millions of yen)

Deferred tax assets	
Depreciation and amortization	73,268
Allowance for doubtful accounts	10,532
Disposal of fixed assets	1,877
Inventory write down	2,527
Impairment loss	40,353
Reserve for retirement benefits	4,120
Allowance for bonus payment	8,567
Accrued expenses	2,954
Net operating loss carried forward	13,186
Unrealized profits	2,347
Reserve for point service program	34,578
Accrued enterprise taxes	665
Advances received	24,142
Assets adjustment account	5,936
Other	10,693
Gross deferred tax assets	235,750
Valuation allowance	(17,830)
Net deferred tax assets	217,919
Deferred tax liabilities	
Special depreciation reserve	(1,093)
Net unrealized gains on securities	(19,594)
Retained earnings for overseas affiliates	(1,270)
Accrued enterprise taxes receivable	(1,957)
Other	(2,360)
Total deferred tax liabilities	(26,276)
Net deferred tax assets	191,643

2. Summary of significant differences between the statutory tax rate and KDDI Corporation's effective tax rate

Effective statutory tax rate	40.6%
Adjustments:	
Permanently non-deductible items including dividend income	0.2
Inhabitant tax on per capita levy	0.1
Tax credit for research and development expenses	(0.3)
Goodwill amortization	1.3
Effect of equity-method investment income	2.3
Permanently non-deductible items including dividend income	(0.1)
Reserve for loss brought forward	(1.0)
Valuation allowance	(1.9)
Effects of tax rate differences for subsidiaries	(1.9)
Reversal of reserve for tax	0.4
Liquidation of subsidiaries	(15.7)
Other	(0.5)
Actual tax rate	23.5%

(Financial Instruments)

For the year ended March 31, 2010

1. Status of financial instruments

   (1) Policy for measures relating to financial instruments

   In light of plans for capital investment, primarily for conducting telecommunications business, the KDDI Group raises the funds it requires through bank loans and bonds issuance. The Group manages temporary fund surpluses through financial assets that have high levels of safety. Further, the Group raises short-term working capital through bank loans. Regarding derivatives policy, the Group's adheres to the fundamental principle of limiting transactions to those actually required and never conducting speculative transactions for trading profit.

   (2) Details of financial instruments and associated risk and risk management system

   Trade receivables—trade notes and accounts receivable and other accounts receivable—are exposed to credit risk in relation to customers and trading partners. For such risk, pursuant to criteria for managing credit exposure, the Group has systems enabling the management of due dates and balances of each customer and trading partner as well as the analysis of credit status.

   The Group is exposed to market price fluctuation risk in relation to investment securities. However, those are primarily the shares of companies with which the Group has operational relationships, and periodic analysis of market values is reported to the Board of Directors.

   Deposits and guarantee money are primarily deposits and guarantee money pursuant to lease contracts for telecommunications base stations, and the Group conducts ledger management for these items.

   Almost all trade payables—trade notes and accounts payable, other accounts payable, and accrued expenses—have payment due dates within one year.

   Those trade payables are exposed to liquidity risk at time of settlement. However, the Group reduces that risk by having each company review fund-raising plans every month.

   Among loans payable, short-term loans payable are primarily for fund raising related to sales transactions, and long-term loans payable are primarily for fund raising related to capital investment and investment and financing. Loans payable with variable interest rates are exposed to interest rate fluctuation risk. However, to reduce fluctuation risk for interest payable and fix interest expenses when it enters into long-term loans at variable interest rates—based on the premise that requirements for special treatment of interest rate swaps are met in relation to evaluation of the effectiveness of hedges—in principle, the Group uses interest rate swap transactions as a hedging method on an individual contract basis.

   In order to conduct derivative transactions, based on their company's internal regulations and regulations stipulating associated details, finance or accounting divisions must receive approval from those with final-approval authority as stipulated by authority-related regulations through consultation via an internal memo for each derivative transaction and only conduct transactions with financial institutions with high credit ratings.

   In addition, such current liabilities as trade payables are exposed to liquidity risk at time of settlement. However, the Group reduces that risk by having each company review fund-raising plans every month.

   (3) Supplementary explanation of items relating to the market value of financial instruments

   The market values of financial products include prices based on market prices, or, if there are no market prices, they include reasonably estimated prices. Because estimations of the said prices incorporate fluctuating factors, applying different assumptions can in some cases change the said prices.

2. Market value of financial instruments

   Amounts recognized in the consolidated balance sheet, market values, and the differences between them on March 31, 2010, are as shown below. Moreover, items for which it is extremely difficulty to determine market values are not included in the following table (see (note 2)).

(Amount unit: Millions of yen)

	Book value	Market value	Difference
1) Cash and deposits	96,863	96,863	-
2) Notes and accounts receivable-trade	536,309		
Allowance for doubtful accounts[i]	(13,706)		
	522,602	522,602	-
3) Securities (negotiable deposit)	70,000	70,000	-
4) Accounts receivable-other	44,515	44,515	-
5) Investment securities			
Other securities	89,675	89,675	-
6) Stocks of subsidiaries and affiliates	337,356	246,963	(90,393)
7) Lease and guarantee deposits	432	510	78
Total assets	1,161,446	1,071,131	(90,315)

8) Notes and accounts payable-trade	66,553	66,553	-
9) Short-term loans payable	101,166	101,166	-
10) Accounts payable-other	250,517	250,517	-
11) Accrued expenses	16,150	16,150	-
12) Income taxes payable	67,856	67,856	-
13) Bonds payable[ii]	457,966	468,202	10,235
14) Long-term loans payable[ii]	522,228	527,804	5,575
Total liabilities	1,482,440	1,498,251	15,811

i): Allowance for doubtful accounts recognized in notes and accounts receivable-trade is offset.

ii): Bonds and long-term loans payable included in current portion of noncurrent liabilities are included.

Note 1: Calculation of the market value of financial instruments and items relating to short-term investment securities and derivative transactions

1) Cash and deposits, 2) Notes and accounts receivable-trade, 3) Securities (negotiable deposit), 4) Accounts receivable-other

Because, the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used. Further, because the credit risk is extremely difficult to determine on an individual basis for notes and accounts receivable-trade, allowance for doubtful accounts is regarded as credit risk and the book value is calculated accordingly.

5) Investment securities, 6) Stock of subsidiaries and affiliates

In relation to the market value of investment securities, for shares the market prices of exchanges are used.

Further, for information on investment securities categorized according to holding purpose, please see the note “Quoted securities.”

7) Lease and guarantee deposits

These are lease and guarantee deposits that have market prices and fixed memberships and repayment periods. The market values of lease and guarantee deposits is estimated using reasonable discount rates. However, because market values are almost equivalent to book values, the relevant book values are used.

8) Notes and accounts payable-trade, 9) Short-term loans payable, 10) Accounts payable-other, 11) Accrued expenses, 12) Income taxes payable

Because the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used.

