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, 2012 [Japan GAAP]

January 28, 2013

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, 2013

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, 2012 (April 1, 2012 to December 31, 2012)

(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, 2012	2,710,577	2.5	395,573	3.0	393,955	8.0	180,247	(7.3)
Nine months ended December 31, 2011	2,645,412	2.9	384,227	3.3	364,671	4.3	194,354	(4.1)

Note: Comprehensive Income
Nine months ended December 31, 2012: 183,570 million yen; (10.7%) Nine months ended December 31, 2011: 205,573 million yen; 5.6%

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended December 31, 2012	471.63	431.87
Nine months ended December 31, 2011	462.79	460.25

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 December 31, 2012	4,018,616	2,245,258	54.1
As of March 31, 2012	4,004,009	2,128,624	51.5

Reference: Shareholder's Equity As of December 31, 2012: 2,174,194 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	-

Notes: 1. Changes in the latest forecasts released: None
2. Dividend forecasts for the year ending March 31, 2013, took 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	3,630,000	1.6	505,000	5.7	500,000	10.8	235,000	(1.5)	614.88

Notes: 1. Changes in the latest forecasts released: Yes
2. KDDI Corporation resolved at a meeting of the Board of Directors held on January 28, 2013, that the common stock will be split 2 for 1 with an effective date of April 1, 2013. In the indicated consolidated financial results forecasts for the year ending March 31, 2013, net income per share does not take this 1:2 stock split into account. If adjusted to reflect the number of shares after the stock split, net income per share will be equivalent to 307.44 yen.

Notes

(1) Changes in significant consolidated subsidiaries during the nine months ended December 31, 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 December 31, 2012	448,481,800
	As of March 31, 2012	448,481,800
2) Number of treasury stock	As of December 31, 2012	66,292,000
	As of March 31, 2012	66,300,600
3) Number of weighted average common stock outstanding (cumulative for all quarters)	For the nine months ended December 31, 2012	382,183,423
	For the nine months ended December 31, 2011	419,959,605

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 January 28, 2013, that the common stock will be split 2 for 1 with an effective date of April 1, 2013. Please refer to relevant items in the forecasts for financial results and dividends in the fiscal year ending March 31, 2013.

Note: Year-end dividends will be paid on the basis of the number of shares prior to the implementation of the stock split.

[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.

- Monday, January 28, 2013- 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, 2012 (Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease)%
Operating Revenues	2,645,412	2,710,577	65,164	2.5
Operating Expenses	2,261,185	2,315,003	53,817	2.4
Operating Income	384,227	395,573	11,346	3.0
Non-operating Income (Expenses)	(19,556)	(1,618)	17,938	-
Ordinary Income	364,671	393,955	29,284	8.0
Extraordinary Income (Expenses)	6,267	(87,693)	(93,961)	-
Income before Income Taxes and Minority Interests	370,939	306,261	(64,677)	(17.4)
Total Income Taxes	170,278	120,281	(49,997)	(29.4)
Income before Minority Interests	200,660	185,980	(14,680)	(7.3)
Minority Interests in Income	6,305	5,732	(572)	(9.1)
Net Income	194,354	180,247	(14,107)	(7.3)

Operating revenues for the nine months ended December 31, 2012 amounted to ¥2,710,577 million, up 2.5% year on year. Data communications revenues increased in line with the shift to smartphones, revenues from terminal sales expanded owing to sales of LTE-compatible handsets, and communications revenues grew as a result of growth in FTTH service revenues, chiefly “au HIKARI.” These rises offset a decrease in au communications revenues, owing to the “Maitsuki Discount (Monthly Discount)” and other discount services.

Operating expenses amounted to ¥2,315,003 million, a 2.4% increase year on year. Although mobile handset migration expenses decreased owing to the conclusion of service on the former 800MHz frequency, this growth was due to higher communication facility fees, such as for WiMAX lines, in line with data offloading measures, as well as higher handset procurement costs in tandem with expanded revenues from terminal sales.

As a result, operating income was up 3.0% year on year, to ¥395,573 million. Ordinary income was up 8.0% year on year, to ¥393,955 million. The rate of increase was higher 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. As a result, net income for the nine months ended December 31, 2012, was down 7.3% year on year, to ¥180,247 million.

Overview of Economic Conditions

The global economy continues to be affected by major risk factors, owing to the protracted European financial crisis, but with various countries’ central banks continuing to enact monetary easing measures, the risk of Europe sparking a major downturn is abating. The U.S. economy, which is relatively stable, has managed to temporarily avoid the so-called “fiscal cliff” caused by the effects of lower tax revenues and an austerity program. Among the growth-fueling emerging markets, the pace of growth in China is not slowing as much as had been expected. Consequently, although numerous long-term issues such as these may weigh down the global economy over the long term, at present the economy appears to be breathing a sigh of relief.

The change of administration in Japan is fanning expectations of monetary easing, encouraging the yen to depreciate, and anticipation is growing that the country will shrug off deflation and move toward economic growth. However, 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 providing a diverse range of devices including smartphones and tablet-type terminals; expanding a complete lineup of downloadable content such as music, videos, and ebooks; and various campaigns on pricing measures.

