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 Six Months Ended September 30, 2012 [Japan GAAP]

October 24, 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 October 31, 2012
Scheduled date for dividend payment November 20, 2012
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 Six Months Ended September 30, 2012 (April 1, 2012 to September 30, 2012)

(1) Consolidated Results of Operation

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
Six months ended September 30, 2012	1,740,599	(0.2)	231,240	(13.3)	227,014	(10.1)	79,757	(43.1)
Six months ended September 30, 2011	1,743,287	1.4	266,746	7.6	252,405	7.8	140,138	2.3

Note: Consolidated Statements of Comprehensive Income
Six months ended September 30, 2012: 79,213 million yen; (47.7%) Six months ended September 30, 2011: 151,487 million yen;14.5%

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Six months ended September 30, 2012	208.69	191.04
Six months ended September 30, 2011	330.06	330.05

Note: KDDI Corporation conducted a 1:100 stock split on common stock, with an effective date of October 1, 2012. Net income per share and diluted net income per share have been calculated as if the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
			%
As of September 30, 2012	3,967,451	2,173,959	53.0
As of March 31, 2012	4,004,009	2,128,624	51.5

Reference: Shareholder’s Equity As of September 30, 2012: 2,103,278 million yen As of March 31, 2012: 2,060,746 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, 2012	-	7,500.00	-	8,500.00	16,000.00
Year ending March 31, 2013	-	8,500.00			
Year ending March 31, 2013 (forecast)			-	85.00	-

Note: Changes in the latest forecasts released: None
Dividend forecasts for the year ending March 31, 2013, take into account a 1:100 stock split on common stock, with an effective date of October 1, 2012.

3. Consolidated Financial Results Forecast for Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

（Percentage represents comparison to previous fiscal year）

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income per Share
		%		%		%		%	Yen
Entire Fiscal Year	3,580,000	0.2	500,000	4.7	490,000	8.6	250,000	4.8	654.14

Note: Changes in the latest forecasts released: None
In the indicated consolidated financial results forecast for the year ending March 31, 2013, net income per share takes into account a 1:100 stock split on common stock, with an effective date of October 1, 2012.

Notes

(1) Changes in significant consolidated subsidiaries during the Six months ended September 30, 2012 : 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 : Yes

4) Restatement of corrections : None

Note: In accordance with article 10-5 of "Regulations concerning the terms, forms and preparation methods for quarterly consolidated financial statements." Please refer to P.11 "Notes Regarding Summary Information (Notes) - Changes in accounting policies, accounting estimates and restatement of corrections" for details.

(4) Numbers of Outstanding Shares (Common Stock)

1) Number of shares outstanding (inclusive of treasury stock)	As of September 30, 2012	448,481,800
	As of March 31, 2012	448,481,800
2) Number of treasury stock	As of September 30, 2012	66,300,300
	As of March 31, 2012	66,300,600
3) Number of weighted average common stock outstanding (cumulative for all quarters)	For the six months ended September 30, 2012	382,181,314
	For the six months ended September 30, 2011	424,584,200

Note: KDDI Corporation conducted a 1:100 stock split on common stock, with an effective date of October 1, 2012. Numbers of outstanding shares (common stock) have been calculated as if the stock split was conducted at the beginning of the previous consolidated fiscal year.

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.10 "Qualitative Information on Consolidated Financial Results Forecast" under [the Attachment] for the assumptions used and other notes.

The Stock Split

The Company resolved at a meeting of the Board of Directors held on April 25, 2012, that the common stock was split 100 for 1, and the trading unit of the stock was 100 shares with an effective date of October, 1, 2012. Please refer to relevant items in the forecasts for financial results and dividends in the fiscal year ending March 31, 2013.

[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.

- Wednesday, October 24, 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 six months ended September 30, 2012 (Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	Increase (Decrease)%
Operating Revenues	1,743,287	1,740,599	(2,688)	(0.2)
Operating Expenses	1,476,541	1,509,359	32,818	2.2
Operating Income	266,746	231,240	(35,506)	(13.3)
Non-operating Income (Expenses)	(14,340)	(4,225)	10,115	-
Ordinary Income	252,405	227,014	(25,391)	(10.1)
Extraordinary Income	(726)	(88,114)	(87,388)	-
Income before Income Taxes and Minority Interests	251,678	138,899	(112,779)	(44.8)
Total Income Taxes	107,290	55,346	(51,943)	(48.4)
Income before Minority Interests	144,388	83,552	(60,836)	(42.1)
Minority Interests in Income	4,249	3,795	(454)	(10.7)
Net Income	140,138	79,757	(60,381)	(43.1)

Operating revenues for the six months ended September 30, 2012 amounted to ¥1,740,599 million, 0.2% slight decrease year on year. Data communications revenues increased in line with the shift to smartphones, and FTTH revenues rose as a result of growth in FTTH service subscriptions, chiefly “au HIKARI.” However, au communications revenues declined, owing to the “Maitsuki Discount (Monthly Discount)” and other discount services, and revenues from terminal sales due to handset replacement fell in line with the completion of reorganization of the former 800MHz band.

Operating expenses amounted to ¥1,509,359 million, 2.2% increase year on year. This rise stemmed from expansion of the Company’s lineup of smartphones compatible with the +WiMAX service, higher communication facility fees, such as for WiMAX lines, and increased content procurement costs to acquire “au Smart Pass” members to promote the 3M Strategy.

As a result, operating income was down 13.3% year on year, to ¥231,240 million. Ordinary income was down 10.1% year on year, to ¥227,014 million. The rate of decrease was lower than that for operating income because of an improved business performance at equity-method affiliates UQ Communications Inc. and Jibun Bank Corporation.

KDDI Group (hereafter: the “Companies”) discontinued the use of former 800MHz frequency facilities in July 2012 in line with the reorganization of frequencies. Accordingly, on the shared portion of these facilities the Companies recorded ¥68,455 million impairment loss and ¥19,912 million loss on retirement of noncurrent assets as an extraordinary loss. As a result, net income for the six months ended September 30, 2012, was down 43.1% year on year, to ¥79,757 million.