13) Bonds payable, 14) Long-term loans payable

The market value of bonds payable is calculated based on trading reference data.

The market value of long-term loans payable is calculated by applying a discount rate to the total of principal and interest. That discount rate is based on the assumed interest rate if a similar new loan was entered into. Because long-term loans payable with variable interest rates are based on the condition that interest rates are revised periodically, their market values are almost the same as their book values, the relevant book values are used.

Note 2: Financial instruments for which it is extremely difficulty to determine market value

(Amount unit: Millions of yen)

	Book value
Investment securities Unlisted equity securities	3,382
Stocks of subsidiaries and affiliates Unlisted equity securities	34,810
Investments in capital of subsidiaries and affiliates	182
Lease and guarantee deposits	37,948

Because it is recognized that these do not have market values and that the market values are extremely difficult to determine, they are not included in the chart above.

Note 3: Planned redemption amounts after the balance sheet date for monetary assets and short-term investment securities with monetary assets and maturity dates (Amount unit: Millions of yen)

	Within 1 year	Over 1 year
Cash and deposits	96,863	-
Notes and accounts receivable-trade	503,737	32,572
Securities (negotiable deposit)	70,000	-
Accounts receivable-other	41,838	2,677
Investment securities		
Other securities with maturity period		
(1) Bonds	899	-
(2) Others	315	-
Total	713,653	35,250

Note 4: Planned repayment amounts after the balance sheet date for bonds payable, long-term loans payable

(Amount unit: Millions of yen)

	Within 1 year	Over 1 year
Bonds payable	83,000	375,000
Long-term loans payable	24,453	497,775
Total	107,453	872,775

(Additional information)

Effective from the year ended March 31, 2010, KDDI adopted Accounting Standard for Financial Instruments (ASBJ Statement No.10) (March 10, 2008) and Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No.19) (March 10, 2008)

For the year ended March 31, 2011

1. Status of financial instruments

(1) Policy for measures relating to financial instruments

In light of plans for capital investment, primarily for conducting telecommunications business, the KDDI Group raises the funds it requires through bank loans and bonds issuance. KDDI Group manages temporary fund surpluses through financial assets that have high levels of safety. Further, KDDI Group raises short-term working capital through bank loans. Regarding derivatives policy, KDDI Group adheres to the fundamental principle of limiting transactions to those actually required and never conducting speculative transactions for trading profit.

(2) Details of financial instruments and associated risk and risk management system

Trade receivables—trade notes and accounts receivable and other accounts receivable—are exposed to credit risk in relation to customers and trading partners. For such risk, pursuant to criteria for managing credit exposure, KDDI Group has systems enabling the management of due dates and balances of each customer and trading partner as well as the analysis of credit status.

KDDI Group is exposed to market price fluctuation risk in relation to investment securities. However, those are primarily the shares of companies with which KDDI Group has operational relationships, and periodic analysis of market values is reported to the Board of Directors.

Deposits and guarantee money are primarily deposits and guarantee money pursuant to lease contracts for telecommunications base stations, and KDDI Group conducts ledger management for these items.

Almost all trade payables—trade notes and accounts payable, other accounts payable, and accrued expenses—have payment due dates within one year.

Those trade payables are exposed to liquidity risk at time of settlement. However, KDDI Group reduces that risk by having each company review fund-raising plans every month.

Among loans payable, short-term loans payable are primarily for fund raising related to sales transactions, and long-term loans payable are primarily for fund raising related to capital investment and investment and financing. Loans payable with variable interest rates are exposed to interest rate fluctuation risk. However, to reduce fluctuation risk for interest payable and fix interest expenses when it enters into long-term loans at variable interest rates—based on the premise that requirements for special treatment of interest rate swaps are met in relation to evaluation of the effectiveness of hedges—in principle, KDDI Group uses interest rate swap transactions as a hedging method on an individual contract basis.

In order to conduct derivative transactions, based on their company's internal regulations and regulations stipulating associated details, finance or accounting divisions must receive approval from those with final-approval authority as stipulated by authority-related regulations through consultation via an internal memo for each derivative transaction and only conduct transactions with financial institutions with high credit ratings.

In addition, such current liabilities as trade payables are exposed to liquidity risk at time of settlement. However, KDDI Group reduces that risk by having each company review fund-raising plans every month.

(3) Supplementary explanation of items relating to the market value of financial instruments

The market values of financial products include prices based on market prices, or, if there are no market prices, they include reasonably estimated prices. Because estimations of the said prices incorporate fluctuating factors, applying different assumptions can in some cases change the said prices.

2. Market value of financial instruments

Amounts recognized in the consolidated balance sheet, market values, and the differences between them on March 31, 2011, are as shown below. Moreover, items for which it is extremely difficulty to determine market values are not included in the following table (see Note 2).

(Amount unit: Millions of yen)

	Book value	Market value	Difference
1) Cash and deposits	136,921	136,921	-
2) Notes and accounts receivable-trade	573,508		
Allowance for doubtful accounts[i]	(13,767)		
	559,740	559,740	-
3) Accounts receivable-other	35,486	35,486	-
4) Income taxes receivable	32,703	32,703	-
5) Securities	25,201	25,201	-
6) Investment securities			
Other securities	69,722	69,722	-
7) Stocks of subsidiaries and affiliates	332,560	186,823	(145,736)
Total assets	1,192,337	1,046,600	(145,736)
8) Notes and accounts payable-trade	65,598	65,598	-
9) Short-term loans payable	1,304	1,304	-
10) Accounts payable-other	192,402	192,402	-
11) Accrued expenses	14,253	14,253	-
12) Income taxes payable	57,764	57,764	-
13) Bonds payable	414,978	424,976	9,997
14) Long-term loans payable[ii]	547,436	551,396	3,960
Total liabilities	1,293,739	1,307,696	13,957

i: Allowance for doubtful accounts recognized in notes and accounts receivable-trade is offset.

ii: Bonds and long-term loans payable included in current portion of noncurrent liabilities are included.

Note 1: Calculation of the market value of financial instruments and items relating to short-term investment securities and derivative transactions

1) Cash and deposits, 2) Notes and accounts receivable-trade, 3) Accounts receivable-other,
4) Income taxes receivable, 5) Securities

Because, the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used. Further, because the credit risk is extremely difficult to determine on an individual basis for notes and accounts receivable-trade, allowance for doubtful accounts is regarded as credit risk and the book value is calculated accordingly.

6) Investment securities, 7) Stock of subsidiaries and affiliates

In relation to the market value of investment securities, for shares the market prices of exchanges are used.
Further, for information on investment securities categorized according to holding purpose, please see the note “Quoted securities.”

8) Notes and accounts payable-trade, 9) Short-term loans payable, 10) Accounts payable-other,
11) Accrued expenses, 12) Income taxes payable

Because the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used.

