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 Nine Months Ended December 31, 2011 [ Japan GAAP ]

January 26, 2012

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

Scheduled date for filing of quarterly report: February 1, 2012

Scheduled date for dividend payment: —

Quarterly earnings supplementary explanatory documents: Yes

Quarterly earnings presentation: 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 Nine Months Ended December 31, 2011 (April 1, 2011 – December 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 | |
|---|---|---|---|---|---|---|---|---|
| | | % | | % | | % | | % |
| Nine months ended December 31, 2011 | 2,645,412 | 2.9 | 384,227 | 3.3 | 364,671 | 4.3 | 194,354 | (4.1) |
| Nine months ended December 31, 2010 | 2,571,856 | (0.5) | 372,050 | (1.3) | 349,672 | (3.6) | 202,641 | (4.7) |

(Note) Consolidated Statements of Comprehensive Income
Nine months ended December 31, 2011: 205,573 million yen; 5.6%　Nine months ended December 31, 2010: 194,712 million yen;－%

| | Net Income per Share | Diluted Net Income per Share |
|---|---|---|
| | Yen | Yen |
| Nine months ended December 31, 2011 | 46,279.43 | 46,024.63 |
| Nine months ended December 31, 2010 | 45,715.52 | — |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Equity Ratio |
|---|---|---|---|
| | | | % |
| As of December 31, 2011 | 4,027,099 | 2,092,703 | 50.1 |
| As of March 31, 2011 | 3,778,918 | 2,171,839 | 55.7 |

(Reference) Shareholder's Equity　As of December 31, 2011: 2,018,898 million yen　As of March 31, 2011: 2,103,331 million yen

## 2. Dividends

| | Dividends per Share | | | | |
|---|---|---|---|---|---|
| | 1st Quarter End | 2nd Quarter End | 3rd Quarter End | Fiscal Year End | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2011 | — | 6,500.00 | — | 7,500.00 | 14,000.00 |
| Year ending March 31, 2012 | — | 7,500.00 | — | | |
| Year ending March 31, 2012 (forecast) | | | | 7,500.00 | 15,000.00 |

Note: Changes in the latest forecasts released: None

## 3. Consolidated Financial Results Forecast for 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 | 3,550,000 | 3.4 | 475,000 | 0.7 | 450,000 | 2.1 | 235,000 | (7.9) | 61,489.30 |

Note: Changes in the latest forecasts released: Yes

## 4. Other

(1) Changes in significant consolidated subsidiaries during the nine months ended December 31, 2011 : None

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements : None

(3) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations : Yes
2) Other changes in accounting policies : None
3) Changes in accounting estimates : None
4) restatement of corrections : None

Note: Please refer to P.10 “Notes Regarding Summary Information (Others)” for details.

(4) Numbers of Outstanding Shares (common shares)

| | | |
|---|---|---|
| 1) Number of shares outstanding (inclusive of treasury stock) | As of December 31, 2011 | 4,484,818 |
| | As of March 31, 2011 | 4,484,818 |
| 2) Number of treasury stock | As of December 31, 2011 | 663,015 |
| | As of March 31, 2011 | 238,976 |
| 3) Number of weighted average common shares outstanding (cumulative for all quarters) | For the nine months ended December 31, 2011 | 4,199,596 |
| | For the nine months ended December 31, 2010 | 4,432,668 |

Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. It is under the review 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 (hereafter: the “Company”) and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors. Please refer to P.8 “Qualitative Information on Consolidated Financial Results Forecast” of the Attachment for the assumptions used and other notes.

## 【the Attachment】

# Index of the Attachment



* The Company 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.

- Thursday, January 26, 2012- Earnings presentation for institutional investors and analysts

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

# 1. Qualitative Information / Consolidated Financial Statements, etc.
## (1) Qualitative Information on Consolidated Financial Results

### 1) Results Overview

**For the nine months ended December 31, 2011** (Amount unit: Millions of yen)

| | Nine months ended December 31, 2010 | Nine months ended December 31, 2011 | Increase (Decrease) | Increase (Decrease)% |
|---|---|---|---|---|
| Operating Revenues | 2,571,856 | 2,645,412 | 73,556 | 2.9 |
| Operating Expenses | 2,199,806 | 2,261,185 | 61,379 | 2.8 |
| Operating Income | 372,050 | 384,227 | 12,177 | 3.3 |
| Non-operating Income (Expense) | (22,377) | (19,556) | 2,821 | — |
| Ordinary Income | 349,672 | 364,671 | 14,998 | 4.3 |
| Extraordinary Income | 5,930 | 6,267 | 337 | 5.7 |
| Income before Income Taxes and Minority Interests | 355,603 | 370,939 | 15,335 | 4.3 |
| Total Income Taxes | 146,890 | 170,278 | 23,388 | 15.9 |
| Income before Minority Interests | 208,713 | 200,660 | (8,053) | (3.9) |
| Minority Interests in Income | 6,071 | 6,305 | 233 | 3.9 |
| Net Income | 202,641 | 194,354 | (8,286) | (4.1) |

Operating revenues for the nine months ended December 31, 2011 amounted to ¥2,645,412 million, 2.9% increase year on year, mainly due to the increase in revenues brought by the increase in the number of terminal sales in the Mobile Business, and the increase in revenues of group companies in the Fixed-line Business, despite the decline in voice ARPU (Average Revenue per Unit) caused by the uptake of the Simple Course in the Mobile Business.

Operating income was up 3.3% year on year to ¥384,227 million as operating expenses declined due to network streamlining in the Fixed-line Business. Ordinary income was up 4.3% year on year to ¥364,671 million. Due to the official announcement of a law regarding a reduction in the corporate tax rate, we recorded a reversal of deferred tax assets on December 2, 2011, and the amount of tax adjustment increased. As a result, net income for the nine months ended December 31, 2011, was down 4.1% year on year, to ¥194,354 million.