Overview of Economic Conditions

The global economy continues to be affected by major risk factors, owing to the protracted European financial crisis, but the sense of impending crisis appears likely to decrease in the near future, owing partly to a spate of large-scale monetary easing measures by the Japanese, U.S. and European central banks. The U.S. economy looks relatively stable at present due to factors such as a rebound in the residential housing market, but early next year the economy faces a so-called “fiscal cliff,” due to the effects of lower tax revenues and an austerity program that would lower budgetary spending. This possibility is weighing down economic recovery and clouding the economic outlook. Furthermore, the pace of growth is beginning to slow in the Chinese and other emerging markets, which have been driving economic growth. Consequently, there is a growing sense of global economic deceleration.

The Japanese economy is being supported by the growing momentum of recovery-fueled demand and other policies, but such factors as weak exports are holding back recovery. We will need to continue monitoring global economic trends.

Industry Trends

In the mobile communications market, competition for customers is intensifying through means such as various campaigns on pricing measures; providing a diverse range of devices including smartphones and tablet-type terminals; and expanding a complete lineup of downloadable content such as music, videos, and ebooks. Furthermore, the competitive environment is changing in response to growing mobile data traffic, in line with the increasing use of smartphones, and the allocation of new frequencies. Also, full-fledged competition has commenced in relation to the next-generation LTE (Long Term Evolution) standard for high-speed communication.

In the fixed-line communications market, in addition to the development of services that combine mobile and fixed-line aspects, market is moving toward a new stage of competition characterized by the fusion of telecommunications and broadcasting.

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-network, Multi-device, and Multi-use. Our growth strategy calls for the establishment of an environment that seamlessly provides 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. To take advantage of our competitive edge in owning both mobile and fixed-line networks, we are promoting the 3M Strategy to differentiate ourselves from other companies.

In accordance with the full-fledged launch of our 3M Strategy, in accordance with our internal organizational structure, from April 1, 2012 we revised our reportable business segments from the Mobile Business and the Fixed-line Business to Personal Services, Value Services, Business Services and, Global Services. We are implementing the 3M Strategy aggressively, as we work to increase the number of au subscriptions and households utilizing "au Smart Value" in the core Personal Services Segment and, in the Value Services Segment, increasing "au Smart Pass" members and expanding value-added revenues.

・With regard to "plans to set up designated base stations to promote the 3.9-generation mobile communication system," in response to the demand for faster mobile communications and to meet future increases in data traffic demand, we submitted an application to the Ministry of Internal Affairs and Communications to use the 700MHz band, which has high penetration, and we received a license on June 28, 2012.

・On September 21, 2012, we began providing the "au 4G LTE" service, which meets the next-generation LTE standard for high-speed communication and enables high-speed mobile data communications.

Furthermore, as data traffic measures, we are installing approximately 50,000 "EV-DO Advanced" base stations throughout Japan in an effort to approximately double* communication speeds at congested base stations. Initiatives such as these are aimed at enhancing our network quality and expanding our area.

* Based on the results of the Company's simulation of the degree of congestion at mobile base stations and customer usage conditions.

・To allow the state of damage to be determined quickly in the event of a large-scale disaster and to prepare appropriate restoration plans, we have introduced the "disaster restoration support tool for au" at 10 technical centers throughout Japan. At the same time, we are also reinforcing our hardware, including vehicle-mounted base stations, moveable base stations, and mobile entrance lines.

<<Special Features of "au 4G LTE">>

(1) With down-link speeds of up to 75Mbps, the new service enables data communication speeds at around eight times that of conventional 3G communications (CDMA 1x EV-DO MC-Rev.A). From 2013, we will offer service with downlink speeds of up to 112.5Mbps. (Note 1)

(2) In addition to standard Internet connections, through the use of tethering this will enable high-speed Internet connections at the same time to multiple devices, including notebook PCs, tablets, and other Wi-Fi compatible equipment. (Note 2)

(3) The Company is the first in the world to introduce the new "eCSFB (Note 3)" technology. In addition to curtailing standby power consumption, this technology substantially reduces the time that elapses between the initiation and arrival of voice communication. Confirming high-frequency LTE reception also reduces SMS transmission/receipt times.

(4) As of its launch date, the service covers the 23 wards of Tokyo and key areas throughout Japan, centering on ordinance-designated cities.The Company aims to steadily increase area coverage to achieve a coverage ratio of approximately 96% (Note 4) as of March 31, 2013. Existing 3G service is available outside the "au 4G LTE" area.

(5) Through "Kaigai Double-Teigaku", we provide the overseas packet flat-rate service for "au 4G LTE" service at 132 locations (as of September 30, 2012), which is the largest among domestic telecommunications companies. In addition, connection to flat-rate connection providers in supporting areas is determined automatically, enabling customers to enjoy packet communications overseas with confidence, and without concern about connection providers.

Note: 1 Maximum communication speeds may differ, depending on usage area and device used. Also, the speeds mentioned are maximum speeds for technical standards and do not indicate actual speed. Actual speeds may be lower, depending on the customers' usage environment and line conditions.
2 This is an optional paid service for tethering-compatible devices.
3 An acronym for "enhanced Circuit Switched Fallback."
4 The percentage of the total population included in that portion of a mesh that divides the entire country into sections measuring 500m in all four directions corresponding to the Company's service area.

- Subscriptions of Major Services

(Unit : Thousand line)

	As of September 30, 2011	As of September 30, 2012	Increase (Decrease)	Increase (Decrease) %
au (Note 1)	33,659	36,110	2,451	7.3
(Ref.) UQ WiMAX	1,237	3,624	2,387	193.0
FTTH	2,070	2,607	537	25.9
Metal-plus	2,384	2,009	(375)	(15.7)
Cable-plus phone	1,679	2,481	802	47.8
CATV (Note 2)	1,123	1,180	57	5.1
Fixed access lines (Note 3)	6,747	7,681	934	13.8

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.

[Reference]

・For "Cable-plus phone," alliances with cable television companies grew steadily, reaching 90 CATV companies, 173 channels as of September 30, 2012. For "Smart Value" alliances with CATV companies reached 98 CATV companies, 178 channels as of September 30, 2012.(Includes 22 CATV companies, 22 channels alliances with STNet, Incorporated)

・Consolidated subsidiary JCN Group, which oversees 20 channels primarily in the Tokyo metropolitan area, includes Kumamoto area.

2) Results by Business Segment

From the three months ended June 30, 2012, the Companies had reclassified its reportable segments into four-"Personal Services," "Value Services," "Business Services," and "Global Services."