13) Bonds payable, 14) Long-term loans payable

The market value of bonds payable is calculated based on trading reference data.
The market value of long-term loans payable is calculated by applying a discount rate to the total of principal and interest. That discount rate is based on the assumed interest rate if a similar new loan was entered into. Because long-term loans payable with variable interest rates are based on the condition that interest rates are revised periodically, their market values are almost the same as their book values, the relevant book values are used.

Note 2: Financial instruments for which it is extremely difficulty to determine market value

(Amount unit: Millions of yen)

	Book value
Investment securities Unlisted equity securities	4,176
Stocks of subsidiaries and affiliates Unlisted equity securities	24,327
Investments in capital of subsidiaries and affiliates	182

Because it is recognized that these do not have market values and that the market values are extremely difficult to determine, they are not included in the chart above.

Note 3: Planned redemption amounts after the balance sheet date for monetary assets and short-term investment securities with monetary assets and maturity dates

(Amount unit: Millions of yen)

	Within 1 year	Over 1 year
Cash and deposits	136,921	-
Notes and accounts receivable-trade	532,505	41,002
Securities (negotiable deposit)	25,201	-
Accounts receivable-other	35,327	158
Total	729,956	41,161

Note 4: Planned repayment amounts after the balance sheet date for bonds payable, long-term loans payable

(Amount unit: Millions of yen)

	Within 1 year	Over 1 year
Bonds payable	-	415,000
Long-term loans payable	133,248	414,187
Total	133,248	829,187

(Securities)

For the year ended March 31, 2010

1. Other securities

(Amount unit: Millions of yen)

	Book value	Acquisition cost	Unrealized Gain/loss
Securities for which book value of consolidated balance sheets exceeds acquisition cost			
Stock	87,077	29,001	58,075
Bonds payable	897	891	5
Other	551	534	16
Subtotal	88,526	30,427	58,098
Securities for which book value of consolidated balance sheets does not exceed acquisition cost			
Stock	908	1,213	(305)
Negotiable deposit	70,000	70,000	-
Other	241	262	(20)
Subtotal	71,149	71,475	(326)
Total	159,675	101,903	57,772

Note: Because it is recognized that these do not have market values and that the market values are extremely difficult to determine, Unlisted equity securities (Consolidation ¥3,382 million) is not included in the chart above.

2. Other securities sold during the year ended March 31, 2010

(Amount unit: Millions of yen)

Type	Amount of sale	Total gain on sale	Total loss on sale
Stock	1,207	1,014	-

3. Impairment of investment securities

For the year ended March 31, 2010, KDDI recognized an impairment of ¥2,291 million on investment securities (other securities).

Further, regarding impairment treatment, for securities for which market value at the end of the period had dropped markedly in comparison to acquisition cost, impairment treatment was undertaken for the amount recognized as required in light of the possibility of recovery.

For the year ended March 31, 2011

1. Other securities

(Amount unit: Millions of yen)

	Book value	Acquisition cost	Unrealized Gain/loss
Securities for which book value of consolidated balance sheets exceeds acquisition cost			
Stock	52,495	3,376	49,118
Other	250	228	21
Subtotal	52,745	3,604	49,140
Securities for which book value of consolidated balance sheets does not exceed acquisition cost			
Stock	17,107	17,857	(839)
Negotiable deposit	25,000	25,000	-
Other	160	174	(13)
Subtotal	42,178	43,032	(853)
Total	94,923	46,636	48,287

Note: Because it is recognized that these do not have market values and that the market values are extremely difficult to determine, Unlisted equity securities (Consolidation ¥4,176 million) is not included in the chart above.

2. Other securities sold during the year ended March 31, 2011

(Amount unit: Millions of yen)

Type	Amount of sale	Total gain on sale	Total loss on sale
Stock	15,717	5,690	-

3. Impairment of investment securities

For the year ended March 31, 2011, KDDI recognized an impairment of ¥368 million on investment securities (other securities).

Further, regarding impairment treatment, for securities for which market value at the end of the period had dropped markedly in comparison to acquisition cost, impairment treatment was undertaken for the amount recognized as required in light of the possibility of recovery.

(Derivatives)

Market value of transactions

For the year ended March 31, 2010

None

For the year ended March 31, 2011

No significant items to be reported.

(Retirement Benefits)

Year ended March 31, 2010	Year ended March 31, 2011
1. Overview of the retirement benefit plan KDDI Corporation and its subsidiaries have retirement benefit plans that consist of defined benefit pension plan, a retirement lump-sum plan and a retirement benefit trust scheme. Further, certain subsidiaries have defined contribution pension plans or association-establishment-type employees' pension funds.	1. Overview of the retirement benefit plan KDDI Corporation and its subsidiaries have retirement benefit plans that consist of defined benefit pension plan, a retirement lump-sum plan and a retirement benefit trust scheme. Further, certain subsidiaries have defined contribution pension plans or association-establishment-type employees' pension funds.
2. Reserve for retirement benefits (Amount unit: Millions of yen) 1) Projected benefit obligations (296,049) 2) Plan assets 239,593 3) Retirement benefit trust 8,161 4) Unaccumulated retirement benefit obligation (48,295) 5) Unrecognized prior service cost (1,740) 6) Unrecognized actuarial differences 50,144 7) Prepaid pension cost (18,653) 8) Reserve for retirement benefits (18,542) Note: Certain consolidated subsidiaries use simplified methods to calculate retirement benefits and pension obligations.	2. Reserve for retirement benefits (Amount unit: Millions of yen) 1) Projected benefit obligations (302,547) 2) Plan assets 245,414 3) Retirement benefit trust 8,159 4) Unaccumulated retirement benefit obligation (48,973) 5) Unrecognized prior service cost (161) 6) Unrecognized actuarial differences 47,544 7) Prepaid pension cost (17,065) 8) Reserve for retirement benefits (18,656) Note: Certain consolidated subsidiaries use simplified methods to calculate retirement benefits and pension obligations.
3. Net pension expenses (Amount unit: Millions of yen) 1) Service cost 10,744 2) Interest cost 5,798 3) Expected return on plan assets (4,181) 4) Amortization of difference due to change of accounting method 13 5) Amortization of prior service cost (1,022) 6) Amortization of actual differences 8,710 7) Net pension cost 20,063 Note: The retirement benefits expenses for subsidiaries using simplified methods are recognized in "1). Service cost."	3. Net pension expenses (Amount unit: Millions of yen) 1) Service cost 10,710 2) Interest cost 5,888 3) Expected return on plan assets (4,792) 4) Amortization of prior service cost (1,578) 5) Amortization of actuarial differences 8,181 6) Net pension cost 18,410 Note: The retirement benefits expenses for subsidiaries using simplified methods are recognized in "1). Service cost."
4. Assumptions used in calculation of reserve for retirement benefits etc. 1) Discount rate 2.0% 2) Expected rate of return on plan assets 2.0% Expected rate of return concerning retirement benefit trust 0% 3) Method of attributing the projected benefits to periods of services: Straight-line basis 4) Amortization of prior service cost: 14 years 5) Amortization of actuarial differences: 14 years from the year following that in which they arise	4. Assumptions used in calculation of reserve for retirement benefits etc. 1) Discount rate 2.0% 2) Expected rate of return on plan assets 2.0% Expected rate of return concerning retirement benefit trust 0% 3) Method of attributing the projected benefits to periods of services: Straight-line basis 4) Amortization of prior service cost: 14 years 5) Amortization of actuarial differences: 14 years from the year following that in which they arise
5. Multi- employer pension plans Certain subsidiaries belong to the ITOCHU Union Pension Fund, which is a multi-employer pension plan. Contributions to the said pension plan are recognized as net pension cost.	5. Multi-employer pension plans Certain subsidiaries belong to the ITOCHU Union Pension Fund, which is a multi-employer pension plan. Contributions to the said pension plan are recognized as net pension cost.