**Overview of Economic Conditions**

Conditions in the global economy remain unstable, with substantial downside risk from the European debt problems and growing unease in international financial markets. In Europe, the real economy and the financial markets are each having an adverse effect on the other, and growth rates have clearly slowed. The economy remains in a correction phase, with the potential for an economic recession. In the United States, production and consumption have bottomed out, but it is not yet clear now the European debt problems will affect the U.S. economy. Moreover, the rates of growth in the emerging economies, which had been comparatively high, are slowing. There are signs of a shift toward monetary easing, such as not changing policy interest rates or reducing them, in order to mitigate the influence of the global deceleration in business activity. In Japan, the economy is recovering from the slump that followed the Great East Japan Earthquake. Although business conditions have improved as demand related to reconstruction measures has picked up, that improvement could be adversely affected by a number of factors. Those factors include the deceleration of the global economy, the entrenched appreciation of the yen, the flooding in Thailand, and concerns about shortages of electric power in Japan.

**Industry Trends**

In the mobile communications market, competition for customers is intensifying through means such as offering more affordable pricing plans; providing a diverse range of tablets including smartphones, tablet-type terminals, and ebook terminals; and establishing a complete lineup of downloadable content such as music and videos. 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**

The Company steadily implemented its medium to long term strategies-the 3M Strategy and the Global Strategy-targeting the realization of the three commitments: "More Connected" "More Diverse Values" "More Global." 3M stands for Multi-use, Multi-network, and Multi-device. We want to provide a variety of content and services to customers through an optimal network that can be used anytime and anywhere, with a variety of devices, including smartphones and tablets.

In the Mobile Business, we implemented a variety of initiatives to expand our customer base. We bolstered our diverse lineup of handsets, including smartphone models not available from other companies. To respond to rapidly growing data traffic, we strengthened our network by increasing the number of spots available with the "au Wi-Fi SPOT" service. We also took steps to enhance our applications and content, such as establishing a cooperation agreement with Facebook Inc. and strengthening our LISMO service.

In our Fixed-line Business, we worked to expand access lines, centered on FTTH services, while enhancing solution services for corporate clients. The Company also strove to bolster its ability to support corporate clients' international business development by increasing its overseas locations.

In both businesses, we sought to forge partnerships with numerous companies in a variety of fields.

In addition, to handle subscription operations for all services, including those for the increasingly popular au smartphones and other mobile phones, we will open the "au Sendai Customer Service Center" in Miyagino, Sendai City, in mid-February 2012. This will be the 3rd au subscription center.

At the board of directors meeting held on November 28, 2011, it was resolved to purchase up to 450,000 shares of treasury stock at a maximum of ¥250,000 million and to issue ¥200,000 million zero coupon convertible bonds due 2015. In accordance with this resolution the Company issued convertible bonds and purchased 424,126 shares of treasury stock, including 357,541 shares held by The Tokyo Electric Power Company, Incorporated, at ¥220,969 million.

On January 16, 2012, the Company announced phase 1 of the 3M Strategy —the Smart Passport concept. This concept is intended to maximize FMC line subscriptions and ARPU through linked acquisitions of service subscriptions in households, to optimize network costs through data offloading, and to maximize Value ARPU through linked acquisitions of subscriptions for cloud-based content. The Smart Passport concept is centered on "au Smart Pass," "au Smartvalue," and "au ID." In accordance with the new "au" brand mark and a new slogan—New Freedom—the Company will continue to provide new value that realizes 3M.

## 2) Results by Business Segment

**- Results Summary**

### For the Nine months ended December 31, 2011

(Amount unit: Millions of yen)

| | | Nine months ended December 31, 2010 | Nine months ended December 31, 2011 | Increase (Decrease) | Increase (Decrease) % |
|---|---|---|---|---|---|
| Mobile Business | | | | | |
| | Operating Revenues | 1,952,327 | 2,024,636 | 72,309 | 3.7 |
| | Operating Expenses | 1,592,724 | 1,686,962 | 94,238 | 5.9 |
| | Operating Income | 359,603 | 337,674 | (21,928) | (6.1) |
| Fixed-line Business | | | | | |
| | Operating Revenues | 660,032 | 676,506 | 16,473 | 2.5 |
| | Operating Expenses | 653,193 | 633,208 | (19,984) | (3.1) |
| | Operating Income (Loss) | 6,838 | 43,297 | 36,458 | 533.1 |
| Other Business | | | | | |
| | Operating Revenues | 84,044 | 79,188 | (4,855) | (5.8) |
| | Operating Expenses | 78,716 | 76,345 | (2,370) | (3.0) |
| | Operating Income | 5,328 | 2,842 | (2,485) | (46.6) |

**- Subscriptions of Major Services**

(Unit : Thousand line)

| | As of December 31, 2010 | As of December 31, 2011 | Increase (Decrease) | Increase (Decrease) % |
|---|---|---|---|---|
| au[1] | 32,527 | 34,298 | 1,771 | 5.4 |
| CDMA 1X WIN | 28,716 | 32,481 | 3,765 | 13.1 |
| (Ref.) UQ WiMAX | 524 | 1,689 | 1,165 | 222.3 |
| FTTH | 1,833 | 2,167 | 334 | 18.2 |
| Metal-plus | 2,622 | 2,299 | (323) | (12.3) |
| Cable-plus phone[2] | 1,250 | 1,865 | 615 | 49.2 |
| CATV[3] | 1,065 | 1,133 | 68 | 6.4 |
| Fixed access lines[4] | 6,326 | 6,935 | 609 | 9.6 |

Notes: 1. Inclusive of module-type contracts
2. Inclusive of wholesales to "J:COM PHONE Plus" from the fiscal year ending March 31, 2012.
3. Number of households with at least one contract via broadcasting, internet, or telephone
4. Total access lines of FTTH, direct-revenue telephony (Metal-plus, Cable-plus phone), and CATV subs. excluding crossover.

**Mobile Business**

Operating revenues for the nine months ended December 31, 2011 amounted to ¥2,024,636 million, 3.7% increase year on year. Contributing factors include the increase in revenue brought by the increase in the number of terminal sales, centered on smartphones, despite the decline in voice ARPU (Average Revenue per Unit) caused by the uptake of the Simple Course. Operating income amounted ¥337,674 million, down 6.1% year on year, due to the increase in handsets procurement cost that led the rise in operating expenses.