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. The number of customers for our "au Smart Value" service, at the core of our 3M Strategy, is increasing steadily. As of December 2012, the number of au subscribers to the service topped 2.8 million, and the number of fixed-line subscribers 1.6 million. In addition, the number of "au Smart Pass" members exceeded 4 million. To take advantage of our competitive edge in owning both mobile and fixed-line networks, we are implementing the 3M Strategy aggressively.

・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 December 3, 2012, we formed the Association of 700MHz Frequency Promotion with other companies that have been allocated this frequency-NTT DOCOMO,INC., eAccess Ltd., and Okinawa Cellular Telephone Company—to promote measures for ensuring an appropriate transition.

・On September 21, 2012, we began providing the "4G LTE" service, which meets the next-generation LTE standard for high-speed communication and enables high-speed mobile data communications. We are steadily expanding its service area and increasing the number of its subscribers.

・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. On November 27, 2012, we conducted a field test of shipboard mobile phone base stations, aimed at expanding our service area from the sea.

・On November 19, 2012, the South-East Asia Japan Cable, an international submarine fiber-optic cable linking Japan and Southeast Asia that is under construction by 10 companies including the Company, was connected to the KDDI Chikura Cable Landing Station. This 16Tbps high-volume cable is expected to go into operation in 2013, meeting the surge in demand for communications in Asia.

・On October 24, 2012, the Company and Sumitomo Corporation executed the shareholders agreement regarding joint operation of Jupiter Telecommunications Co., Ltd. Under the shareholders agreement, the Company will conduct a tender offer for all common shares and share options issued by Jupiter Telecommunications Co., Ltd., jointly with a company of which the same number of voting rights are to be owned by Sumitomo Corporation and the Company if certain conditions are satisfied.

・On December 31, 2012, and January 2, 2013, a malfunction at the Company's communication facilities (network facilities) caused au packet data communication services to become unavailable via au 4G LTE-compatible handsets at regions throughout Japan. We apologize sincerely for the major inconvenience to customers that resulted, and are doing our utmost to prevent a recurrence.

- **Subscriptions of Major Services**

(Unit : Thousand line)

	As of December 31, 2011	As of December 31, 2012	Increase (Decrease)	Increase (Decrease) %
au (Note 1)	34,298	36,817	2,519	7.3
(Ref.) UQ WiMAX	1,689	3,929	2,240	132.6
FTTH	2,167	2,757	590	27.2
Metal-plus	2,299	1,932	(367)	(16.0)
Cable-plus phone	1,865	2,679	814	43.6
CATV (Note 2)	1,133	1,235	102	9.0
Fixed access lines (Note 3)	6,935	7,987	1,052	15.2

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 93 CATV companies, 177 channels as of December 31, 2012. For "au Smart Value" alliances with CATV companies reached 99 CATV companies, 180 channels as of December 31, 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 nine months ended December 31, 2011 has been revised based on above change.

- Personal Services

For the nine months ended December 31, 2012

(Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	2,080,133	2,107,683	27,550	1.3
Operating Expenses	1,796,062	1,815,869	19,806	1.1
Operating Income	284,070	291,813	7,743	2.7

Operating revenues for the nine months ended December 31, 2012 amounted to ¥2,107,683 million, up 1.3% year on year. Data communications revenues increased in line with the shift to smartphones, revenues from terminal sales expanded owing to sales of LTE-compatible handsets, and communications revenues grew as a result of growth in FTTH service revenues, chiefly "au HIKARI." These rises offset a decrease in au communications revenues, owing to the "Maitsuki Discount (Monthly Discount)" and other discount services.

Operating expenses amounted to ¥1,815,869 million, a 1.1% increase year on year. Although mobile handset migration expenses decreased owing to the conclusion of service on the former 800MHz frequency, this growth was due to higher communication facility fees, such as for WiMAX lines, in line with data offloading measures, as well as higher handset procurement costs in tandem with expanded revenues from terminal sales.

As a result, operating income was up 2.7% year on year, to ¥291,813 million.

3M Strategy

・The number of "au Smart Value" allied companies increased (2 CATV companies, 2 channels), and as of the end of December 2012, the number of allied companies numbered 5 FTTH companies (including the Company) , 99 CATV companies, 180 channels (including 22 CATV companies, 22 channels allied with STNet, Incorporated). As a result, as of the end of December 2012, the number of au subscriptions utilizing "au Smart Value" was 1.66 million households and 2.85 million.

Mobile Terminals

・In November 2012, we launched nine Android™ smartphone models and one tablet model using the high-quality, ultrahigh-speed "4G LTE" service, with maximum downlink speeds of 75Mbps, as well as Apple's iPad mini tablet and the fourth-generation iPad. All models are compatible with tethering. We offer an extensive lineup convenient for use with the "4G LTE" service, including a model with an ultrahigh-capacity battery that operates in standby mode for 580 hours. iPad models are offered together with au mobile phone service that for mobile convenience includes the same e-mail address ("@ezweb.ne.jp").