Year ended March 31, 2010	Year ended March 31, 2011
1) Items relating to overall status of pension plan reserves (as of March 31, 2010) (Amount unit: Millions of yen) Plan assets 45,584 Benefit obligation based on pension plan finance calculation 70,099 Balance (24,514)	1) Items relating to overall status of pension plan reserves (as of March 31, 2011) (Amount unit: Millions of yen) Plan assets 56,749 Benefit obligation based on pension plan finance calculation 70,595 Balance (13,846)
2) Percentage of total pension plan accounted for by contributions from KDDI Group 0.17%	2) Percentage of total pension plan accounted for by contributions from KDDI Group 0.17%
3) Supplementary explanation The principle factors relating to the balance in 1) above are, based on pension plan finance calculation, prior service cost of ¥7,864 million and deficiency carried forward of ¥16,650 million. For the said pension plan, prior service cost is amortized through amortization of principal and interest using the straight-line method over a period of 19 years and one month (as of March 31, 2009). Further, the percentage in 2) above does not match the actual percentage shouldered by the KDDI Group.	3) Supplementary explanation The principle factors relating to the balance in 1) above are, based on pension plan finance calculation, prior service cost of ¥7,857 million and deficiency carried forward of ¥5,988 million. For the said pension plan, prior service cost is amortized through amortization of principal and interest using the straight-line method over a period of 18 years and one month (as of March 31, 2010). Further, the percentage in 2) above does not match the actual percentage shouldered by the KDDI Group.

(Stock Options)

For the year ended March 31, 2010

1. Deals and scale of the stock option granted and changes in the scale

(1) Details of the stock option granted

Company name		KDDI Corporation		
		August 2006 5th Stock Option	August 2007 6th Stock Option	August 2008 7th Stock Option
Category and number of grantees Members of the Board Vice Presidents Executive Directors Employees Directors of wholly owned subsidiaries		 7 21 26 2,713 10	 8 19 25 2,794 10	 8 18 29 2,896 5
Type and number of stock granted		Common stock 4,439	Common stock 5,008	Common stock 5,106
Date of grant		August 9, 2006	August 10, 2007	August 8, 2008
Vesting conditions		1) The grantee of stock options must be, at the time of exercise of options, a director, vice president, executive director, senior advisor, auditor or employee of KDDI Corporation and/or its subsidiaries. However, when there are appropriate grounds, such as resignation due to completion of term of office or reaching the age of retirement, it will be permitted for the grantee to exercise these options within six months from the start of the applicable_period or resignation or retirement, whichever is later, provided the exercise period is not exceeded. 2) In the event of the death of a stock option grantee, his or her heirs may, within six months from the date of death (until the expiration of the exercise period), exercise the options for up to the maximum number of shares of stock available as of the time of death. 3) In special cases where it is permitted by KDDI Corporation's Stock Option Committee, the grantee of stock options may exercise their options under conditions different from those described in 1) and 2). 4) Other conditions are set forth in the contract concerning the grant of subscription warrants made between KDDI Corporation and the grantee of stock options, based on the resolution of the meeting of the Board of Directors.		
Vesting period	From To	August 9, 2006 September 30, 2008	August 10, 2007 September 30, 2009	August 8, 2008 September 30, 2010
Exercise period	From To	October 1, 2008 September 30, 2010	October 1, 2009 September 30, 2011	October 1, 2010 September 30, 2012

Company name		KDDI Corporation
		August 2009 8th Stock Option
Category and number of grantees Members of the Board Vice Presidents Executive Directors Employees Directors of wholly owned subsidiaries		 7 18 32 2,951 7
Type and number of stock granted		Common stock 5,189
Date of grant		August 10, 2009
Vesting conditions		1) The grantee of stock options must be, at the time of exercise of options, a director, vice president, executive director, senior advisor, auditor or employee of KDDI Corporation and/or its subsidiaries. However, when there are appropriate grounds, such as resignation due to completion of term of office or reaching the age of retirement, it will be permitted for the grantee to exercise these options within six months from the start of the applicable_period or resignation or retirement, whichever is later, provided the exercise period is not exceeded. 2) In the event of the death of a stock option grantee, his or her heirs may, within six months from the date of death (until the expiration of the exercise period), exercise the options for up to the maximum number of shares of stock available as of the time of death. 3) In special cases where it is permitted by KDDI Corporation's Stock Option Committee, the grantee of stock options may exercise their options under conditions different from those described in 1) and 2).
Vesting period	From To	August 10, 2009 September 30, 2011
Exercise period	From To	October 1, 2011 September 30, 2013

Company name	DMX Technologies Group Limited		
	October 2003 Stock Option	April 2008 Stock Option	November 2008 Stock Option
Category and number of grantees Members of the Board Employees	 5 56	 4 113	 6 57
Type and number of stock granted[Note]	Common stock 10,220,000	Common stock 18,000,000	Common stock 20,000,000
Date of grant	October 3, 2003	April 25, 2008	November 28, 2008
Vesting conditions	1) Based on the condition of being a director or employee of DMX Technology Group Limited or its group, rights of 50% are vested one year and two years respectively after the date of grant. 2) Other conditions are pursuant to the stock acquisition rights regulations of DMX Technologies Group Limited.		
Vesting period From / To	There are no regulations concerning vesting periods.		
Exercise period From / To	October 2, 2004 May 26, 2013	April 24, 2009 April 26, 2018	November 27, 2009 November 28, 2018

Note: Stock options have been converted into equivalent numbers of shares and presented accordingly.