**Overall**

- The number of "au" mobile phone subscriptions was 34.298 million as of December 31, 2011.

**Mobile Terminals**

- On October 14, 2011, the Companies began offering the "iPhone 4S" (made by Apple Inc.). You can use iPhone 4S on the Companies' 3G network, so you can enjoy the incredible features of iPhone 4S anywhere, anytime.
- We launched seven new Android™ smartphone models starting in October 2011. These included four models that are compatible with WiMAX high-speed communications—the "HTC EVO 3D ISW12HT," "MOTOROLA PHOTON™ ISW11M," "ARROWS Z ISW11F," and "DIGNO ISW11K." The "AQUOS PHONE IS13SH" is an ultra-slim waterproof model, and the "MEDIAS® BR IS11N" is a compact model that can be smoothly operated with one hand.
- Additions to our lineup of feature phones included the "URBANO AFFARE," a waterproof mobile phone that features a sophisticated design and ease of use, and the "F001," a waterproof, dustproof mobile phone with 0.5 second high-speed startup and a 13-megapixel camera for fast continuous shooting.
- Moreover, we began sales of the "Wi-Fi WALKER DATA08W," a mobile router that is compatible with both WiMAX and 3G and offers automatic switching between WiMAX and 3G in accordance with the usage area.

<Products released for the three months ended December 31, 2011>

| | | |
|---|---|---|
| Smartphones | iPhone | "iPhone 4S" |
| | IS series | "HTC EVO 3D ISW12HT," "MOTOROLA PHOTON™ ISW11M," "AQUOS PHONE IS13SH," "AQUOS PHONE IS14SH," "ARROWS Z ISW11F," "DIGNO ISW11K," "MEDIAS® BR IS11N" |
| Feature phones | | "URBANO AFFARE," "F001," "E10K" |
| Wi-Fi router | | "Wi-Fi WALKER DATA08W" |

- In collaboration with "NAVA," a leading Italian stationery maker, on October 11, 2011, we began sales of "iida & NAVA" smartphone accessories through iida SHOPPING.

**Consumer Services**

- To respond to diversifying customer needs for settlement, we introduced "au Simple Payment Service" on Rakuten Ichiba on October 6, 2011 and on Yahoo! Shopping on November 24, 2011.
- On November 9, 2011, we began to provide "au one Photo Air powered by Eye-Fi," an automatic photo backup service for au smartphones.
- The Companies began to offer the "Guarantee Security Pack," which provides total security and safety support for Android™ smartphones on November 18, 2011.
- Jibe Mobile K.K. and the Company began to provide "au one Friends Note" on November 18, 2011. This is an enhanced version of "jibe," a popular social address book application.
- COLOPL, Inc. and the Company are collaborating in the provision of "au Jimotalk" for au Android™ smartphones and other au mobile phones with service available from December 9, 2011. "Jimotalk," developed and operated by COLOPL, is a new service using mobile phone location information.

**Corporate Services**

- On November 22, 2011, we began to offer "KDDI 3LM Security," a security management service developed by Three Laws of Mobility, Inc. This service, which is available for corporate customers using au Android™ devices, features robust security functions that were not previously available at the application level. Furthermore, we have prepared two plans that can be selected in accordance with customer needs. The "Basic Plan" is an ASP service that accommodates diversifying corporate security needs. The "Advanced Plan" facilitates the provision of a safer, more-secure communications environment through the installation of a server on customer premises.

**Pricing Plans**

- On December 1, 2011, the Companies began to offer "WIN Single Flat WiMAX (Simple)," a new rate plan that can be used with a downlink speed of up to 40Mbps. In addition to the conventional 3G wide service areas, this service can also be used in WiMAX service areas. If customers subscribe to this service when purchasing a compatible device (DATA08W, DATA01), they are eligible for the "WIN Single Flat Cost-Saving Discount," under which the service is available for ¥4,410 per month (tax included)[Note] for up to 25 months.

  Note: When applying for "Everybody Discount Single" or "WIN Single Set Discount."

**Others**

- The Companies launched the "au Wi-Fi SPOT" public wireless LAN service on June 30, 2011, and by late-December, the number of spots available with this service had surpassed 60,000. This service is available at no additional charge to customers who subscribe to the "IS Flat" packet flat-rate service or to "Plan F (IS) Simple/Plan F (IS)." In this way, Internet communications can be readily enjoyed even when out of the office, such as at stations, airports, and cafes. We will continue to increase the number of spots available, targeting 100,000 spots by March 31, 2012.
- To provide augmented reality applications that are more accessible, easier, and more convenient, on December 15, 2011 we launched SATCH, a new augmented reality brand. In addition, we are offering the SATCH SDK free of charge. This augmented reality software development kit for mobile applications uses the image recognition technologies of Total Immersion S.A. By opening up the development of augmented reality applications in this way, we have created an environment in which customers can enjoy more-accessible augmented reality applications.

**Main Services in the Fourth Quarter and Beyond**

- From March 1, 2012, in the first phase of the 3M Strategy, the Company will begin to provide "au Smart Pass," which enables the comfortable and secure enjoyment of smartphone life, and "au Smartvalue," which facilitates the advantageous use of au smartphones.

  "au Smart Pass" offers unlimited use of more than 500 applications, coupon and point services, storage of up to 10GB of photos and videos, and security and support, all for ¥390 per month (including tax). Everyone, from experienced smartphone users to beginners, can securely and freely enjoy their favorite applications and services with "au Smart Pass."

  "au Smartvalue" is a service that combines mobile and fixed-line communications. With a subscription to a designated fixed-line communications service (FTTH, CATV), customers can receive a discount of ¥1,480* (tax included) on their monthly smartphone usage charges for up to two years. This service is available to

subscribers to a designated fixed-line communications service and their family members who reside in the same household.
* After 2 years, the discount will be ¥980.