＜Products released for the three months ended December 31, 2012＞

4G LTE Smartphones	"Xperia™ VL," "GALAXY S Ⅲ Progre," "AQUOS PHONE SERIE," "ARROWS ef," "Optimus G," "VEGA," "G'zOne TYPE-L," "DIGNO S," "HTC J butterfly"
4G LTE Tablets	"iPad mini," "The fourth Generation iPad," "AQUOS PAD"

Rate Services

・On November 30, 2012, we began offering "LTE Flat for Tab/Tab (i)," a new rate plan for tablets compatible with "4G LTE." Available for a monthly fee of ¥5,985 (including tax), this flat-rate plan is available for customers taking advantage of "au Smart Value." We also provide additional value for au smartphone customers by offering the "Smartphone Set Discount."

・On December 1, 2012, we added six countries to our service area for "Kaigai Double-Teigaku," our overseas packet flat-rate service for customers using "4G LTE" services. As of December 31, 2012, we provide this service for 147 countries and regions, which is the largest among domestic telecommunications companies.

Services

・On November 1, 2012, we began offering the "Ohanashi Assistant" smartphone application free of charge. Launching other applications when a smartphone is spoken to, "Ohanashi Assistant" permits simple voice-directed operations of frequently used functions, such as making calls, creating mail messages, and checking weather forecasts. For a monthly fee of ¥105 (including tax), our "Pay Course " adds voice recognition to this functionality, allowing users to enjoy storing and editing "life logs" and customizing its character assistant, such as changing its clothes.

・On November 1, 2012, we began offering the "Safety Access for Android™" service to provide underage customers with enhanced safety and security for au smartphone services. Providing the first filtering function available in Japan, the new service operates by consulting a cloud-based database to determine whether application are suitable for minors. In addition to conventional Web filtering, this service provides Japan's first all-in-one filtering browser that is compatible with 3G, LTE, WiMAX and Wi-Fi communication channels.

* The service employs NetSTAR Inc. filtering technology.

・On November 28, 2012, we began offering "JCN Smart TV" by JAPAN CABLENET LIMITED, which provides the world's first "Smart TV Box" using Android™ 4.0. In addition to receiving terrestrial digital, BS, and cable television broadcasts, "JCN Smart TV" provides access to a host of Internet-based services, allowing customers to enjoy a host of content at Wi-Fi access points via a variety of Wi-Fi equipped devices, such as home televisions, tablets and smartphones.

Service Area

・We are steadily expanding its "4G LTE" service area, aggressively adding locations that customers use frequently, such as subways (including between stations) and underground shopping areas. As of December 31, 2012, our service area included more than 90% of the subway stations in Japan.

・We continue to expand the number of locations offering the “au Wi-Fi SPOT” public wireless LAN service so that customers can enjoy convenient and free-of-charge Internet access via their au smartphones when on the go. On October 19, 2012, we added the Tokyo Monorail; on December 13, the Romance Car, Odakyu Electric Railway’s limited express train; and on December 21, the Skyliner, a limited-express airport train service operated by Keisei Electric Railway. To increase customer convenience, we expect to augment our “au Wi-Fi SPOT” locations going forward.

Service Satisfaction No.1

・J.D. Power Asia Pacific, Inc. conducted a “J.D. Power Asia Pacific 2012 Japan Mobile Phone Service Satisfaction Study^{SM},” which ranked au highest in overall customer satisfaction among mobile phone service providers. We remains committed to enhancing the satisfaction of numerous customers by providing even better products and services.

* Targeting individual users of mobile phones nationwide, this survey was designed to clarify mobile phone service satisfaction levels by evaluating the customer experience in six factors; “handsets,” “service provision,” “network quality/coverage area,” “fees,” “handset purchasing experience” and “customer care.”

MNP No.1

・As of December 31, 2012, the Company maintained the highest number of net additions in mobile number portability (MNP) for 15 consecutive months. During calendar 2012 (January through December), our net number of additions due to MNP totaled 930,000 subscribers, a historic high for the industry.

Topics in the Fourth Quarter and Beyond

・In February 2013, the number of “au Smart Value” allied companies will increase (9 CATV companies, 10 channels), and the allied areas will grow steadily. Accordingly, the number of “au Smart Value” allied companies will number 107 CATV companies, 190 channels.

- Value Services

For the nine months ended December 31, 2012 (Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	99,108	104,948	5,840	5.9
Operating Expenses	65,266	73,912	8,646	13.2
Operating Income	33,841	31,036	(2,805)	(8.3)

Operating revenues for the nine months ended December 31, 2012, amounted to ¥104,948 million, a 5.9% 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 ¥73,912 million, up 13.2% year on year, reflecting content procurement costs and other up-front expenditures to attract “au Smart Pass” members.

Operating income consequently fell 8.3% year on year, to ¥31,036 million.

3M Strategy

・Following a service launch in March 1, 2012, the number of “au Smart Pass” members reached 3.98 million as of the end of December 2012, and surpassed 4 million on January 2, 2013.