(2) Scale of stock options and changes in the scale

The following lists the number of shares calculated for the number of stock options that existed in the year ended March 31, 2010

1) Number of stock options

Company name	KDDI Corporation			
	August 2006 5th Stock Option	August 2007 6th Stock Option	August 2008 7th Stock Option	August 2009 8th Stock Option
Before vested				
Beginning of period	-	4,895	5,049	-
Granted	-	-	-	5,189
Forfeited	-	13	17	11
Vested	-	4,882	-	-
Unvested	-	-	5,032	5,178
After vested				
Beginning of period	4,095	-	-	-
Vested	-	4,882	-	-
Exercised	-	-	-	-
Expired	112	168	-	-
Exercisable	3,983	4,714	-	-

Company name	DMX Technologies Group Limited		
	October 2003 Stock Option	April 2008 Stock Option	November 2008 Stock Option
Before vested			
Beginning of period[Note]	-	9,959,790	10,000,000
Granted	-	-	-
Forfeited	-	-	-
Vested	-	-	-
Unvested	-	9,959,790	10,000,000
After vested			
Beginning of period[Note]	3,305,544	2,572,790	10,000,000
Vested	-	-	-
Exercised	-	-	-
Expired	-	-	-
Exercisable	3,305,544	2,572,790	10,000,000

Note: Regarding the chart for DMX Technologies Group Limited, which was consolidated during the year ended March 31, 2010, numbers in the "Beginning of period" show the balance at the time of consolidation.

2) Unit value

Company name	KDDI Corporation			
	August 2006 5th Stock Option	August 2007 6th Stock Option	August 2008 7th Stock Option	August 2009 8th Stock Option
Exercise price	¥775,000	¥879,000	¥649,000	¥539,000
Average share price at exercise	-	-	-	-
Fair value unit price (Date of grant)	¥103,462	¥100,549	¥106,718	¥111,281

Company name	DMX Technologies Group Limited		
	October 2003 Stock Option	April 2008 Stock Option	November 2008 Stock Option
Exercise price	SGD 0.6778	SGD 0.2260	SGD 0.0930
Average share price at exercise	-	-	-
Fair value unit price (Date of grant)	SGD 0.7900	SGD 0.2500	SGD 0.0900

2. Method for calculating fair value of stock options

The estimation method for calculating fair value of stock option granted in the year ended March 31, 2009 is as follows.

1) Estimation method Black-Scholes model

2) Primary base values and estimation method

	August 2009 8th Stock Option
Volatility of share prices [1]	34.378%
Forecasted remaining period [2]	3 years
Expected dividend [3]	¥10,333 per share
Risk-free interest rate [4]	0.431%

Note: 1. Calculation is based on actual stock prices over three years (August 2007 to August 2009).
2. Because it is difficult to make a rational estimate due to a lack of accumulated data, the value is estimated on the assumption that the exercise of stock options is carried out in the middle of the stock option rights exercise period.
3. This is based on actual dividend payments during the past three fiscal years (FY2006.3 to FY 2009.3).
4. This is the rate of return for government bonds for the period corresponding to the forecasted remaining period.

3. Method of estimating number of options vested

The number of options vested was calculated by estimating the number of expirations due to unvested options, based on the retirement rate in the year ended March 31, 2011.

4. Impact on consolidated financial statements

Operating expenses for telecommunication business	¥523 million (sales expenses ¥251 million, administrative expenses ¥197 million, others ¥75 million)
Cost of sales of terminal equipment and other	¥12 million

For the year ended March 31, 2011

1. Deals and scale of the stock option granted and changes in the scale

(1) Details of the stock option granted

Company name	KDDI Corporation		
	August 2006 5th Stock Option	August 2007 6th Stock Option	August 2008 7th Stock Option
Category and number of grantees Members of the Board Vice Presidents Executive Directors Employees Directors of wholly owned subsidiaries	 7 21 26 2,713 10	 8 19 25 2,794 10	 8 18 29 2,896 5
Type and number of stock granted	Common stock 4,439	Common stock 5,008	Common stock 5,106
Date of grant	August 9, 2006	August 10, 2007	August 8, 2008
Vesting conditions	5) The grantee of stock options must be, at the time of exercise of options, a director, vice president, executive director, senior advisor, auditor or employee of KDDI Corporation and/or its subsidiaries. However, when there are appropriate grounds, such as resignation due to completion of term of office or reaching the age of retirement, it will be permitted for the grantee to exercise these options within six months from the start of the applicable_period or resignation or retirement, whichever is later, provided the exercise period is not exceeded. 6) In the event of the death of a stock option grantee, his or her heirs may, within six months from the date of death (until the expiration of the exercise period), exercise the options for up to the maximum number of shares of stock available as of the time of death. 7) In special cases where it is permitted by KDDI Corporation's Stock Option Committee, the grantee of stock options may exercise their options under conditions different from those described in 1) and 2). 8) Other conditions are set forth in the contract concerning the grant of subscription warrants made between KDDI Corporation and the grantee of stock options, based on the resolution of the meeting of the Board of Directors.		
Vesting period From To	August 9, 2006 September 30, 2008	August 10, 2007 September 30, 2009	August 8, 2008 September 30, 2010
Exercise period From To	October 1, 2008 September 30, 2010	October 1, 2009 September 30, 2011	October 1, 2010 September 30, 2012

Company name	KDDI Corporation
	August 2009 8th Stock Option
Category and number of grantees Members of the Board Vice Presidents Executive Directors Employees Directors of wholly owned subsidiaries	 7 18 32 2,951 7
Type and number of stock granted	Common stock 5,189
Date of grant	August 10, 2009
Vesting conditions	4) The grantee of stock options must be, at the time of exercise of options, a director, vice president, executive director, senior advisor, auditor or employee of KDDI Corporation and/or its subsidiaries. However, when there are appropriate grounds, such as resignation due to completion of term of office or reaching the age of retirement, it will be permitted for the grantee to exercise these options within six months from the start of the applicable_period or resignation or retirement, whichever is later, provided the exercise period is not exceeded. 5) In the event of the death of a stock option grantee, his or her heirs may, within six months from the date of death (until the expiration of the exercise period), exercise the options for up to the maximum number of shares of stock available as of the time of death. 6) In special cases where it is permitted by KDDI Corporation's Stock Option Committee, the grantee of stock options may exercise their options under conditions different from those described in 1) and 2).
Vesting period From To	August 10, 2009 September 30, 2011
Exercise period From To	October 1, 2011 September 30, 2013

Company name		DMX Technologies Group Limited		
		October 2003 Stock Option	April 2008 Stock Option	November 2008 Stock Option
Category and number of grantees Members of the Board Employees		 5 56	 4 113	 6 57
Type and number of stock granted		Common stock 10,220,000	Common stock 18,000,000	Common stock 20,000,000
Date of grant		October 3, 2003	April 25, 2008	November 28, 2008
Vesting conditions		1) Based on the condition of being a director or employee of DMX Technology Group Limited or its group, rights of 50% are vested one year and two years respectively after the date of grant. 2) Other conditions are pursuant to the stock acquisition rights regulations of DMX Technologies Group Limited.		
Vesting period	From To	There are no regulations concerning vesting periods.		
Exercise period	From To	October 2, 2004 May 26, 2013	April 24, 2009 April 26, 2018	November 27, 2009 November 28, 2018

Note: Stock options have been converted into equivalent numbers of shares and presented accordingly.