- From spring 2012, we will offer the "Disaster Voice Delivery Service" for "IS03" and later Android™ smartphones. This service will use the packet network to deliver voice messages in times of large-scale disaster. In this way, even if it is difficult to make phone calls because the voice network is jammed, safety notifications can be delivered by voice. In this way, in conjunction with the "Disaster Message Board" service and the "au Disaster Countermeasure" application that has been available since December 23, 2011, we are providing "security and safety" to customers using au mobile phones.
  Further, six mobile phone and PHS carriers including the Company have established guidelines related to the joint operation of this service. These guidelines have established a unified service name and operational specifications for mutual connectivity. In the future, we will pursue cooperative initiatives targeting the realization of mutual connectivity among carriers.

**Fixed-line Business**

Operating revenues for the nine months ended December 31, 2011 amounted to ¥676,506 million, 2.5% increase year on year, due to the increase in revenues of group companies, etc.
Operating income amounted to ¥43,297 million, 533.1% increase year on year, due to the decrease in operating expenses of the Company as a result of network streamlining conducted in the Fixed-line Business.

**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 2.167 million as of December 31, 2011.
- As of December 31, 2011, the number of "Metal-plus" subscriptions totaled 2.299 million.
- For "Cable-plus phone," alliances with cable television companies grew steadily, reaching 124 companies and its subscriptions expanded to 1.865 million as of December 31, 2011.
- Consolidated subsidiary JCN Group, which oversees 18 cable companies primarily in the Tokyo metropolitan area, had 1.133 million cable television subscriptions as of December 31, 2011.

**Consumer Services**

- On November 24, 2011, we began to offer "Guarantee Net Security" as an optional service for customers using "au one net" Internet connection services, such as "au HIKARI" and "ADSL one," or "au HIKARI Chura." The "Guarantee Net Security" is a comprehensive security service that offers abundant security functions at an economical price. These functions include virus and spyware countermeasures as well as phishing scam countermeasures and web filtering that limits access to harmful web sites. This service is compatible with Windows®, Mac® OS X/iOS, and Android™, and with a single subscription customers are free to use the service on combinations of up to three devices, including PCs, tablets, and smartphones.

**Corporate Services**

- The Company was ranked No.1 in network services targeting Japanese corporations in the "2011 Japan Network Service Satisfaction Study <Large Enterprise Market>," which was conducted by J.D. Power Asia Pacific, Inc. This marks the third consecutive year, since 2009, in which the Company has been ranked No. 1 in this segment. In addition, in the small and medium-sized company market, Chubu Telecommunication Co., Inc., a consolidated subsidiary of the Company, has been rated No.1 for six consecutive years, since 2006.
- In October 2011, the Company acquired 85.5% of the common stock of CDNetworks Co., Ltd., of South Korea, which became a consolidated subsidiary of the Company. CDNetworks is a provider of content delivery network (CDN)[Note] services in the global market. In addition to adding CDN services to our service lineup, we will also pursue synergies from this acquisition, such as network and facility cost reductions.

  Note: CDN services realize acceleration of Internet communications through temporary caching and delivery of content using servers that are located closer to end users.

- From December 2011, we began offering service at the "TELEHOUSE HONG KONG CCC," a large-scale data center in Hong Kong that has a total floorspace of 36,000 square meters and meets the TELEHOUSE global standard.

**Main Services in the Fourth Quarter and Beyond**

- We began offering service at the "TELEHOUSE FRANKFURT," a large-scale data center in Frankfurt that has a total floorspace of 67,000 square meters and meets the TELEHOUSE global standard. With the opening of this data center, we have 22 overseas TELEHOUSE data centers in 11 regions and 14 cities.

**Other Business**

Operating revenues for the nine months ended December 31, 2011 decreased 5.8% year on year to ¥79,188 million. Operating income decreased 46.6% year on year to ¥2,842 million.

### 3) Status of Major Affiliates

UQ Communications Inc. (hereafter "UQ"), an equity-method affiliate of the Company, had 1.689 million subscribers and 17,956 base stations as of December 31, 2011.

On December 1, 2011, UQ began to offer the industry's first discount service for users of multiple lines under domestic mobile data communications services. The "WiMAX Fami-Toku Pack" offers discounted monthly charges for the second line. In addition, UQ began to install WiMAX wireless equipment in Toei Subway facilities and took steps to achieve further increases in quality. The maximum uplink speed was increased from 10Mbps to 15.4Mbps, and the indoor usage environment was improved by increasing the signal transmission output and increasing the antenna amplification.

On November 1, 2011, au Insurance Company, Limited, an equity-method affiliate of the Company, began to offer the "¥100 Bicycle Plan," a bicycle insurance plan for only ¥100 per month. From November 29, 2011, au Insurance began to offer "My Smart Insurance world (Overseas Travel Insurance)," for a premium of ¥500 per day.

Notes:
1. "Wi-Fi" is a registered trademark of Wi-Fi Alliance®.
2. Smartvalue is a registered trademark of Energy Management Corporation.
3. iPhone is a trademark of Apple Inc. The trademark 'iPhone' is used with a license from Aiphone K.K.
4. "Android" is a trademark of Google Inc.
5. WiMAX is a trademark or a registered trademark of WiMAX Forum.
6. HTC EVO is a trademark or a registered trademark of HTC Corporation.
7. MOTOROLA PHOTON is a registered trademark of Motorola Trademark Holdings, LLC.
8. DIGNO is a registered trademark of KYOCERA Corporation.
9. "AQUOS" is a registered trademark of Sharp Corporation.
10. "MEDIAS" is a trademark or a registered trademark of NEC CASIO Mobile Communications, Ltd.
11. "Eye-Fi" is a trademark or a registered trademark of Eye-Fi Inc.
12. "Windows®" is a registered trademark of Microsoft Corporation.
13. "Mac®" is a registered trademark of Apple Computer Inc. in the United States and other countries.

## (2) Qualitative Information on Consolidated Financial Position

Consolidated total assets stood at ¥4,027,099 million, an increase of ¥248,181 million from March 31, 2011. This increase was primarily attributable to factors such as increases in securities (negotiable deposit, etc.) and accounts receivable-trade.