・On October 22, 2012, the registered number of “au IDs”—a common ID that enables customers to use “au Smart Pass” and a host of other contents and services—topped 10 million.

Services

・On December 3, 2012, we began 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.

・The Company and WebMoney Corporation began handling the “WebMoney Store Card” at approximately 2,600 au shops nationwide on November 21, 2012.

・On December 3, 2012, the Company and mediba Inc., began providing customers with information in which they have demonstrated a high degree of interest in a safe and secure format by transmitting recommended ads to their smartphones.

- Business Services

For the nine months ended December 31, 2012 (Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	469,348	470,271	922	0.2
Operating Expenses	411,385	410,159	(1,226)	(0.3)
Operating Income	57,963	60,111	2,148	3.7

Operating revenues for the nine months ended December 31, 2012 amounted to ¥470,271 million, a 0.2% 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 ¥60,111 million, a 3.7% increase year on year, mainly due to the decrease in outsourcing expenses.

Corporate Devices

・The Company launched two data communication devices on November 2, 2012, that enable corporate customers to take advantage of the high-quality, ultrahigh-speed “4G LTE” service, with maximum downlink speeds of 75Mbps.

＜Products released for the three months ended December 31, 2012＞

Data Communication Devices	“Wi－Fi WALKER LTE,” “USB STICK LTE”

Rate Services

・For the data communication devices launched on November 2, 2012, we introduced a new rate plan, called “LTE Flat for DATA,” at ¥5,985 per month (including tax).

Services

・On December 19, 2012, we began providing “KDDI TeleOffice,” which provides easy and operationally simple access to videoconferencing, as well as “Expert Pack,” a flat-rate value pack of occupation-specific cloud applications. We plan to continue offering convenient new services so that corporate customers can use their tablets and smartphones for work.

Service Satisfaction No.1

・As the results “2013 Survey of Conditions in ‘Corporate Customer Use’ of Mobile Phones and Smartphones,” announced by Nikkei BP Consulting, Inc. on December 21, 2012, we ranked “No.1” in overall satisfaction in corporate customer use in both the voice and data handset categories. We earned particularly high acclaim in the voice handset segment, for such categories as “corporate discount services,” “corporate services and solutions,” and “handsets (specifications/functionality, etc.).”

Topics in the Fourth Quarter and Beyond

・In January 2013, the Company will become the first domestic telecommunications provider to offer intranet (KDDI Wide Area Virtual Switch) connections to a high-speed and secure Wi-Fi environment in offices and shops via smartphones, tablets, PCs and other Wi-Fi-compatible devices via the “KDDI Business Secure Wi-Fi” service.

- Global Services

For the nine months ended December 31, 2012 (Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	126,434	148,533	22,098	17.5
Operating Expenses	123,166	143,163	19,996	16.2
Operating Income	3,268	5,370	2,101	64.3

Operating revenues for the nine months ended December 31, 2012 increased 17.5% year on year to ¥148,533 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 such as Locus Telecommunications, Operating income increased 64.3% year on year to ¥5,370 million.

Services

・On November 1, 2012, the Company began providing service in Moscow, Russia, via the "TELEHOUSE MOSCOW" data center, which conforms to TELEHOUSE global standards. Aimed at meeting growing data center demand in the Russian market, which is expected to experience economic growth going forward, this facility is the first to be operated by an overseas data center operator, providing some of the highest-quality services in a market that has experienced infrastructure and stability issues. Through our involvement in this data center in Russia in addition to existing data center operations in Western Europe, we expect to continue contributing to the reinforcement of ICT infrastructure throughout the European market.

・On December, 2012, the Company, Daiwa Institute of Research Ltd., and Fujitsu Limited had collaborated to build the Republic of the Union of Myanmar's first cloud computing environment. Built for the Central Bank of Myanmar, the new cloud environment is designed to improve efficiency in the bank's operations. Going forward, the three companies intend to use Japanese-level quality, highly reliable solutions to promote the adoption of ICT within Myanmar's finance industry as well as among a variety of other companies, thereby contributing to the further development of Myanmar's economy.

Topics in the Fourth Quarter and Beyond

・The Company will establish an overseas affiliate company in the Republic of the Union of Myanmar, called "KDDI Myanmar", in January 2013. Although Myanmar is experiencing a rapid move toward democracy and a growing influx of foreign companies, there is currently a lack of offices that are adequately equipped for business. KDDI Myanmar will operate the "KDDI Myanmar Business Center" in the center of Myanmar's largest city of Yangon, providing office space with IT infrastructure and maintenance/operation services, network services, solution services to support rapid business launches in Myanmar.

・In January 2013, in Beijing, China, the Companies will begin providing "TELEHOUSE BEIJING BDA." It is a second data center building in Beijing, the facility is large in scale, measuring approximately 25,000 square meters. From February 2013, we plan to begin providing service at the new "TELEHOUSE SHANGHAI JINQIAO" data center, offering leading-edge security systems as well as high-quality standard specifications. With a total floor space of 5,800 square meters, this data center will be our second in Shanghai, China. Through these efforts, the Company's total data center floor space in three major cities in Greater China (Beijing, Hong Kong and Shanghai) measures more than 70,000 square meters, making them some of the largest offered by a foreign company. In addition to its TELEHOUSE customers in Europe and the United States, the Companies are 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 3.929 million subscribers as of December 31, 2012.