The business included in each segment is as follows.

New Business Segment	Major Services	
Personal Services	For households and individuals	Providing communications services, mobile handset sales
Value Services	For households and individuals	Providing content and settlement services
Business Services	For companies	Providing communications services, mobile handset sales, data center services, ICT solution/cloud services
Global Services	For companies and individuals overseas	Providing communications services, data center services, ICT solution/cloud services

Segment information for the six months ended September 30, 2011 has been revised based on above change.

- Personal Services

For the six months ended September 30, 2012 (Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	1,373,536	1,344,709	(28,827)	(2.1)
Operating Expenses	1,174,936	1,177,855	2,919	0.2
Operating Income	198,599	166,853	(31,746)	(16.0)

Operating revenues for the six months ended September 30, 2012 amounted to ¥1,344,709 million, 2.1% decrease year on year. Data communications revenues increased in line with the shift to smartphones, and FTTH revenues rose as a result of growth in FTTH service subscriptions, chiefly "au HIKARI." However, au communications revenues declined, owing to the "Maitsuki Discount (Monthly Discount)" and other discount services, and revenues from terminal sales due to handset replacement fell in line with the completion of reorganization of the former 800MHz band.

Operating expenses amounted to ¥1,177,855 million, 0.2% increase year on year. This rise stemmed from expansion of the Company's lineup of smartphones compatible with the +WiMAX service, higher communication facility fees, such as for WiMAX lines, as well as higher outsourcing expenses, partly due to an increase in customer consultation facilities in tandem with the shift to smartphones and promotion of the 3M Strategy.

As a result, operating income was down 16.0% year on year, to ¥166,853 million.

3M Strategy

・The number of "au Smart Value" allied companies increased (1 FTTH company, 36 CATV companies, 38 channels), and as of the end of September 2012, the number of allied companies numbered 5 FTTH companies (including the Company) , 98 CATV companies, 178 channels (including 22 CATV companies, 22 channels allied with STNet, Incorporated). As a result, as of the end of September 2012 the number of au subscriptions utilizing "au Smart Value" was 2 million and 1.2 million households.

Mobile Terminals

・The much-anticipated iPhone 5, a next-generation model that is thinner and more lightweight, went on sale September 21, 2012. The model is compatible with "au 4G LTE" for high-speed data communications, uses the 5GHz band for high-quality Wi-Fi, and has a tethering function, so that it can be conveniently used with the Company's broad and reliable network environment.

・In Android smartphones, we began offering such new models as the "ARROWS Z ISW13F," which has a quad-core CPU that allows full enjoyment of rich video content; the "AQUOS PHONE SL IS15SH," with a customary numeric keypad; and the "AQUOS PHONE CL IS17SH," with a memory LCD.

＜Products released for the six months ended September 30, 2012＞

Smartphones	iPhone	"iPhone 5"
	IS	"ARROWS Z ISW13F, "AQUOS PHONE SL IS15SH," "AQUOS PHONE CL IS17SH"
Feature phones	au	"PT003"

Services

・To increase user convenience, in August 2012, we began providing a "All-Carrier Search Service" that enables confirmation of the safety of loved ones during an emergency through a single search of our "Disaster Message Board" service for mobile phones and PHS terminals, as well as the new "Disaster Message Board" service offered by NTT East and NTT West. In addition, in the event of a large-scale disaster we will help to ensure the availability of communication methods in disaster areas by making our "au Wi-Fi SPOT" public wireless LAN service available free of charge.

As a result, if a large-scale disaster strikes, we will provide an environment that enables Internet access via Wi-Fi to all customers in "au Wi-Fi SPOT" areas—including people who are not au customers—allowing them to gather information and confirm the safety of loved ones.

・On September 21, 2012, the Company began offering a variety of attractive rate plans in line with the provision of "au 4G LTE." These include the valuable "LTE PLAN," under which domestic voice communications to au mobile phones are free of charge between 1:00a.m. and 9:00p.m. at a basic monthly charge of ¥980 (including tax) (Note 1); "LTE FLAT (basic monthly charge of ¥5,985 (including tax) (Note 2)," a flat-rate data communications service for worry-free packet communications; and "au Call Flat Rate 24 hours (basic monthly charge of ¥500 (including tax))," which allows free-of-charge domestic voice communications to au mobile phones 24 hours a day.

Note 1 When covered by a " Everybody Discount package" agreement. The basic monthly charge for customers not covered by a " Everybody Discount package" agreement is ¥1,961 (including tax).

Note 2 If the monthly data communications volume exceeds 7GB, communication speed is limited to 128Kbps. This limitation on communication speed can be lifted by applying separately for an "Extra Option."

・On September 21, 2012, we began offering "Mobile Phone Basic Pack" for au smartphones and au mobile phones, which for a set price gives customers access to four convenient telephone added-value services, including "Answering Service EX（Voice Mail)" and "Machi-Uta." "Mobile Phone Basic Pack" is a reasonably priced offering, providing a total of ¥735 (including tax) in telephone added-value services for ¥315 per month (including tax).

au Wi-Fi

・On July 27, 2012, through a technological partnership with Intel Corporation, we began providing an "au Wi-Fi Connection Tool" compatible with Ultrabook™ functionality.

・On September 12, 2012, the number of spots offering the "au Wi-Fi SPOT" public wireless LAN service numbered 200,000, and on August 31, 2012, the number of "HOME SPOT CUBE" wireless LAN routers in the home surpassed 1.2 million.
Since "au Wi-Fi SPOT" service commenced June 30, 2011, the Company has continued to roll out the service in areas where traffic is concentrated. The Company began providing the "HOME SPOT CUBE" on a rental basis on February 14, 2012, allowing customers to easily enjoy high-speed Internet in the home via Wi-Fi connections. Both services use the 5GHz band to enable stable communications that are relatively impervious to interference, so they can be conveniently used outside as well as in the home.