Total liabilities amounted to ¥1,934,396 million, an increase of ¥327,317 million from March 31, 2011. Major factor contributing to this increase was increase in convertible bond-type bonds with subscription rights to shares and income taxes payable.

An increase in retained earnings and a decrease in purchase of treasury stock resulted net asset to amount to ¥2,092,703 million, a decrease of ¥79,135 million from March 31, 2011.

As a result, the shareholders' equity ratio declined from 55.7% as of March 31, 2011, to 50.1%.

The following describes the cash flow situation for the nine months ended December 31, 2011.

(Amount unit: Millions of yen)

| | Nine months ended December 31, 2010 | Nine months ended December 31, 2011 | Increase (Decrease) |
|---|---|---|---|
| Net cash provided by (used in) operating activities | 534,470 | 560,038 | 25,568 |
| Net cash provided by (used in) investing activities | (312,925) | (307,963) | 4,962 |
| Free cash flows | 221,545 | 252,075 | 30,530 |
| Net cash provided by (used in) financing activities | (270,792) | (139,142) | 131,649 |
| Effect of exchange rate change on cash and cash equivalents | (1,937) | (1,054) | 883 |
| Net increase (decrease) in cash and cash equivalents | (51,184) | 111,878 | 163,062 |
| Cash and cash equivalents at beginning of period | 165,476 | 159,869 | (5,607) |
| Cash and cash equivalents at end of period | 114,292 | 271,748 | 157,455 |

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."

Net cash provided by (used in) operating activities provided net cash of ¥560,038 million largely due to ¥370,939 million of income before income taxes and minority interests and ¥308,466 million of depreciation and amortization.
Net cash provided by (used in) investing activities used net cash of ¥307,963 million mainly due to ¥210,039 million in payments for purchase of property, plant and equipment and ¥45,829 million in payments for purchase of intangible assets.
Net cash provided by (used in) financial activities used net cash of ¥139,142 million largely due to ¥220,969 million in purchase of treasury stock, ¥63,271 million in payments for cash dividends paid, ¥49,007 million in repayment of long-term loans payable, and ¥201,000 million in proceeds from issuance of convertible bond-type bonds with subscription rights to shares.
As a result, Cash and cash equivalents as of December 31, 2011, increased ¥111,878 million from March 31, 2011, to ¥271,748 million.

## (3) Qualitative Information on Consolidated Financial Results Forecast

### 1. Outlook for the Fiscal Year Ending March 31, 2012

**Overview**

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 major typhoons, and creation of more minutes BCP (Business Continuity Plan) upon the experiences of the Great East Japan Earthquake.

The Companies 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 Companies, 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, the Companies will enable multi-use services tailored to regional lifestyle and individual customer preferences, thereby making ourselves "more connected" to consumer.
- **"More global"** -- Overseas, many countries are experiencing robust economic growth. Meanwhile, Internet diffusion in numerous emerging markets continues to lag. The Companies are 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 Companies aim to add a host of further value to customers.

## 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 will focus on iPhone and on smartphones with enhanced communication features and functions that are standard 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 Companies 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, maintain a net addition in MNP (Mobile Number Portability), expand the scale of the net increase, and raise data ARPU.

## Fixed-line Business

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 Companies will seek ties with cable television companies with the goal of expanding its access lines such as "Cable-plus phone" and cable television services provided by JCN Group.

With respect to corporate clients, the Companies aim 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.

## Full-Year Results

The estimated consolidated financial results for the year ending March 31, 2012 for full-year basis disclosed in the Financial Statements Summary for the six month ended September 30, 2011 (disclosed on October 24, 2011) is revised as follows.

(Amount unit: Millions of yen)

| | Operating revenues | Operating income | Ordinary income | Net income |
|---|---|---|---|---|
| Previous estimation as of October 24, 2011 (A) | 3,460,000 | 475,000 | 450,000 | 250,000 |
| Revised estimation (B) | 3,550,000 | 475,000 | 450,000 | 235,000 |
| Increase (Decrease) (B-A) | 90,000 | — | — | (15,000) |
| Increase (Decrease) % | 2.6 | — | — | (6.0) |
| (ref) Full-year results for previous FY | 3,434,545 | 471,911 | 440,676 | 255,122 |

## Reasons for the Revision of Full-Year Results Estimation

In operating revenues, handset sales have been favorable, centered on smartphones, and unit sales of handsets are expected to exceed expectations. As a result, the forecast for operating revenues has been revised upward. In operating income and ordinary income, the Company expects that lower income resulting from increased unit sales of handsets in the Mobile Business will be offset by higher profits in the Fixed-line Business. Consequently, there is no change from the previous forecast. Due to the promulgation of laws involving a reduction in the corporate tax rate (The Law to Revise the Income Tax, etc., in Order to Construct a Tax System Addressing Changes in the Socio-Economic Structure, and Special Measures to Secure the Financial Resources to Implement the Restoration from the Tohoku Earthquake), on December 2, 2011, we recorded a reversal of deferred tax assets, and there was an increase in the amount of income taxes-deferred. As a result, the forecast for net income has been revised downward.

* These figures are estimates based on information available to the Company as of the date of release of these materials. Accordingly, actual results could differ from these estimates due to a variety of factors.

Notes: 1 WiMAX is a trademark or a registered trademark of WiMAX Forum.
2 iPhone is a trademark of Apple Inc. The trademark 'iPhone' is used with a license from Aiphone K.K.
3 "Wi-Fi" is a registered trademark of Wi-Fi Alliance®.