Since receiving approval on December 21, 2007, from the Minister of Internal Affairs and Communications of a plan to establish a base station that uses the 2.5 GHz-band frequency (hereafter "establishment plan"), UQ has striven to enhance WiMAX service convenience and quality and aggressively expanded the service area. Consequently, as of November 30, 2012, of the total number of 1,161 cities, towns, and villages (*1) indicated in the establishment plan UQ had completed area coverage (*2), achieving a population coverage ratio of approximately 94% (*3). Furthermore, our number of outdoor base station facilities numbered 21,340 as of November 30, 2012, substantially exceeding the 18,600 outdoor base station facilities that UQ had planned to have in place as of March 31, 2013. In line with the October 30, 2012, WiMAX Forum announcement of the WiMAX Release 2.1 standard (*4), UQ plans to begin employing the WiMAX Release 2.1 standard, offering customers an even faster and more convenient WiMAX service environment, and UQ is considering the provision of the “WiMAX 2+ (tentative)” next-generation WiMAX service, providing seamless access to existing facilities in the WiMAX area throughout Japan.

(*1) Administrative districts as of August 10, 2007

(*2) Excluding the planned evacuation zone (one town) due to Fukushima I Nuclear Power Plant accident

(*3) Figures are calculated on the basis of whether communications are available at city, town, and village government offices.

(*4) In addition to ensuring compatibility with current WiMAX standards, including the WiMAX Release1.0 standard, and offering higher speeds, the new standard aims to create an ecosystem that enables interchangeability with the TD-LTE format.

Notes:
1. “Wi-Fi” is a registered trademark of Wi-Fi Alliance®.
2. “Android” “Google” are trademarks or registered trademarks of Google Inc.
3. WiMAX is a trademark or a registered trademark of WiMAX Forum.
4. "AQUOS PHONE," "SERIE" are registered trademarks of Sharp Corporation.
5. "GALAXY S" is a registered trademark of Samsung Electronics Co., Ltd.
6. “DIGNO” is a registered trademark of Kyocera Corporation.
7. “G'zOne” is a registered trademark of Casio Computer Co.,Ltd.
8. “Xperia” is trademarks or registered trademarks of Sony Ericsson Mobile Communications AB.
9. “iPad” is a trademark of Apple Inc.
10. “Smart Value” is a registered trademark of Energy Management Corporation.
11. "ARROWS" is a trademark or a registered trademark of Fujitsu Limited.
12. "VEGA" is a trademark of PANTECH Co.,Ltd.
13. "HTC J" is a trademark or a registered trademark of HTC Corporation.

(2) Qualitative Information on Consolidated Financial Position

Consolidated total assets stood at ¥4,018,616 million, an increase of ¥14,606 million from March 31, 2012. This increase was primarily attributable to factors such as increases in accounts receivable-trade and decreases in securities (negotiable deposit, etc.).

Total liabilities amounted to ¥1,773,357 million, a decrease of ¥102,027 million from March 31, 2012. Major factor contributing to this decrease was decrease in bonds payable and income taxes payable.

An increase in retained earnings resulted net asset to amount to ¥2,245,258 million, an increase of ¥116,634 million from March 31, 2012.

As a result, the shareholders’ equity ratio increased from 51.5% as of March 31, 2012, to 54.1%.

The following describes the cash flow situation for the nine months ended December 31, 2012.

(Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase (Decrease)
Net cash provided by (used in) operating activities	560,038	291,345	(268,692)
Net cash provided by (used in) investing activities	(307,963)	(335,159)	(27,196)
Free cash flows	252,075	(43,813)	(295,889)
Net cash provided by (used in) financing activities	(139,142)	(36,960)	102,181
Effect of exchange rate change on cash and cash equivalents	(1,054)	302	1,356
Net increase (decrease) in cash and cash equivalents	111,878	(80,471)	(192,350)
Cash and cash equivalents at beginning of period	159,869	174,191	14,322
Cash and cash equivalents at end of period	271,748	93,719	(178,028)

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 ¥291,345 million. This includes ¥306,261 million of income before income taxes and minority interests, ¥301,444 million of depreciation and amortization, and ¥217,035 million of income taxes paid.

Investing activities used net cash of ¥335,159 million. This includes ¥219,613 million of purchase of property, plant and equipment, and ¥79,019 million in payments for purchase of intangible assets.

Financial activities used net cash of ¥36,960 million. This includes ¥65,000 million in redemption of bonds, ¥64,516 million in payments for cash dividends paid, and ¥79,567 million in net increase in short-term loans payable.

As a result, cash and cash equivalents as of December 31, 2012, decreased ¥80,471 million from March 31, 2012, to ¥93,719 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

In addition to the FTTH services offered by the Companies, we plan to enhance the “au Smart Value” user environment by strengthening relationships with CATV companies and electric power-related communications companies, providing access to a greater number of customers. As a result, we plan to increase the number of households using au services and maximize household ARPU, thereby boosting earnings and profits.