Other

・The Company ranked 1st for "overall satisfaction" in the "2012 Survey of Conditions in 'Personal Use' of Mobile Phones and Smartphones," conducted by Nikkei BP Consulting, Inc. (Survey period: June 22–27, 2012)

・According to the "Fiscal 2012 JCSI (Japan Customer Satisfaction Index) First Survey on the Mobile Phone Business," conducted by Service Productivity & Innovation for Growth, the Company was the top-ranked company for customer satisfaction. (Survey period: May 29–June 20, 2012)

- Value Services

For the six months ended September 30, 2012 (Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	62,759	69,767	7,007	11.2
Operating Expenses	42,135	50,005	7,870	18.7
Operating Income	20,624	19,761	(862)	(4.2)

Operating revenues for the six months ended September 30, 2012, amounted to ¥69,767 million, 11.2% increase year on year. This rise stemmed from higher revenues in tandem with growth in the number of "au Smart Pass" members, and higher settlement service revenues from WebMoney Corporation, which became a consolidated subsidiary in July 2011.
Operating expenses were ¥50,005 million, up 18.7% year on year, reflecting content procurement costs and other up-front expenditures to attract "au Smart Pass" members.
Operating income consequently fell 4.2% year on year, to ¥19,761 million.

3M Strategy

- Following a service launch in March 1, 2012, the number of "au Smart Pass" members surpassed 2 million on August 17, 2012, and reached 2.43 million as of the end of September 2012. On September 21, 2012, the Company also continued to enhance "au Smart Pass" by offering it for use with Web services as well as applications, as has been the case in the past, and enabling "au Smart Pass" access via iPhones as well as Android phones.

- On July 3, 2012, NHN Japan Corporation (hereafter referred to as "NHN Japan") and the Company entered into an alliance agreement aimed at spurring the growth of both companies' businesses and enhancing user convenience by strengthening coordination between the "LINE" business that NHN Japan operates as a smartphone app for free-of-charge voice and e-mail communications and the "au Smart Pass" service that the Company operates for smartphones. In accordance with this agreement, the Company began providing the "LINE" application via "au Smart Pass.

- On July 31, 2012, Global Brain Corporation and the Company expanded investment targets of the "KDDI Open Innovation Fund". As the first step of partnerships with investment target companies, applications were provided to "au Smart Pass" from August 1, 2012, in cooperation with JMTY Corporation and TOLOT Inc.

Services

- On September 4, 2012, the Company expanded its "au ID" and "au Simple Payment" service offerings for au mobile phones, making them available to customers signing new "au HIKARI" and "au HIKARI Chura" agreements.
  "au Simple Payment" using "au ID" enables combined payments on content fees and for products purchased via home PCs and tablets along with communication charges for "au HIKARI" and "au HIKARI Chura," thereby making online shopping easier and more enjoyable.

- On July 13, 2012, the Company's subsidiary WebMoney Corporation began offering a server-managed rechargeable prepaid card (collectively, the "WebMoney Store Card") that can be used at real stores as well as over the Internet. This offering marks a new foray from specialized e-money for Internet use into the market for general-purpose e-money that can be used as real stores.

Topics in the Third Quarter and Beyond

- In December 2012, we will begin offering the "Book Pass" service for au smartphones, allowing users to read all the e-books they like for ¥590 per month (including tax). The service will be rolled out first to "au Smart Pass" members, who will have free-of-charge access through the end of March 2013.

- Business Services

For the six months ended September 30, 2012 (Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	310,105	313,043	2,938	0.9
Operating Expenses	269,435	276,183	6,747	2.5
Operating Income	40,669	36,859	(3,809)	(9.4)

Operating revenues for the six months ended September 30, 2012 amounted to ¥313,043 million, 0.9% increase year on year. Contributing factors include the increase in revenues brought by the increase in the number of mobile terminal sales for corporate clients.
Operating income amounted to ¥36,859 million, 9.4% decrease year on year, mainly due to the increase in handsets procurement cost and sales commission caused by the increase in handset unit sales.

Services

- On July 5, 2012, we launched the "bizYou" website to provide support for the online businesses of small and medium-sized corporate customers. "bizYou" contains "bizYou media," which features the most recent business and other information that is useful on a daily basis; "bizYou WebSupport," offering website production expertise and providing case studies; and "bizYou Shopping," to introduce and offer for sale gifts and products that may be useful in a business setting. Comprising these three sites, "bizYou" offers a host of information designed to provide hints about online business and help customers hone their skills in this area. In combination with "Minna no Business Online," we supports the online businesses of small and medium-sized corporate customers, introduces diverse information, products, and services from various viewpoints, and contributes to regional development and business expansion.

・The Company and TeraRecon, Inc.(hereinafter referred to as TeraRecon) announced the launch of a cloud-based, real-time 3D imaging solution for medical institutions on August 3, 2012. The cloud-based service is the first in Japan to offer real-time 3D medical image processing and viewing capabilities to the medical industry. By combining TeraRecon's large-scale 3D medical imaging delivery solution with the KDDI Cloud Platform Service, and by connecting servers over a fast and secure network, the solution is able to provide real-time processing equivalent to that of an on-site server.

・On August 21, 2012, we began offering its first Inmarsat service, providing the “IsatPhone Pro™” global satellite mobile phone.

The “IsatPhone Pro™” satellite mobile phone has an easy-to-see color display and is a compact handheld size for carrying convenience, so using it feels similar to operating a general mobile phone. As the phone connects directly to Inmarsat satellites, which cover the earth at an altitude of 36,000km, it can be used in areas where other communication methods are unavailable. In addition, we offers various satellite communication services, including the Iridium satellite mobile phone service and the Inmarsat service, providing access to voice and data communication services on land, over sea and in the air. Leveraging its abundant expertise in this area, we plans to meet a wide variety of customer needs going forward.

Other

・The Company placed first for the fourth consecutive year in the Network Service Division of the “17th Customer Satisfaction Ranking,” conducted by Nikkei Computer and published in the August 16, 2012, edition. The switch earned high marks for “extensive service area,” “robust network security,” and “stability of communications.” (Survey period: May 7–June 13, 2012)

- Global Services

For the six months ended September 30, 2012 (Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	81,821	95,296	13,475	16.5
Operating Expenses	79,621	92,462	12,840	16.1
Operating Income	2,199	2,834	634	28.9

Operating revenues for the six months ended September 30, 2012 increased 16.5% year on year to ¥95,296 million, mainly due to the increase in revenues brought by CDNetworks Co., Ltd., which became a consolidated subsidiary in the year ended March 31, 2012, and overseas subsidiaries. Operating income increased 28.9% year on year to ¥2,834 million.