### 2. Business Risks

As the Companies pursue its business, there are various risks involved. The Companies take every effort to reduce these risks by preventing and hedging them. However, there are various uncertainties which could have negative impacts on the Companies' brand image, liability, financial position and/or earnings performance such as;

- subscription growth trends out of line with the Companies expectations due to competition, rival technologies and rapid market shifts
- breach of obligations regarding communications security and protection of customer privacy
- natural disasters, accidents and power restrictions caused by 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 Companies

## 2. Notes Regarding Summary Information (Others)

## Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

(Change in Accounting Policies resulting from the Revision of the Accounting Standards and Other Regulations)

From the three months ended June 30, 2011, we have applied the "Accounting Standard for Earning Per Share" (Accounting Standards Board of Japan [ASBJ] Statement No.2 of June 30, 2010), the "Guidance on Accounting Standard for Earning Per Share" (ASBJ Guidance No.4 of June 30, 2010), and the "Practical Solution on Accounting for Earnings Per Share" (ASBJ PITF No.9 of June 30, 2010).

To calculate diluted net income per share of the quarter, we have changed the method to include potential services offered by the employees in the fair valuation of stock options of payment when exercising the right regarding stock options whose rights are secured after certain period of employment.

There is no impact on diluted net income per share for the nine months ended December 31, 2010 as a result of this change.

[Additional Information]

(Application of the "Accounting Standard for Accounting Changes and Error Corrections" and others)

For the accounting changes and error corrections made in after the beginning of the year ending March 31, 2012, we have applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24 of December 4, 2009).

# 3. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Amount unit: Millions of yen)

| | As of March 31, 2011 | As of December 31, 2011 |
|---|---|---|
| Assets | | |
| Noncurrent assets | | |
| Noncurrent assets-telecommunications business | | |
| Property, plant and equipment | | |
| Machinery, net | 628,415 | 592,379 |
| Antenna facilities, net | 353,461 | 350,506 |
| Local line facilities, net | 125,212 | 132,687 |
| Long-distance line facilities, net | 10,002 | 8,030 |
| Engineering facilities, net | 27,198 | 26,112 |
| Submarine line facilities, net | 9,536 | 7,857 |
| Buildings, net | 214,217 | 208,664 |
| Structures, net | 32,446 | 31,464 |
| Land | 242,197 | 249,432 |
| Construction in progress | 75,236 | 104,358 |
| Other tangible assets, net | 34,187 | 30,984 |
| Total property, plant and equipment | 1,752,112 | 1,742,478 |
| Intangible assets | | |
| Right of using facilities | 9,120 | 10,315 |
| Software | 191,719 | 171,511 |
| Goodwill | 17,563 | 12,670 |
| Other intangible assets | 10,223 | 9,851 |
| Total intangible assets | 228,626 | 204,349 |
| Total noncurrent assets-telecommunications business | 1,980,738 | 1,946,828 |
| Incidental business facilities | | |
| Property, plant and equipment | 120,709 | 129,621 |
| Intangible assets | 62,301 | 88,537 |
| Total noncurrent assets-incidental business | 183,010 | 218,158 |
| Investments and other assets | | |
| Investment securities | 73,898 | 93,486 |
| Stocks of subsidiaries and affiliates | 356,887 | 350,870 |
| Investments in capital of subsidiaries and affiliates | 182 | 198 |
| Long-term prepaid expenses | 82,240 | 84,253 |
| Deferred tax assets | 128,686 | 101,695 |
| Other investment and other assets | 49,278 | 48,454 |
| Allowance for doubtful accounts | (8,103) | (9,055) |
| Total investments and other assets | 683,069 | 669,902 |
| Total noncurrent assets | 2,846,819 | 2,834,889 |

(Amount unit: Millions of yen)

| | As of March 31, 2011 | As of December 31, 2011 |
|---|---|---|
| Current assets | | |
| Cash and deposits | 136,921 | 101,464 |
| Notes and accounts receivable-trade | 573,508 | 698,961 |
| Accounts receivable-other | 68,190 | 48,567 |
| Short-term investment securities | 25,201 | 176,481 |
| Supplies | 58,352 | 80,316 |
| Prepaid expenses | 14,316 | 30,821 |
| Deferred tax assets | 64,079 | 62,579 |
| Other current assets | 5,296 | 7,241 |
| Allowance for doubtful accounts | (13,767) | (14,224) |
| Total current assets | 932,098 | 1,192,210 |
| Total assets | 3,778,918 | 4,027,099 |
| Liabilities | | |
| Noncurrent liabilities | | |
| Bonds payable | 414,978 | 349,989 |
| Convertible bond-type bonds with subscription rights to shares | — | 200,979 |
| Long-term loans payable | 414,187 | 409,623 |
| Provision for retirement benefits | 18,656 | 19,731 |
| Provision for point service program | 85,197 | 89,417 |
| Other noncurrent liabilities | 66,780 | 68,023 |
| Total noncurrent liabilities | 999,800 | 1,137,765 |
| Current liabilities | | |
| Current portion of noncurrent liabilities | 138,799 | 160,549 |
| Notes and accounts payable-trade | 65,598 | 115,688 |
| Short-term loans payable | 1,304 | 1,319 |
| Accounts payable-other | 192,402 | 249,004 |
| Accrued expenses | 14,253 | 19,720 |
| Income taxes payable | 57,764 | 116,739 |
| Advances received | 72,437 | 73,692 |
| Provision for bonuses | 19,519 | 9,711 |
| Provision for loss on the Great East Japan Earthquake | 16,282 | 9,832 |
| Other current liabilities | 28,913 | 40,372 |
| Total current liabilities | 607,278 | 796,631 |
| Total liabilities | 1,607,078 | 1,934,396 |

(Amount unit: Millions of yen)

| | As of March 31, 2011 | As of December 31, 2011 |
|---|---|---|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 141,851 | 141,851 |
| Capital surplus | 367,091 | 367,102 |
| Retained earnings | 1,704,170 | 1,834,838 |
| Treasury stock | (125,244) | (346,168) |
| Total shareholders' equity | 2,087,869 | 1,997,623 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 28,612 | 39,655 |
| Deferred gains or losses on hedges | 32 | (807) |
| Foreign currency translation adjustment | (13,182) | (17,573) |
| Total accumulated other comprehensive income | 15,461 | 21,274 |
| Subscription rights to shares | 1,504 | 1,149 |
| Minority interests | 67,002 | 72,655 |
| Total net assets | 2,171,839 | 2,092,703 |
| Total liabilities and net assets | 3,778,918 | 4,027,099 |