We also intend to increase the number of variations in our handset lineup with additional smartphones and other devices that match the needs of Japanese customers. Furthermore, we plan to further expand and improve quality in our 4G LTE and Wi-Fi service areas, as we work to offer a more convenient communications environment.

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

We will augment the functionality of “KDDI MULTI CLOUD,” our brand for corporate customers, providing a faster cloud solution that seamlessly integrates networks, data centers, and applications from smartphones and tablet devices.

In addition, we aim to augment our customer numbers by expanding the service area for “Smart Value for Business” 3M services for small and medium-sized 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.

Furthermore, the segment will work to expand its customer base, including non-Japanese companies. At the same time, 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 31, 2013 for full-year basis disclosed in the Financial Statements Summary for the six month ended September 30, 2012 (disclosed on October 24, 2012) is revised as follows.

(Amount unit: Millions of yen)

	Operating revenues	Operating income	Ordinary income	Net income
Previous estimation as of October 24, 2012 (A)	3,580,000	500,000	490,000	250,000
Revised estimation (B)	3,630,000	505,000	500,000	235,000
Increase (Decrease) (B-A)	50,000	5,000	10,000	(15,000)
Increase (Decrease) %	1.4	1.0	2.0	(6.0)
(ref) Full-year results for previous FY	3,572,098	477,647	451,178	238,604

Reasons for the Revision of Full-Year Results Estimation

We have revised upward our forecasts for operating revenues, operating income and ordinary income, as revenues from terminal sales owing to sales of LTE-compatible handsets and data communications revenues in line with the shift to smartphones has exceeded our initial expectations. However, we have revised our forecast for net income downward because of such factors as higher-than-expected impairment losses on noncurrent assets, including former 800MHz frequency facilities.

* 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 "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 nine months ended December 31, 2012, was slight.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount unit: Millions of yen)

	As of March 31, 2012	As of December 31, 2012
Assets		
Noncurrent assets		
Noncurrent assets-telecommunications business		
Property, plant and equipment		
Machinery, net	581,117	600,858
Antenna facilities, net	348,310	333,672
Local line facilities, net	130,772	132,736
Long-distance line facilities, net	5,480	4,892
Engineering facilities, net	25,730	24,766
Submarine line facilities, net	6,519	5,353
Buildings, net	205,384	166,749
Structures, net	30,987	28,515
Land	249,239	249,164
Construction in progress	132,822	90,072
Other tangible assets, net	31,589	26,899
Total property, plant and equipment	1,747,955	1,663,679
Intangible assets		
Right of using facilities	10,577	9,807
Software	175,084	186,436
Goodwill	22,331	19,642
Other intangible assets	10,369	9,803
Total intangible assets	218,361	225,690
Total noncurrent assets-telecommunications business	1,966,317	1,889,370
Incidental business facilities		
Property, plant and equipment	135,770	150,202
Intangible assets	91,664	89,062
Total noncurrent assets-incidental business	227,435	239,265
Investments and other assets		
Investment securities	86,614	77,474
Stocks of subsidiaries and affiliates	351,815	348,449
Investments in capital of subsidiaries and affiliates	185	208
Long-term prepaid expenses	91,272	105,615
Deferred tax assets	104,829	119,594
Other investment and other assets	47,777	46,338
Allowance for doubtful accounts	(9,120)	(10,125)
Total investments and other assets	673,373	687,554
Total noncurrent assets	2,867,126	2,816,189
Current assets		
Cash and deposits	100,037	102,198
Notes and accounts receivable-trade	760,890	893,024
Accounts receivable-other	66,286	55,708
Short-term investment securities	80,188	196
Supplies	65,232	74,761
Deferred tax assets	57,781	52,407
Other current assets	21,427	43,086
Allowance for doubtful accounts	(14,960)	(18,957)
Total current assets	1,136,882	1,202,426
Total assets	4,004,009	4,018,616

(Amount unit: Millions of yen)

	As of March 31, 2012	As of December 31, 2012
Liabilities		
Noncurrent liabilities		
Bonds payable	349,991	259,996
Convertible bond-type bonds with subscription rights to shares	200,916	200,729
Long-term loans payable	301,286	249,591
Provision for retirement benefits	18,743	15,735
Provision for point service program	91,453	91,395
Other noncurrent liabilities	72,342	68,709
Total noncurrent liabilities	1,034,733	886,157
Current liabilities		
Current portion of noncurrent liabilities	184,112	279,953
Notes and accounts payable-trade	90,661	72,838
Short-term loans payable	1,486	81,061
Accounts payable-other	273,119	259,073
Accrued expenses	20,370	21,878
Income taxes payable	149,773	59,684
Advances received	63,937	64,243
Provision for bonuses	20,077	9,766
Provision for loss on the Great East Japan Earthquake	1,992	1,727
Other current liabilities	35,119	36,972
Total current liabilities	840,650	887,199
Total liabilities	1,875,384	1,773,357
Net assets		
Shareholders' equity		
Capital stock	141,851	141,851
Capital surplus	367,104	367,115
Retained earnings	1,879,087	1,994,364
Treasury stock	(346,163)	(346,118)
Total shareholders' equity	2,041,879	2,157,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,442	34,240
Deferred gains or losses on hedges	(676)	(1,440)
Foreign currency translation adjustment	(16,899)	(15,817)
Total accumulated other comprehensive income	18,866	16,981
Subscription rights to shares	1,128	602
Minority interests	66,749	70,462
Total net assets	2,128,624	2,245,258
Total liabilities and net assets	4,004,009	4,018,616