Topics in the Third Quarter and Beyond

・ In December 2012 in Beijing, China, the Companies will begin providing “TELEHOUSE BEIJING BDA” that complies with TELEHOUSE global standards. It is a second data center building in Beijing, the facility is large in scale, measuring approximately 25,000 square meters. Also, in Hong Kong the floor area of the TELEHOUSE HONG KONG CCC facility, which opened in 2011, will be increased to 20,000 square meters and commence service in December 2012.

・ The Company’s total data center floor space in three major cities in Greater China (Beijing, Hong Kong and Shanghai) measures approximately 68,000 square meters, making them some of the largest offered by a foreign company. Through these efforts, in addition to its TELEHOUSE customers in Europe and the United States, The Companies is building a network to respond to tremendous data center needs in Asia.

3) Status of Major Affiliates

UQ Communications Inc. (hereafter “UQ”), an equity-method affiliate of the Company, had 3.624 million subscribers as of September 30, 2012. As evidence of its strong customer acceptance for its high-speed, high-quality service, the WiMAX service has had the highest number of net additions among all mobile phone

carriers and providers of broadband wireless access for three consecutive months, from June to August 2012. This business moved into the black on a single-month basis in July 2012, and is expected to remain steady, becoming profitable on an annual basis during the current fiscal year.
The service area is being steadily expanded so that subscribers can use WiMAX services at stations and within train cars. This expansion includes subways and the country's major railway routes in the Tokyo metropolitan, Chubu and Kansai metropolitan areas. During the consolidated fiscal year under review, area expansion to include all of the Yokohama Municipal Subway Line and Keihin Electric Railway's Keihan Line was completed, as was area expansion to include underground areas of Osaka (DOTICA, WHITY UMEDA, and CRYSTA NAGAHORI) and all areas under Hakata Station.

Jibun Bank Corporation, an equity method affiliate, became profitable in the first quarter of the fiscal year ending March 31, 2013, and performance has remained steady since then.

Notes:
1 "Wi-Fi" is a registered trademark of Wi-Fi Alliance®.
2 iPhone is a trademark of Apple Inc. The trademark 'iPhone' is used with a license from Aiphone K.K.
3 "IsatPhone Pro™" are trademarks or registered trademarks of Inmarsat Global Limited.
4 "Android" "Google" are trademarks or registered trademarks of Google Inc.
5 WiMAX is a trademark or a registered trademark of WiMAX Forum.
6 "AQUOS" is a registered trademark of Sharp Corporation.
7 "Ultrabook™" are trademarks of Intel Corporation, in the United States and Countries.
8 "Smart Value" is a registered trademark of Energy Management Corporation.

(2) Qualitative Information on Consolidated Financial Position

Consolidated total assets stood at ¥3,967,451 million, a decrease of ¥36,557 million from March 31, 2012. This decrease was primarily attributable to factors such as decreases in securities (negotiable deposit, etc.) and increases in accounts receivable-trade.
Total liabilities amounted to ¥1,793,492 million, a decrease of ¥81,892 million from March 31, 2012. Major factor contributing to this decrease was decrease in income taxes payable.
An increase in retained earnings resulted net asset to amount to ¥2,173,959 million, an increase of ¥45,334 million from March 31, 2012.
As a result, the shareholders' equity ratio increased from 51.5% as of March 31, 2012, to 53.0%.

The following describes the cash flow situation for the six months ended September 30, 2012.

(Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)
Net cash provided by (used in) operating activities	360,051	210,983	(149,067)
Net cash provided by (used in) investing activities	(183,787)	(218,608)	(34,821)
Free cash flows	176,264	(7,625)	(183,889)
Net cash provided by (used in) financing activities	(83,065)	(42,036)	41,029
Effect of exchange rate change on cash and cash equivalents	89	504	415
Net increase (decrease) in cash and cash equivalents	93,287	(49,156)	(142,444)
Cash and cash equivalents at beginning of period	159,869	174,191	14,322
Cash and cash equivalents at end of period	253,157	125,035	(128,121)

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 ¥210,983 million. This includes ¥138,899 million of income before income taxes and minority interests, ¥68,455 million of impairment losses.
Investing activities used net cash of ¥218,608 million. This includes ¥146,253 million of purchase of property, plant and equipment and ¥48,429 million in payments for purchase of intangible assets.
Financial activities used net cash of ¥42,036 million. This includes ¥32,485 million in repayment of payments for cash dividends paid, ¥25,000 million in redemption of bonds.
As a result, cash and cash equivalents as of September 30, 2012, decreased ¥49,156 million from March 31, 2012, to ¥125,035 million.

(3) Qualitative Information on Consolidated Financial Results Forecast

1. Outlook for the Fiscal Year Ending March 31, 2013

Overview

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

The Companies have formalized "three business visions" 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. We will also provide a high-speed communication environment and attractive content optimized for multi-device access. At the same time, the Company will enable multi-use services tailored to individual customer preferences, thereby making ourselves "more connected" to customer.
- **"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 offer further value to customers.
- **"More global"** -- Although domestic demand is lackluster, due to Japan's falling birthrate and the aging of society, globalization is accelerating. Making the world our stage, we will develop new communication-related businesses and cultivate new markets that match the needs of individual countries' cultures and socioeconomic conditions, thereby aggressively promoting the creation of ICT environments in countries throughout the world.

To realize these visions, we will advance the full-scale implementation of the 3M strategy (Multi-network, Multi-device, Multi-use), which will enable customers to select a device the meets their own preferences and to enjoy a variety of content through an optimal network that can be used anytime and anywhere.

Personal Services

With the Smart Passport Concept as its core strategy, through "au Smart Value" the segment will work to expand sales of the Companies' FTTH services—"au HIKARI," "Commuf@-hikari," and "au HIKARI Chura." In addition, the segment will strengthen its relationships with CATV companies and electric-power related communications companies. The segment will also work to expand the au customer base, achieve gains in revenues and profits, and maximize the number of FMC IDs* x FMC ARPU.

Moving forward, the segment will work to develop an extensive handset lineup, including smartphones with communications functions that have been enhanced, such as through the addition of functions that are standard in Japan; high-speed smartphones utilizing au + WiMAX: Wi-Fi routers and other data communications devices; and tablets. In addition, the segment will work to provide innovative new services and work to expand service areas and further increase communications quality. The segment will also strive to provide a comfortable communications environment, at higher speeds than were previously possible, through the introduction of LTE.