Company name		Wire and Wireless Co., Ltd.
		December 2010 1st Stock Option
Category and number of grantees Members of the Board Employees Shareholders		 2 20 2
Type and number of stock granted		Common stock 2,200
Date of grant		December 1, 2010
Vesting conditions		(1) In the event that the party to whom new share subscription rights have been allocated (hereinafter, "Grantee of New Share Subscription Rights") is a director or employee of Party A, said party must also hold a position as director, auditor or employee of Party A or its subsidiary at the time these rights are exercised. However, this restriction is lifted when there are appropriate grounds, such as resignation due to completion of term of office or reaching the age of retirement, upon approval by the Board of Directors of Party A. (2) In the event of Party B's death in the period during which these new share acquisition rights may be exercised, his or her heirs may not exercise these new share subscription rights. However, this restriction is lifted if the heirs have received Board of Directors approval in advance of their attempt to exercise new share subscription rights. (3) These new share subscription rights may not be transferred, pledged or otherwise disposed of. (4) Conditions for applying tax exemption measures under Article 29-2 of the Act on Special Measures Concerning Taxation to new share subscription rights received are as follows. (i) The total amount paid in exchange for the exercise of new share subscription rights may not exceed ¥12 million during a one-year period. (ii) Shares acquired in exchange for the exercise of new share subscription rights shall be recorded via Party A in the transfer account ledger (the transfer account ledger legally prescribed for the transfer of bonds, shares, etc.; the same applies below) of the financial instruments business operator specified by Party A or the legally prescribed financial institution (hereinafter, "Specified Financial Instruments Business Operator"), or such recording shall be received or held in trust at the sales office or business office of the Specified Financial Instruments Business Operator or similar or the shares shall be held in trust.
Vesting period	From To	There are no regulations concerning vesting periods.
Exercise period	From To	December 1, 2011 October 29, 2019

Note: Stock options have been converted into equivalent numbers of shares and presented accordingly.
Wire and Wireless Co., Ltd. became a consolidated subsidiary, taking December 31, 2010 as the date of acquisition of its shares.

(2) Scale of stock options and changes in the scale
The following lists the number of shares calculated for the number of stock options that existed in the year ended March 31, 2011

1) Number of stock options

Company name	KDDI Corporation			
	August 2006 5th Stock Option	August 2007 6th Stock Option	August 2008 7th Stock Option	August 2009 8th Stock Option
Before vested				
Beginning of period	-	-	5,032	5,178
Granted	-	-	-	-
Forfeited	-	-	17	32
Vested	-	-	5,015	-
Unvested	-	-	-	5,146
After vested				
Beginning of period	3,983	4,714	-	-
Vested	-	-	5,015	-
Exercised	-	-	-	-
Expired	3,983	156	210	-
Exercisable		4,558	4,805	-

Company name	DMX Technologies Group Limited		
	October 2003 Stock Option	April 2008 Stock Option	November 2008 Stock Option
Before vested			
Beginning of period	-	9,959,790	10,000,000
Granted	-	-	-
Forfeited	-	-	-
Vested	-	-	-
Unvested	-	9,959,790	10,000,000
After vested			
Beginning of period	3,305,544	2,572,790	10,000,000
Vested	-	-	-
Exercised	-	-	-
Expired	-	-	-
Exercisable	3,305,544	2,572,790	10,000,000

Company name	Wire and Wireless Co., Ltd.
	December 2010 1st Stock Option
Before vested	
Beginning of period[Note]	-
Granted	2,200
Forfeited	798
Vested	-
Unvested	1,402
After vested	
Beginning of period[Note]	-
Vested	-
Exercised	-
Expired	-
Exercisable	-

Note: Regarding the chart for DMX Technologies Group Limited, which was consolidated during the year ended March 31, 2010, numbers in the "Beginning of period" show the balance at the time of consolidation.

2) Unit value

Company name	KDDI Corporation		
	August 2007 6th Stock Option	August 2008 7th Stock Option	August 2009 8th Stock Option
Exercise price	¥879,000	¥649,000	¥539,000
Average share price at exercise	-	-	-
Fair value unit price (Date of grant)	¥100,549	¥106,718	¥111,281

Company name	DMX Technologies Group Limited		
	October 2003 Stock Option	April 2008 Stock Option	November 2008 Stock Option
Exercise price	SGD 0.6778	SGD 0.2260	SGD 0.0930
Average share price at exercise	-	SGD 0.3014	SGD 0.3764
Fair value unit price (Date of grant)	SGD 0.7900	SGD 0.2500	SGD 0.0900

Company name	Wire and Wireless Co., Ltd.
	December 2010 1st Stock Option
Exercise price	24,000
Average share price at exercise	-
Fair value unit price (Date of grant)	-

2. Method of estimating number of options vested

The number of options vested was calculated by estimating the number of expirations due to unvested options, based on the retirement rate in the year ended March 31, 2011.

3. Impact on consolidated financial statements

Operating expenses for telecommunication business	¥371 million (sales expenses ¥156 million, administrative expenses ¥109 million, others ¥105 million)
Cost of sales of terminal equipment and other	¥31 million

(Business Combination)

For the year ended March 31, 2010 and the year ended March 31, 2011

No significant items to be reported.

(Asset Retirement Obligations)

For the year ended March 31, 2011

No significant items to be reported.

(Estate Leases)

For the year ended March 31, 2010

No significant items to be reported.

(Additional Information)

Effective from the year ended March 31, 2010, KDDI adopted Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No.20) (November 28, 2008) and Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Guidance No.23) (November 28, 2008).

For the year ended March 31, 2011

No significant items to be reported.

(Per Share Information)

	Year ended March 31, 2010	Year ended March 31, 2011
Net assets per share	¥453,003.09	¥495,386.23
Net income per share	¥47,768.01	¥58,149.78
Diluted net income per share	Not given as KDDI Corporation has no potential stocks with dilution effect	Not given as KDDI Corporation has no potential stocks with dilution effect

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

	Year ended March 31, 2010	Year ended March 31, 2011
Net income per share for the fiscal year		
Net income for the fiscal year	¥212,764M	¥255,122M
Monetary value not related to common stockholders	-	-
Net income related to common stock	¥212,764M	¥255,122M
Number of weighted average common shares outstanding during the fiscal year	4,454,113	4,387,331
Diluted net income per share		
Adjustment of net income for the fiscal year	-	-
Increase in number of shares of common stock (subscription warrants)	-	-
Overview of potential stock not included in calculation of diluted net income per share because the stock have no dilution effect	Four types of subscription warrant (18,907 subscription warrants). An overview of the subscription warrants is given in “Stock Options, (8) Notes for consolidated financial statements, 4. Consolidated financial statements.”	Three types of subscription warrant (14,509 subscription warrants). An overview of the subscription warrants is given in “Stock Options, (8) Notes for consolidated financial statements, 4. Consolidated financial statements.”