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Income)

(Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Operating income and loss from telecommunications		
Operating revenue		
Total operating revenue	1,799,673	1,818,938
Operating expenses		
Business expenses	486,867	501,443
Operating expenses	40	32
Facilities maintenance expenses	224,460	203,301
Common expenses	1,993	1,641
Administrative expenses	51,346	55,321
Experiment and research expenses	4,526	4,458
Depreciation	286,990	276,112
Noncurrent assets retirement cost	10,927	10,058
Communication facility fee	270,246	282,404
Taxes and dues	31,983	32,361
Total operating expenses	1,369,383	1,367,136
Net operating income from telecommunications	430,290	451,802
Operating income and loss from incidental business		
Operating revenue	845,739	891,638
Operating expenses	891,802	947,867
Net operating loss from incidental business	(46,062)	(56,228)
Operating income	384,227	395,573
Non-operating income		
Interest income	695	576
Dividends income	1,369	1,892
Equity in earnings of affiliates	-	1,842
Gain on investments in silent partnership	654	-
Miscellaneous income	6,428	8,634
Total non-operating income	9,147	12,945
Non-operating expenses		
Interest expenses	9,877	8,681
Equity in losses of affiliates	11,535	-
Miscellaneous expenses	7,291	5,882
Total non-operating expenses	28,704	14,563
Ordinary income	364,671	393,955
Extraordinary income		
Gain on sales of noncurrent assets	173	297
Gain on sales of investment securities	-	319
Gain on negative goodwill	234	-
Gain on reversal of subscription rights to shares	473	509
Gain on transfer from business divestitures	3,615	-
Dividends due to liquidation of silent partnership contract	6,976	-
Total extraordinary income	11,473	1,125
Extraordinary loss		
Loss on sales of noncurrent assets	644	-
Impairment loss	-	68,454
Loss on retirement of noncurrent assets	-	19,954
Loss on valuation of investment securities	492	410
Loss on the Great East Japan Earthquake	4,068	-
Total extraordinary losses	5,205	88,819

(Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Income before income taxes and minority interests	370,939	306,261
Income taxes-current	143,565	128,024
Income taxes-deferred	26,713	(7,742)
Total income taxes	170,278	120,281
Income before minority interests	200,660	185,980
Minority interests in income	6,305	5,732
Net income	194,354	180,247

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Comprehensive Income)

(Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Income before minority interests	200,660	185,980
Other comprehensive income		
Valuation difference on available-for-sale securities	10,523	(2,827)
Foreign currency translation adjustment	(4,914)	517
Share of other comprehensive income of associates accounted for using equity method	(696)	(99)
Total other comprehensive income	4,913	(2,409)
Comprehensive income	205,573	183,570
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	200,168	178,362
Comprehensive income attributable to minority interests	5,405	5,208

(3) Consolidated Statements of Cash Flows

(Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	370,939	306,261
Depreciation and amortization	308,466	301,444
Impairment loss	-	68,454
Amortization of goodwill	10,785	12,239
Gain on negative goodwill	(234)	-
Loss (gain) on sales of noncurrent assets	471	(280)
Loss on retirement of noncurrent assets	8,484	7,468
Increase (decrease) in provision for loss on the Great East Japan Earthquake	(6,450)	(264)
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	730	4,962
Increase (decrease) in provision for retirement benefits	955	(2,990)
Interest and dividends income	(2,064)	(2,468)
Interest expenses	9,877	8,681
Equity in (earnings) losses of affiliates	11,535	(1,842)
Loss (gain) on sales of investment securities	(73)	(323)
Loss (gain) on valuation of investment securities	492	411
Increase (decrease) in provision for point service program	4,219	(58)
Decrease (increase) in prepaid pension costs	1,330	1,382
Decrease (increase) in notes and accounts receivable-trade	(127,768)	(120,011)
Decrease (increase) in inventories	(22,301)	(9,605)
Increase (decrease) in notes and accounts payable-trade	50,697	(18,258)
Increase (decrease) in accounts payable-other	25,332	(19,412)
Increase (decrease) in accrued expenses	5,294	2,044
Increase (decrease) in advances received	1,143	(455)
Other, net	(22,831)	(26,628)
Subtotal	618,440	510,751
Interest and dividends income received	5,586	6,887
Interest expenses paid	(10,085)	(9,257)
Income taxes paid	(87,288)	(217,035)
Income taxes refund	33,386	-
Net cash provided by (used in) operating activities	560,038	291,345
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(210,039)	(219,613)
Purchase of trust beneficiary right	(14,993)	-
Proceeds from sales of property, plant and equipment	550	458
Purchase of intangible assets	(45,829)	(79,019)
Purchase of investment securities	(1,824)	(1,284)
Proceeds from sales of investment securities	633	4,371
Payments for business divestitures	(1,000)	-
Purchase of stocks of subsidiaries and affiliates	(1,180)	(5,242)
Purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	(27,151)	(2,403)
Proceeds from purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	831	-
Proceeds from repayment of investment and dividends due to liquidation of silent partnership contract	7,703	-
Purchase of long-term prepaid expenses	(15,069)	(32,221)
Other, net	(594)	(204)
Net cash provided by (used in) investing activities	(307,963)	(335,159)