## (2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Income)

(Amount unit: Millions of yen)

| | Nine months ended December 31, 2010 | Nine months ended December 31, 2011 |
|---|---|---|
| Operating income and loss from telecommunications | | |
| Operating revenue | | |
| Total operating revenue | 1,898,492 | 1,799,673 |
| Operating expenses | | |
| Business expenses | 487,426 | 486,867 |
| Operating expenses | 86 | 40 |
| Facilities maintenance expenses | 225,079 | 224,460 |
| Common expenses | 1,744 | 1,993 |
| Administrative expenses | 51,562 | 51,346 |
| Experiment and research expenses | 5,263 | 4,526 |
| Depreciation | 312,208 | 286,990 |
| Noncurrent assets retirement cost | 10,281 | 10,927 |
| Communication facility fee | 300,002 | 270,246 |
| Taxes and dues | 27,853 | 31,983 |
| Total operating expenses | 1,421,507 | 1,369,383 |
| Net operating income from telecommunications | 476,985 | 430,290 |
| Operating income and loss from incidental business | | |
| Operating revenue | 673,363 | 845,739 |
| Operating expenses | 778,298 | 891,802 |
| Net operating loss from incidental business | (104,935) | (46,062) |
| Operating income | 372,050 | 384,227 |
| Non-operating income | | |
| Interest income | 461 | 695 |
| Dividends income | 1,305 | 1,369 |
| Gain on investments in silent partnership | — | 654 |
| Miscellaneous income | 4,833 | 6,428 |
| Total non-operating income | 6,600 | 9,147 |
| Non-operating expenses | | |
| Interest expenses | 10,773 | 9,877 |
| Equity in losses of affiliates | 12,713 | 11,535 |
| Miscellaneous expenses | 5,491 | 7,291 |
| Total non-operating expenses | 28,978 | 28,704 |
| Ordinary income | 349,672 | 364,671 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 1,187 | 173 |
| Gain on sales of investment securities | 5,617 | — |
| Gain on negative goodwill | 364 | 234 |
| Gain on reversal of subscription rights to shares | 426 | 473 |
| Gain on transfer from business divestitures | — | 3,615 |
| Dividends due to liquidation of silent partnership contract | — | 6,976 |
| Total extraordinary income | 7,595 | 11,473 |

(Amount unit: Millions of yen)

| | Nine months ended December 31, 2010 | Nine months ended December 31, 2011 |
|---|---|---|
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | — | 644 |
| Loss on valuation of investment securities | 368 | 492 |
| Loss on sales of stocks of subsidiaries and affiliates | 176 | — |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | 1,120 | — |
| Loss on the Great East Japan Earthquake | — | 4,068 |
| Total extraordinary losses | 1,665 | 5,205 |
| Income before income taxes and minority interests | 355,603 | 370,939 |
| Income taxes-current | 120,618 | 143,565 |
| Income taxes-deferred | 26,272 | 26,713 |
| Total income taxes | 146,890 | 170,278 |
| Income before minority interests | 208,713 | 200,660 |
| Minority interests in income | 6,071 | 6,305 |
| Net income | 202,641 | 194,354 |

## (2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Comprehensive Income)

(Amount unit: Millions of yen)

| | Nine months ended December 31, 2010 | Nine months ended December 31, 2011 |
|---|---|---|
| Income before minority interests | 208,713 | 200,660 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (8,048) | 10,523 |
| Foreign currency translation adjustment | (5,834) | (4,914) |
| Share of other comprehensive income of associates accounted for using equity method | (117) | (696) |
| Total other comprehensive income | (14,000) | 4,913 |
| Comprehensive income | 194,712 | 205,573 |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of the parent | 190,215 | 200,168 |
| Comprehensive income attributable to minority interests | 4,497 | 5,405 |

### (3) Consolidated Statements of Cash Flows

(Amount unit: Millions of yen)

| | Nine months ended December 31, 2010 | Nine months ended December 31, 2011 |
|---|---|---|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes and minority interests | 355,603 | 370,939 |
| Depreciation and amortization | 330,942 | 308,466 |
| Amortization of goodwill | 8,895 | 10,785 |
| Gain on negative goodwill | (364) | (234) |
| Loss (gain) on sales of noncurrent assets | (1,179) | 471 |
| Loss on retirement of noncurrent assets | 7,145 | 8,484 |
| Increase (decrease) in privision for loss on the Great East Japan Earthquake | — | (6,450) |
| Gain on transfer from business divestitures | — | (3,615) |
| Dividends due to liquidation of silent partnership contract | — | (6,976) |
| Increase (decrease) in allowance for doubtful accounts | (299) | 730 |
| Increase (decrease) in provision for retirement benefits | 482 | 955 |
| Interest and dividends income | (1,767) | (2,064) |
| Interest expenses | 10,773 | 9,877 |
| Equity in (earnings) losses of affiliates | 12,713 | 11,535 |
| Loss (gain) on sales of investment securities | (5,679) | (73) |
| Loss (gain) on sales of stocks of subsidiaries and affiliates | 176 | — |
| Loss (gain) on valuation of investment securities | 368 | 492 |
| Increase (decrease) in provision for point service program | 4,944 | 4,219 |
| Decrease (increase) in prepaid pension costs | 1,191 | 1,330 |
| Decrease (increase) in prepaid expenses | (17,475) | (18,369) |
| Decrease (increase) in notes and accounts receivable-trade | 1,687 | (127,768) |
| Decrease (increase) in inventories | (37,868) | (22,301) |
| Increase (decrease) in notes and accounts payable-trade | 50,991 | 50,697 |
| Increase (decrease) in accounts payable-other | (30,086) | 25,332 |
| Increase (decrease) in accrued expenses | 1,354 | 5,294 |
| Increase (decrease) in advances received | 812 | 1,143 |
| Other, net | (8,750) | (4,462) |
| Subtotal | 684,613 | 618,440 |
| Interest and dividends income received | 4,443 | 5,586 |
| Interest expenses paid | (10,674) | (10,085) |
| Income taxes paid | (143,912) | (87,288) |
| Income taxes refund | — | 33,386 |
| Net cash provided by (used in) operating activities | 534,470 | 560,038 |