* Number of IDs for subscribers to both fixed-line and mobile.

Value Services

The Value Services segment will continue to provide cloud-based content services, centered on entertainment services. These will be linked with "au Smart Pass," for multiple devices and multiple operating systems.

At the same time, by establishing a service platform, moving toward more open services, and nurturing startup companies, the segment will work to increase the appeal of these services and achieve linked acquisitions of service subscriptions. In this way, the segment will strive to maximize Value ARPU.

Business Services

The Business Services segment will develop the "KDDI MULTI CLOUD" brand for corporate customers, provide cloud solutions that seamlessly integrate across the range from smartphones and tablets to networks, data centers, and applications, and propose work style reforms to customers. In addition, through the provision of "Smart Value for Business," 3M services for small and medium-sized companies, the segment will strive to increase the number of the Companies' customers.

Global Services

In addition to expanding "TELEHOUSE" data centers, the Global Services segment will strengthen its system for the one-stop provision to customers of optimal, high-value-added ICT solutions through the utilization of the services of consolidated subsidiaries CDNetworks and DMX. In addition, the segment will work to expand its customer base, including non-Japanese companies. In addition, the segment will also work aggressively to expand consumer businesses, such as Internet broadband operations in emerging countries and MVNO operations in the U.S.

Full-Year Results

The estimated consolidated financial results for the year ending March 2013 for full-year basis disclosed in the Financial Statements Summary for the year ended March 2012 (disclosed on April 25, 2012) were as follows; Operating Revenues: ¥3,580,000 million, Operating Income: ¥500,000 million, Ordinary Income: ¥490,000 million, Net Income: ¥250,000 million. There is no change to these figures.

Notes: 1 WiMAX is a trademark or a registered trademark of WiMAX Forum.
2 "Smart Value" is a registered trademark of Energy Management Corporation.
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 (Notes)

Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

(Changes in Accounting Policies for Items that Are Difficult to Categorize as Changes in Accounting Estimates)

(Change in Depreciation)

In accordance with revisions to the Corporation Tax Act, the Company and its domestic consolidated subsidiaries have revised their method of accounting for depreciation for property, plant and equipment acquired on or after April 1, 2012, in accordance with the post-revision Corporation Tax Act, from the three months ended June 30, 2012. The impact of these changes on income during the six months ended September 30, 2012, was slight.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount unit: Millions of yen)

	As of March 31, 2012	As of September 30, 2012
Assets		
Noncurrent assets		
Noncurrent assets-telecommunications business		
Property, plant and equipment		
Machinery, net	581,117	574,471
Antenna facilities, net	348,310	326,534
Local line facilities, net	130,772	132,247
Long-distance line facilities, net	5,480	5,204
Engineering facilities, net	25,730	25,148
Submarine line facilities, net	6,519	5,672
Buildings, net	205,384	169,788
Structures, net	30,987	29,257
Land	249,239	249,167
Construction in progress	132,822	133,236
Other tangible assets, net	31,589	28,220
Total property, plant and equipment	1,747,955	1,678,951
Intangible assets		
Right of using facilities	10,577	9,752
Software	175,084	181,531
Goodwill	22,331	18,786
Other intangible assets	10,369	9,994
Total intangible assets	218,361	220,066
Total noncurrent assets-telecommunications business	1,966,317	1,899,017
Incidental business facilities		
Property, plant and equipment	135,770	145,312
Intangible assets	91,664	91,696
Total noncurrent assets-incidental business	227,435	237,008
Investments and other assets		
Investment securities	86,614	74,535
Stocks of subsidiaries and affiliates	351,815	348,314
Investments in capital of subsidiaries and affiliates	185	204
Long-term prepaid expenses	91,272	101,240
Deferred tax assets	104,829	130,265
Other investment and other assets	47,777	49,478
Allowance for doubtful accounts	(9,120)	(9,982)
Total investments and other assets	673,373	694,055
Total noncurrent assets	2,867,126	2,830,082
Current assets		
Cash and deposits	100,037	122,174
Notes and accounts receivable-trade	760,890	800,130
Accounts receivable-other	66,286	54,858
Short-term investment securities	80,188	10,195
Supplies	65,232	70,863
Deferred tax assets	57,781	56,232
Other current assets	21,427	40,100
Allowance for doubtful accounts	(14,960)	(17,187)
Total current assets	1,136,882	1,137,369
Total assets	4,004,009	3,967,451

(Amount unit: Millions of yen)

	As of March 31, 2012	As of September 30, 2012
Liabilities		
Noncurrent liabilities		
Bonds payable	349,991	299,996
Convertible bond-type bonds with subscription rights to shares	200,916	200,791
Long-term loans payable	301,286	249,917
Provision for retirement benefits	18,743	16,533
Provision for point service program	91,453	92,071
Other noncurrent liabilities	72,342	74,825
Total noncurrent liabilities	1,034,733	934,135
Current liabilities		
Current portion of noncurrent liabilities	184,112	280,447
Notes and accounts payable-trade	90,661	92,803
Short-term loans payable	1,486	1,304
Accounts payable-other	273,119	267,314
Accrued expenses	20,370	19,822
Income taxes payable	149,773	77,112
Advances received	63,937	66,670
Provision for bonuses	20,077	17,550
Provision for loss on the Great East Japan Earthquake	1,992	1,753
Other current liabilities	35,119	34,577
Total current liabilities	840,650	859,356
Total liabilities	1,875,384	1,793,492
Net assets		
Shareholders' equity		
Capital stock	141,851	141,851
Capital surplus	367,104	367,104
Retained earnings	1,879,087	1,926,340
Treasury stock	(346,163)	(346,162)
Total shareholders' equity	2,041,879	2,089,134
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,442	31,446
Deferred gains or losses on hedges	(676)	(1,554)
Foreign currency translation adjustment	(16,899)	(15,747)
Total accumulated other comprehensive income	18,866	14,143
Subscription rights to shares	1,128	614
Minority interests	66,749	70,066
Total net assets	2,128,624	2,173,959
Total liabilities and net assets	4,004,009	3,967,451

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Income)

(Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Operating income and loss from telecommunications		
Operating revenue		
Total operating revenue	1,203,062	1,199,136
Operating expenses		
Business expenses	317,408	333,476
Operating expenses	26	21
Facilities maintenance expenses	149,074	139,985
Common expenses	1,321	1,154
Administrative expenses	35,058	36,352
Experiment and research expenses	2,650	3,196
Depreciation	189,307	181,253
Noncurrent assets retirement cost	7,037	5,264
Communication facility fee	178,048	185,937
Taxes and dues	22,336	21,807
Total operating expenses	902,268	908,449
Net operating income from telecommunications	300,793	290,687
Operating income and loss from incidental business		
Operating revenue	540,225	541,463
Operating expenses	574,272	600,910
Net operating loss from incidental business	(34,047)	(59,447)
Operating income	266,746	231,240
Non-operating income		
Interest income	450	387
Dividends income	902	1,364
Equity in earnings of affiliates	-	238
Miscellaneous income	4,802	5,415
Total non-operating income	6,154	7,405
Non-operating expenses		
Interest expenses	6,666	5,851
Equity in losses of affiliates	8,114	-
Miscellaneous expenses	5,714	5,779
Total non-operating expenses	20,495	11,631
Ordinary income	252,405	227,014
Extraordinary income		
Gain on transfer from business divestitures	3,615	-
Gain on sales of noncurrent assets	-	267
Gain on reversal of subscription rights to shares	467	506
Total extraordinary income	4,082	773
Extraordinary loss		
Loss on sales of noncurrent assets	581	-
Impairment loss	-	68,455
Loss on retirement of noncurrent assets	-	19,912
Loss on sales of investment securities	-	119
Loss on valuation of investment securities	286	400
Loss on the Great East Japan Earthquake	3,940	-
Total extraordinary losses	4,809	88,888

(Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Income before income taxes and minority interests	251,678	138,899
Income taxes-current	100,836	75,903
Income taxes-deferred	6,453	(20,556)
Total income taxes	107,290	55,346
Income before minority interests	144,388	83,552
Minority interests in income	4,249	3,795
Net income	140,138	79,757

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Comprehensive Income)

(Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Income before minority interests	144,388	83,552
Other comprehensive income		
Valuation difference on available-for-sale securities	6,884	(5,754)
Foreign currency translation adjustment	595	1,266
Share of other comprehensive income of associates accounted for using equity method	(381)	149
Total other comprehensive income	7,099	(4,338)
Comprehensive income	151,487	79,213
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	147,226	75,034
Comprehensive income attributable to minority interests	4,261	4,179

(3) Consolidated Statements of Cash Flows

(Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	251,678	138,899
Depreciation and amortization	203,150	197,643
Impairment loss	-	68,455
Amortization of goodwill	7,692	8,334
Loss (gain) on sales of noncurrent assets	497	(261)
Loss on retirement of noncurrent assets	5,336	3,569
Increase (decrease) in provision for loss on the Great East Japan Earthquake	(4,295)	(238)
Gain on transfer from business divestitures	(3,615)	-
Increase (decrease) in allowance for doubtful accounts	300	3,052
Increase (decrease) in provision for retirement benefits	575	(2,267)
Interest and dividends income	(1,352)	(1,751)
Interest expenses	6,666	5,851
Equity in (earnings) losses of affiliates	8,114	(238)
Loss (gain) on sales of investment securities	(123)	101
Loss (gain) on valuation of investment securities	286	405
Increase (decrease) in provision for point service program	2,281	618
Decrease (increase) in prepaid pension costs	979	1,090
Decrease (increase) in notes and accounts receivable-trade	(46,539)	(27,638)
Decrease (increase) in inventories	(10,945)	(5,596)
Increase (decrease) in notes and accounts payable-trade	(4,936)	1,608
Increase (decrease) in accounts payable-other	(13,640)	(14,837)
Increase (decrease) in accrued expenses	1,735	(663)
Increase (decrease) in advances received	1,327	1,814
Other, net	(16,634)	(18,898)
Subtotal	388,541	359,054
Interest and dividends income received	4,490	5,689
Interest expenses paid	(6,645)	(5,777)
Income taxes paid	(59,721)	(147,981)
Income taxes refund	33,386	-
Net cash provided by (used in) operating activities	360,051	210,983
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(129,667)	(146,253)
Proceeds from sales of property, plant and equipment	406	387
Purchase of intangible assets	(28,684)	(48,429)
Purchase of investment securities	(1,641)	(676)
Proceeds from sales of investment securities	427	3,057
Payments for business divestitures	(1,000)	-
Purchase of stocks of subsidiaries and affiliates	(515)	(2,197)
Purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	(14,153)	(2,392)
Proceeds from purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	831	-
Purchase of long-term prepaid expenses	(9,641)	(20,622)
Other, net	(149)	(1,481)
Net cash provided by (used in) investing activities	(183,787)	(218,608)

(Amount unit: Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	766	(212)
Proceeds from long-term loans payable	-	24,000
Repayment of long-term loans payable	(48,173)	(4,156)
Redemption of bonds	-	(25,000)
Purchase of treasury stock	(30)	-
Cash dividends paid	(31,847)	(32,485)
Cash dividends paid to minority shareholders	(674)	(859)
Proceeds from stock issuance to minority shareholders	10	213
Other, net	(3,117)	(3,534)
Net cash provided by (used in) financing activities	(83,065)	(42,036)
Effect of exchange rate change on cash and cash equivalents	89	504
Net increase (decrease) in cash and cash equivalents	93,287	(49,156)
Cash and cash equivalents at beginning of period	159,869	174,191
Cash and cash equivalents at end of period	253,157	125,035

(4) Going Concern Assumption

None

(5) Material Changes in Shareholders' Equity

None

(6) Segment Information, etc.

(Segment Information)

I For the six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)

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

(Amount unit: Millions of yen)

	Reportable Segments					Other (Note 1)	Total	Elimination and Corporate (Note 2)	Consoli-dation (Note 3)
	Personal Services	Value Services	Business Services	Global Services	Subtotal				
Sales									
Outside Sales	1,334,979	50,059	274,227	67,329	1,726,595	16,692	1,743,287	-	1,743,287
Intersegment Sales or Transfer	38,557	12,700	35,878	14,491	101,627	58,035	159,663	(159,663)	-
Total	1,373,536	62,759	310,105	81,821	1,828,222	74,728	1,902,951	(159,663)	1,743,287
Operating Income	198,599	20,624	40,669	2,199	262,092	4,703	266,796	(50)	266,746

Notes: 1. The "Other" category incorporates operations not included in reportable business segments, including equipment construction and maintenance, 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 reportable business segment

(Material impairment loss on noncurrent assets)

No significant items to be reported.