(Significant Subsequent Event)

For the year ended March 31, 2010 and the year ended March 31, 2011

None

5. Financial Statements

(1) Balance Sheets

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Assets		
Noncurrent assets		
Noncurrent assets-telecommunications business		
Property, plant and equipment		
Machinery	2,491,607	2,592,394
Accumulated depreciation	(1,826,000)	(1,983,895)
Machinery, net	665,607	608,498
Antenna facilities	532,915	584,749
Accumulated depreciation	(211,792)	(236,886)
Antenna facilities, net	321,122	347,863
Terminal facilities	13,415	12,548
Accumulated depreciation	(8,920)	(9,461)
Terminal facilities, net	4,494	3,086
Local line facilities	183,719	182,499
Accumulated depreciation	(117,044)	(123,650)
Local line facilities, net	66,674	58,849
Long-distance line facilities	107,820	103,369
Accumulated depreciation	(92,496)	(93,627)
Long-distance line facilities, net	15,324	9,741
Engineering facilities	66,141	61,319
Accumulated depreciation	(34,660)	(35,977)
Engineering facilities, net	31,480	25,341
Submarine line facilities	73,576	57,041
Accumulated depreciation	(60,647)	(46,747)
Submarine line facilities, net	12,929	10,294
Buildings	405,913	402,291
Accumulated depreciation	(189,010)	(197,927)
Buildings, net	216,902	204,363
Structures	74,324	76,907
Accumulated depreciation	(43,328)	(45,099)
Structures, net	30,996	31,807
Machinary and equipment	11,769	11,654
Accumulated depreciation	(10,560)	(11,000)
Machinary and equipment, net	1,209	654
Vehicles	678	1,054
Accumulated depreciation	(408)	(550)
Vehicles, net	270	503
Tools, furniture and fixtures	73,738	75,721
Accumulated depreciation	(46,239)	(51,912)
Tools, furnitures and fixtures, net	27,499	23,809
Land	239,897	239,900
Lease assets	4,567	4,829
Accumulated depreciation	(1,428)	(2,623)
Lease assets, net	3,139	2,206
Construction in progress	81,238	71,097
Total property, plant and equipment	1,718,785	1,638,018
Intangible assets		
Right of using submarine line facilities	4,250	4,543
Right of using facilities	7,222	8,988
Software	220,778	190,819

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Goodwill	16,612	12,182
Patent right	2	1
Leasehold right	1,422	1,420
Other intangible assets	2,272	2,348
Total intangible assets	252,562	220,304
Total noncurrent assets-telecommunications business	1,971,347	1,858,323
Incidental business facilities		
Property, plant and equipment		
Property, plant and equipment	14,370	14,700
Accumulated depreciation	(8,688)	(9,316)
Property, plant and equipment, net	5,681	5,384
Total property, plant and equipment	5,681	5,384
Intangible assets		
Total intangible assets	5,667	7,076
Total noncurrent assets-incidental business	11,349	12,461
Investments and other assets		
Investment securities	57,774	72,948
Stocks of subsidiaries and affiliates	178,126	524,429
Investments in capital	903	1,025
Investments in capital of subsidiaries and affiliates	364,146	1,658
Long-term loans receivable	211	210
Long-term loans receivable from subsidiaries and affiliates	73,868	68,462
Long-term prepaid expenses	79,688	81,447
Deferred tax assets	99,256	123,832
Other investment and other assets	44,851	41,560
Allowance for doubtful accounts	(8,307)	(7,765)
Total investments and other assets	890,519	907,810
Total noncurrent assets	2,873,216	2,778,595
Current assets		
Cash and deposits	62,573	112,633
Notes receivable-trade	6	29
Accounts receivable-trade	486,975	527,560
Accounts receivable-other	40,310	26,661
Income taxes receivable	-	32,691
Short-term investment securities	70,000	25,000
Supplies	45,497	54,100
Prepaid expenses	10,408	11,060
Deferred tax assets	63,003	54,703
Short-term loans receivable to subsidiaries and affiliates	23,965	30,643
Other current assets	2,952	3,343
Allowance for doubtful accounts	(12,452)	(12,693)
Total current assets	793,241	865,735
Total assets	3,666,458	3,644,330

(Amount Unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Liabilities		
Noncurrent liabilities		
Bonds payable	374,968	414,978
Long-term loans payable	482,885	407,311
Lease obligations	2,094	1,046
Provision for retirement benefits	15,584	15,697
Provision for point card certificates	76,934	83,446
Provision for warranties for completed construction	5,540	3,732
Asset retirement obligations	-	1,955
Other noncurrent liabilities	11,790	35,907
Total noncurrent liabilities	969,798	964,075
Current liabilities		
Current portion of noncurrent liabilities	98,402	125,574
Accounts payable-trade	54,270	53,813
Short-term loans payable	136,764	46,222
Lease obligations	1,204	1,270
Accounts payable-other	240,234	235,182
Accrued expenses	5,336	5,377
Income taxes payable	61,430	143
Advances received	69,895	67,539
Deposits received	18,656	19,238
Provision for bonuses	15,101	15,509
Provision for directors' bonuses	66	86
Asset retirement obligations	-	1,206
Provision for loss on the Great East Japan Earthquake	-	16,270
Total current liabilities	701,363	587,436
Total liabilities	1,671,162	1,551,512
Net assets		
Shareholders' equity		
Capital stock	141,851	141,851
Capital surplus		
Legal capital surplus	305,676	305,676
Other capital surplus	61,415	61,415
Total capital surpluses	367,091	367,091
Retained earnings		
Legal retained earnings	11,752	11,752
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	-	579
Reserve for special depreciation	417	228
General reserve	1,232,933	1,381,033
Retained earnings brought forward	235,037	285,467
Total retained earnings	1,480,140	1,679,061
Treasury stock	(25,244)	(125,244)
Total shareholders' equity	1,963,839	2,062,760
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	29,981	28,647
Total valuation and translation adjustments	29,981	28,647
Subscription rights to shares	1,475	1,410
Total net assets	1,995,296	2,092,818
Total liabilities and net assets	3,666,458	3,644,330

(2) Statements of Income

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Operating income and loss from telecommunications		
Operating revenue		
Total operating revenue	2,509,640	2,371,432
Operating expenses		
Business expenses	636,678	573,806
Operating expenses	285	107
Facilities maintenance expenses	216,073	288,932
Common expenses	1,761	2,234
Administrative expenses	108,555	67,620
Experiment and research expenses	11,008	9,277
Depreciation	422,117	403,696
Noncurrent assets retirement cost	26,713	21,867
Communication facility fee	419,111	388,035
Taxes and dues	38,116	37,622
Total operation expenses	1,880,423	1,793,198
Net operating income from telecommunication	629,216	578,233
Operating income and loss from incidental business		
Operating revenue	701,707	767,310
Operating expenses	916,848	917,274
Net operating loss from incidental business	(215,140)	(149,964)
Operating income	414,075	428,269
Non-operating income		
Interest income	1,118	1,619
Interest on securities	311	111
Dividends income	4,485	3,964
Miscellaneous income	5,871	6,353
Total non-operating income	11,787	12,049
Non-operating expenses		
Interest expenses	6,691	7,314
Interest on bonds	5,435	6,374
Miscellaneous expenses	3,251	3,701
Total non-operating expenses	15,378	17,390
Ordinary income	410,485	422,929
Extraordinary income		
Gain on sales of noncurrent assets	527	1,313
Gain on sales of investment securities	1,014	190
Gain on sales of subsidiaries and affiliates' stocks	-	364
Reversal of allowance for doubtful accounts	5,309	-
Gain on reversal of subscription rights to shares	-	450
Total extraordinary income	6,851	2,318