(Amount unit: Millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,123)	79,567
Proceeds from long-term loans payable	-	24,000
Repayment of long-term loans payable	(49,007)	(4,593)
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	201,000	-
Redemption of bonds	-	(65,000)
Purchase of treasury stock	(220,969)	-
Cash dividends paid	(63,271)	(64,516)
Cash dividends paid to minority shareholders	(1,187)	(1,364)
Proceeds from stock issuance to minority shareholders	10	218
Other, net	(4,593)	(5,272)
Net cash provided by (used in) financing activities	(139,142)	(36,960)
Effect of exchange rate change on cash and cash equivalents	(1,054)	302
Net increase (decrease) in cash and cash equivalents	111,878	(80,471)
Cash and cash equivalents at beginning of period	159,869	174,191
Cash and cash equivalents at end of period	271,748	93,719

(4) Going Concern Assumption

None

(5) Material Changes in Shareholders' Equity

None

(6) Segment Information, etc.

(Segment Information)

I For the nine months ended December 31, 2011 (April 1, 2011 to December 31, 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)	Consolidation (Note 3)
	Personal Services	Value Services	Business Services	Global Services	Subtotal				
Sales									
Outside Sales	2,021,694	79,762	414,876	104,331	2,620,665	24,747	2,645,412	-	2,645,412
Intersegment Sales or Transfer	58,438	19,345	54,472	22,103	154,359	93,490	247,849	(247,849)	-
Total	2,080,133	99,108	469,348	126,434	2,775,025	118,237	2,893,262	(247,849)	2,645,412
Operating Income	284,070	33,841	57,963	3,268	379,143	5,928	385,072	(844)	384,227

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)

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, 2012 (April 1, 2012 to December 31, 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	2,052,153	81,418	420,260	124,758	2,678,590	31,986	2,710,577	-	2,710,577
Intersegment Sales or Transfer	55,529	23,530	50,010	23,775	152,845	75,778	228,624	(228,624)	-
Total	2,107,683	104,948	470,271	148,533	2,831,436	107,765	2,939,201	(228,624)	2,710,577
Operating Income	291,813	31,036	60,111	5,370	388,331	7,677	396,009	(435)	395,573

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 nine months ended December 31, 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 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.

(7) Significant Subsequent Event

(Notice Concerning Stock Split)

At the meeting of the Board of Directors held on January 28, 2013, the Company resolved to conduct a stock split. The details are as follows.

1. Purpose of Stock Split

The stock split will be conducted with the aim of increasing the liquidity of the Company's stock and expanding its investor base by reducing the price of share-trading units.

2. Outline of Stock Split

(1) Method of stock split

The stock split shall have a record date of Sunday, March 31, 2013 (because this date falls on a holiday, for all practical purposes the date in substance is Friday, March 29, 2013) and shall involve the splitting of common stocks held by shareholders whose names appear or are recorded in the latest Registry of Shareholders on the record date at a ratio of 1:2.

(2) Number of increase in shares by stock split

1) Total number of issued shares before stock split	448,481,800 shares
2) Number of increase in shares by stock split	448,481,800 shares
3) Total number of issued shares after stock split	896,963,600 shares
4) Total number of authorized shares after stock split	1,400,000,000 shares

(3) Schedule of stock split

1) Public notice date of the record date Thursday, March 14, 2013

2) Record date Sunday, March 31, 2013

* For all practical purposes the record date in substance is Friday, March 29, 2013.

3) Effective date Monday, April 1, 2013

3. Others

(1) Changes in capital

The stock split will not result in changes in capital.

(2) Dividend

The stock split will not result in changes in dividend forecasts for the fiscal year ending March 31, 2013. Year-ended dividends for the fiscal year ending March 31, 2013, are projected to be ¥85.00 per share, the same as projected by the forecasts released on June 20, 2012.

(3) Share information

Per share information based on the assumption that this stock split had been implemented at the beginning of the previous consolidation fiscal year is presented as follows for the previous period and the period under review.

Net income per share	
Nine months ended December 31, 2011	¥231.40
Nine months ended December 31, 2012	¥235.81
Diluted net income per share	
Nine months ended December 31, 2011	¥230.12
Nine months ended December 31, 2012	¥215.94