(Material changes in goodwill)

In the "Value Services" segment, the Company acquired stocks of WebMoney Corporation, which became a subsidiary of the Company.

For the six months ended September 30, 2011, the increase in goodwill that resulted from this acquisition was ¥16,494 million.

The purchase price allocation has not been completed, and consequently this provisional accounting treatment was implemented in accordance with the reasonable information that was available at the time when the consolidated financial statements as of September 30, 2011 were prepared.

(Material profit from negative goodwill)

None

Ⅱ For the six months ended September 30, 2012 (April 1, 2012 to September 30, 2012)

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

(Amount unit: Millions of yen)

	Reportable Segments					Other (Note 1)	Total	Elimination and Corporate (Note 2)	Consoli-dation (Note 3)
	Personal Services	Value Services	Business Services	Global Services	Subtotal				
Sales									
Outside Sales	1,307,390	54,107	278,626	79,582	1,719,707	20,891	1,740,599	-	1,740,599
Intersegment Sales or Transfer	37,318	15,659	34,417	15,713	103,108	51,552	154,660	(154,660)	-
Total	1,344,709	69,767	313,043	95,296	1,822,816	72,444	1,895,260	(154,660)	1,740,599
Operating Income	166,853	19,761	36,859	2,834	226,309	5,438	231,748	(507)	231,240

Notes: 1. The "Other" category incorporates operations not included in reportable business segments, including equipment construction and maintenance, 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. Changes in reportable business segment

From the three months ended June 30, 2012, the Companies commenced a full-scale launch of such services as "au Smart Value" and "au Smart Pass," based on its growth strategy, the "3M Strategy[Note]." In accordance with this launch, the Companies have reclassified its reportable segments into four-"Personal Services," "Value Services," "Business Services," and "Global Services"-in order to manage its operating results by segments that reflect service and customer characteristics.

The business included in each segment is as follows.

In "Personal Services," the Companies provide households and individual customers with mobile handset sales and other services in addition to a variety of communications services. In "Value Services," we provide households and individual customers with various types of content, settlement services, and other services. In "Business Services," we provide various types of communication services, mobile handset sales, data center services, various types of ICT solution/cloud services, and other services for corporate customers. In "Global Services," we provide various types of communications services, data center services, various types of ICT solution/cloud services, and other services for companies and individuals overseas.

Segment information for the six months ended September 30, 2011 has been revised based on above change.

Note: 3M stands for Multi-network, Multi-device, and Multi-use. The 3M Strategy is the Company's business strategy for enabling the use of its wide-ranging content and services such as music, videos, ebooks and games. The strategy calls for these to be made available over the Companies' organically linked mobile phone, FTTH, CATV, WiMAX, Wi-Fi, and other networks (Multi-network); to be available on a host of devices such as smartphones, tablet computers, ebook readers and PCs (Multi-device); and for them to be available for use in the manner the customer requires (Multi-use), conveniently at any place and at any time.

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

(Material impairment loss on noncurrent assets)

No impairment loss was recorded by or allocated to reportable segments. An impairment loss of ¥68,455 million was not allocated to reportable segments. Material impairment loss was as follows.

The Companies discontinued the use of former 800MHz frequency facilities in July 2012 in line with the reorganization of frequencies and drew up a plan for conversion to other frequencies on the shared portion of these facilities. Facilities not part of this conversion were determined to be idle assets that were expected to have no future value. The book value of these assets was reduced to their recoverable value, and the decrease was recorded as an impairment loss.

(Material changes in goodwill)

No significant items to be reported.

(Material profit from negative goodwill)

None

(7) Significant Subsequent Event

(Notice Concerning Share Split and Adoption of Share-Trading-Unit System)
The Company resolved at the meeting of the Board of Directors held on April 25, 2012 concerning share split and adoption of share-trading-unit system. The details are as follows.

1. Purpose of Share Split, Adoption of Share-Trading-Unit System
Taking into consideration the intent of the "Action Plan for Consolidating Trading Units" that was announced by all domestic stock exchanges of Japan in November 2007, the Company conducted a 1:100 share split and adopted a share-trading-unit system to contribute towards improving the convenience and liquidity of the securities market that the Company's stock is listed. Please note that the number of investment units will not actually change following the implementation of the share split and the adoption of the share-trading-unit system.

2. Share Split
(1) Method of share split
The share split had a record date of Sunday, September 30, 2012 (because this date fell on a holiday, for all practical purposes the date in substance was Friday, September 28, 2012) and involved the splitting of common shares held by shareholders whose names appear or were recorded in the latest Registry of Shareholders on the record date at a ratio of 1:100

(2) Number of increase in shares by share split
Number of increase in shares by share split was 99 times the final total number of issued shares on Sunday, September 30, 2012.
1) Total number of issued shares before share split 4,484,818 shares
2) Number of increase in shares by share split 443,996,982 shares
3) Total number of issued shares after share split 448,481,800 shares
4) Total number of authorized shares after share split 700,000,000 shares.

(3) Schedule of share split
1) Public notice date of the record date Friday, September 14, 2012
2) Record date Sunday, September 30, 2012
* For all practical purposes the record date in substance was Friday, September 28, 2012.
3) Effective date Monday, October 1, 2012

3. Adoption of Share-Trading-Unit System
(1) Number of shares in newly established share-trading unit
The adoption of the share-trading-unit system took effect on the effective date stated in "2. Share Split" above and the number of shares constituting a share-trading unit is 100 shares.
(2) Schedule for establishment of the new system
Effective date Monday, October 1, 2012

4. Others
Per share information based on the assumption that this stock split had been implemented at the beginning of the previous period is presented as follows for the six months ended September 30, 2011 and for the six months ended September 30, 2012 under review.

Net income per share
For the six months ended September 30, 2011 ¥330.06
For the six months ended September 30, 2012 ¥208.69

Diluted net income per share
For the six months ended September 30, 2011 ¥330.05
For the six months ended September 30, 2012 ¥191.04