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Extraordinary loss		
Impairment loss	10,323	51,565
Loss on retirement of noncurrent assets	-	31,054
Loss on valuation of investment securities	2,291	368
Loss on sales of stocks of subsidiaries and affiliates	-	815
Business restructuring expenses	48,585	-
Loss on liquidation of subsidiaries	-	40,858
Loss on adjustment for changes of accounting standard for ass	-	1,120
Loss on the Great East Japan Earthquake	-	17,557
Total extraordinary losses	61,200	143,341
Income before income taxes	356,136	281,906
Income taxes-current	137,930	40,434
Income taxes-deferred	3,555	(15,351)
Total income taxes	141,485	25,082
Net income	214,650	256,823

(3) Statements of Changes in Net Assets

(Amount unit: Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Shareholders' equity		
Capital stock		
Balance at the end of previous period	141,851	141,851
Balance at the end of current period	141,851	141,851
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	305,676	305,676
Balance at the end of current period	305,676	305,676
Other capital surplus		
Balance at the end of previous period	61,415	61,415
Balance at the end of current period	61,415	61,415
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	11,752	11,752
Balance at the end of current period	11,752	11,752
Other retained earnings		
Reserve for special depreciation		
Balance at the end of previous period	723	417
Changes of items during the period		
Reversal of reserve for special depreciation	(305)	(189)
Total changes of items during the period	(305)	(189)
Balance at the end of current period	417	228
Reserve for advanced depreciation of noncurrent assets		
Balance at the end of previous period	-	-
Changes of items during the period		
Provision of reserve for advanced depreciation of noncurrent ass	-	579
Total changes of items during the period	-	579
Balance at the end of current period	-	579
General reserve		
Balance at the end of previous period	1,054,633	1,232,933
Changes of items during the period		
Provision of general reserve	178,300	148,100
Total changes of items during the period	178,300	148,100
Balance at the end of current period	1,232,933	1,381,033
Retained earnings brought forward		
Balance at the end of previous period	251,830	235,037
Changes of items during the period		
Dividends from surplus	(53,449)	(57,903)
Reversal of reserve for special depreciation	305	189
Provision of reserve for advanced depreciation of noncurrent assets	-	(579)
Provision of general reserve	(178,300)	(148,100)
Net income	214,650	256,823
Total changes of items during the period	(16,793)	50,430
Balance at the end of current period	235,037	285,467
Treasury stock		
Balance at the end of previous period	(25,244)	(25,244)
Changes of items during the period		
Purchase of treasury stock	-	(99,999)
Total changes of items during the period	-	(99,999)
Balance at the end of current period	(25,244)	(125,244)

(Amount unit: Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Total shareholders' equity		
Balance at the end of previous period	1,802,638	1,963,839
Changes of items during the period		
Dividends from surplus	(53,449)	(57,903)
Net income	214,650	256,823
Purchase of treasury stock	-	(99,999)
Total changes of items during the period	161,201	98,920
Balance at the end of current period	1,963,839	2,062,760
Valuation and translation adjustment		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	18,519	29,981
Changes of items during the period		
Net changes of items other than shareholders' equity	11,462	(1,333)
Total changes of items during the period	11,462	(1,333)
Balance at the end of current period	29,981	28,647
Subscription rights to shares		
Balance at the end of previous period	991	1,475
Changes of items during the period		
Net changes of items other than shareholders' equity	484	(64)
Total changes of items during the period	484	(64)
Balance at the end of current period	1,475	1,410
Total net assets		
Balance at the end of previous period	1,822,149	1,995,296
Changes of items during the period		
Dividends from surplus	(53,449)	(57,903)
Net income	214,650	256,823
Purchase of treasury stock	-	(99,999)
Net changes of items other than shareholders' equity	11,946	(1,398)
Total changes of items during the period	173,147	97,521
Balance at the end of current period	1,995,296	2,092,818

(Reference)

Consolidated Statements of Income (Three Months Ended March 31, 2011)

(Amount unit: Millions of yen)

	Three months ended March 31, 2010	Three months ended March 31, 2011
Operating income and loss from telecommunications		
Operating revenue		
Total operation revenue	618,963	590,910
Operating expenses		
Business expenses	178,905	165,591
Operating expenses	102	31
Facilities maintenance expenses	59,965	80,618
Common expenses	396	552
Administrative expenses	28,221	19,365
Experiment and research expenses	3,548	3,603
Depreciation	116,116	111,238
Noncurrent assets retirement cost	10,276	8,258
Communication facility fee	83,344	62,477
Taxes and dues	12,403	11,646
Total operation expenses	493,281	463,384
Net operating income from telecommunication	125,682	127,525
Operating income and loss from incidental business		
Operating revenue	237,875	271,779
Operating expenses	296,508	299,443
Net operating income (loss) from incidental business	(58,632)	(27,664)
Operating income	67,049	99,681
Non-operating income		
Interest income	106	178
Gain on investments in silent partnership	897	978
Miscellaneous income	1,595	2,277
Total non-operating income	2,600	3,433
Non-operating expenses		
Interest expenses	3,192	3,387
Equity in losses of affiliates	3,462	7,234
Miscellaneous expenses	2,951	1,668
Total non-operating expenses	9,606	12,290
Ordinary income	60,043	91,004

(Amount unit: Millions of yen)

	Three months ended March 31, 2010	Three months ended March 31, 2011
Extraordinary income		
Gain on sales of noncurrent assets	245	127
Gain on sales of investment securities	473	0
Gain on negative goodwill	-	170
Gain on reversal of subscription rights to shares	-	23
Reversal of allowance for doubtful accounts	0	-
Total extraordinary income	718	322
Extraordinary loss		
Impairment loss	10,734	52,141
Loss on sales of noncurrent assets	-	31,816
Loss on valuation of investment securities	2,087	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	121
Loss on the Great East Japan Earthquake	-	17,590
Business restructuring expenses	45,746	-
Total extraordinary losses	58,568	101,669
Income (loss) before income taxes and minority interests	2,194	(10,343)
Income taxes-current	17,555	(18,000)
Income taxes-deferred	(16,905)	(47,652)
Total income taxes	650	(65,652)
Income before minority interests	-	55,309
Minority interests in income	1,425	2,828
Net income (loss)	118	52,480