(Amount unit: Millions of yen)

| | Nine months ended December 31, 2010 | Nine months ended December 31, 2011 |
|---|---|---|
| Net cash provided by (used in) investing activities | | |
| Purchase of property, plant and equipment | (244,387) | (210,039) |
| Purchase of trust beneficiary right | — | (14,993) |
| Proceeds from sales of property, plant and equipment | 1,262 | 550 |
| Purchase of intangible assets | (59,262) | (45,829) |
| Purchase of investment securities | (861) | (1,824) |
| Proceeds from sales of investment securities | 15,811 | 633 |
| Payments for business divestitures | — | (1,000) |
| Purchase of stocks of subsidiaries and affiliates | (3,578) | (1,180) |
| Purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation | (5,339) | (27,151) |
| Proceeds from purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation | — | 831 |
| Payments for sales of investments in subsidiaries and affiliates resulting in change in scope of consolidation | (904) | — |
| Proceeds from repayment of investment and dividends due to liquidation of silent partnership contract | — | 7,703 |
| Purchase of long-term prepaid expenses | (15,900) | (15,069) |
| Other, net | 234 | (594) |
| Net cash provided by (used in) investing activities | (312,925) | (307,963) |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | (99,547) | (1,123) |
| Proceeds from long-term loans payable | 50,000 | — |
| Repayment of long-term loans payable | (17,020) | (49,007) |
| Proceeds from issuance of bonds | 40,000 | — |
| Proceeds from issuance of convertible bond-type bonds with subscription rights to shares | — | 201,000 |
| Redemption of bonds | (83,000) | — |
| Purchase of treasury stock | (89,059) | (220,969) |
| Cash dividends paid | (57,414) | (63,271) |
| Cash dividends paid to minority shareholders | (1,081) | (1,187) |
| Proceeds from stock issuance to minority shareholders | 979 | 10 |
| Other, net | (14,648) | (4,593) |
| Net cash provided by (used in) financing activities | (270,792) | (139,142) |
| Effect of exchange rate change on cash and cash equivalents | (1,937) | (1,054) |
| Net increase (decrease) in cash and cash equivalents | (51,184) | 111,878 |
| Cash and cash equivalents at beginning of period | 165,476 | 159,869 |
| Cash and cash equivalents at end of period | 114,292 | 271,748 |

## (4) Going Concern Assumption

None

## (5) Segment Information, etc.

(Segment Information)

Ⅰ For the nine months ended December 31, 2010 (April 1, 2010 to December 31, 2010)

1. Information on sales and income (loss) by business segment reported

(Amount unit: Millions of yen)

| | Reportable Segments | | | Other Business[1] | Total | Elimination and Corporate[2] | Consoli-dation[3] |
|---|---|---|---|---|---|---|---|
| | Mobile Business | Fixed-line Business | Subtotal | | | | |
| Sales | | | | | | | |
| Outside Sales | 1,944,355 | 591,392 | 2,535,748 | 36,107 | 2,571,856 | ― | 2,571,856 |
| Intersegment Sales or Transfer | 7,971 | 68,639 | 76,611 | 47,937 | 124,548 | (124,548) | ― |
| Total | 1,952,327 | 660,032 | 2,612,359 | 84,044 | 2,696,404 | (124,548) | 2,571,856 |
| Operating Income (Loss) | 359,603 | 6,838 | 366,441 | 5,328 | 371,770 | 280 | 372,050 |

Notes:
1. The “Other Business” category incorporates operations not included in business segments reported, including call center business, research and technological development, and other operations.
2. Adjustment of segment income refers to elimination of intersegment transactions.
3. Operating income for segment is adjusted on operating income on the quarterly consolidated statements of income.

2. Information concerning impairment loss on noncurrent assets, goodwill and other items by business segment

(Material impairment loss on noncurrent assets)

None

(Material changes in goodwill)

No significant items to be reported.

(Material profit from negative goodwill)

No significant items to be reported.

Ⅱ For the nine months ended December 31, 2011 (April 1, 2011 to December 31, 2011)

1. Information on sales and income (loss) by business segment reported

(Amount unit: Millions of yen)

| | Reportable Segments | | | Other Business[1] | Total | Elimination and Corporate[2] | Consoli-dation[3] |
|---|---|---|---|---|---|---|---|
| | Mobile Business | Fixed-line Business | Subtotal | | | | |
| Sales | | | | | | | |
| Outside Sales | 2,016,472 | 604,223 | 2,620,696 | 24,716 | 2,645,412 | — | 2,645,412 |
| Intersegment Sales or Transfer | 8,164 | 72,282 | 80,446 | 54,472 | 134,919 | (134,919) | — |
| Total | 2,024,636 | 676,506 | 2,701,143 | 79,188 | 2,780,332 | (134,919) | 2,645,412 |
| Operating Income | 337,674 | 43,297 | 380,971 | 2,842 | 383,814 | 412 | 384,227 |

Notes: 1. The "Other Business" category incorporates operations not included in business segments reported, including call center business, research and technological development, and other operations.
2. Adjustment of segment income refers to elimination of intersegment transactions.
3. Operating income for segment is adjusted on operating income on the quarterly consolidated statements of income.

2. Information concerning impairment loss on noncurrent assets, goodwill and other items by business segment

(Material impairment loss on noncurrent assets)

No significant items to be reported.

(Material changes in goodwill)

No significant items to be reported.

(Material profit from negative goodwill)

No significant items to be reported.

**(6) Material Changes in Shareholders' Equity**

The Company purchased 424,126 shares of treasury stock at 220,969 million yen for the three months ended December 31, 2011, according to the board of directors meeting decision on November 28, 2011. As of December 31, 2011, the Company possessed 663,015 shares of treasury stock at 346,168 million yen.