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 Three Months ended June 30, 2013 [Japan GAAP]

July 30, 2013

Company name	**KDDI CORPORATION**		
Stock exchange listing	Tokyo First Section		
Securities code	9433	URL	http://www.kddi.com
Representative	Takashi Tanaka, President		

Quarterly statement filing date (as planned)	August 5, 2013
Dividend payable date (as planned)	—
Supplemental material of quarterly results:	Yes
Convening briefing of quarterly results:	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 Three Months ended June 30, 2013 (April 1, 2013 to June 30, 2013)

(1) Consolidated Operating Results

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

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
Three months ended June 30, 2013	1,002,423	16.3	178,652	89.6	181,919	101.7	68,174	32.9
Three months ended June 30, 2012	861,615	(0.4)	94,211	(32.8)	90,186	(31.9)	51,291	(28.7)

Note: Comprehensive Income
Three months ended June 30, 2013: 80,293 million yen; 50.2% Three months ended June 30, 2012: 53,444 million yen; (32.7%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended June 30, 2013	88.74	81.64
Three months ended June 30, 2012	67.10	61.44

(2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio
			%
As of June 30, 2013	4,580,649	2,580,832	50.2
As of March 31, 2013	4,084,999	2,323,363	55.1

Reference: Shareholder's Equity As of June 30, 2013: 2,299,451 million yen As of March 31, 2013: 2,249,794 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, 2013	-	8,500.00	-	95.00	-
Year ending March 31, 2014	-				
Year ending March 31, 2014 (forecast)		60.00	-	60.00	120.00

Notes: 1. Changes in the latest forecasts released: None
2. Dividend for the year ended March 31, 2013, took into account a 1:100 stock split on common stock, with an effective date of October 1, 2012. And dividend forecasts for the year ending March 31, 2014, took into account a 1:2 stock split on common stock, with an effective date of April 1, 2013.

3. Consolidated Financial Results Forecast for Year ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(Percentage represents comparison to previous fiscal year)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income per Share
		%		%		%		%	Yen
Entire Fiscal Year	4,140,000	13.0	630,000	22.9	620,000	20.5	295,000	22.2	383.12

Notes: 1. Changes in the latest forecasts released: None
2. Forecast of consolidated business results for the six months ending September 30, 2013 is not prepared.

Notes

(1) Changes in significant consolidated subsidiaries during the three months ended June 30, 2013 : Yes
Number of subsidiaries newly consolidated：three companies
Jupiter Telecommunications Co., Ltd., J:COM West Co., Ltd., J:COM East Co., Ltd.

Note: Please refer to page 12 “2. Notes Regarding Summary Information (Notes)” for details.

(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 : None
2) Other changes in accounting policies : None
3) Changes in accounting estimates : None
4) Restatement of corrections : None

(4) Numbers of Outstanding Shares (Common Stock)

1) Number of shares outstanding (inclusive of treasury stock)	As of June 30, 2013	896,963,600
	As of March 31, 2013	896,963,600
2) Number of treasury stock	As of June 30, 2013	126,969,169
	As of March 31, 2013	132,538,800
3) Number of weighted average common stock outstanding (cumulative for all quarters)	For the three months ended June 30, 2013	768,290,097
	For the three months ended June 30, 2012	764,362,400

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

1. 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 “1. Qualitative Information / Consolidated Financial Statements, etc. (3) Explanation Regarding Future Forecast Information of Consolidated Financial Results Forecasts” under [the Attachment] for the assumptions used and other notes.

2. The Company conducted a 1:100 stock split on common stock, with an effective date of October 1, 2012. And the Company conducted a 1:2 stock split on common stock, with an effective date of April 1, 2013. As a result, net income per share, diluted net income per share, and numbers of outstanding shares have been calculated as if the stock split was conducted at the beginning of the previous (consolidated) fiscal year.

3. The Company holds a convening briefing of quarterly results for institutional investors and analysts in Tuesday, July 30, 2013. Documents distributed at the briefing 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 briefing.
In addition to the above convening briefing, the Company holds conferences on its business and results for individual investors. Please check our website for the schedule and details.

[the Attachment]

Index of the Attachment

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

1) Results Overview

For the three months ended June 30, 2013 (Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)	Increase (Decrease)%
Operating Revenues	861,615	1,002,423	140,808	16.3
Operating Expenses	767,403	823,771	56,367	7.3
Operating Income	94,211	178,652	84,441	89.6
Non-operating Income (Expenses)	(4,024)	3,267	7,291	-
Ordinary Income	90,186	181,919	91,732	101.7
Extraordinary Income (Expenses)	-	(31,609)	(31,609)	-
Income before Income Taxes and Minority Interests	90,186	150,310	60,123	66.7
Total Income Taxes	37,283	73,404	36,120	96.9
Income before Minority Interests	52,902	76,905	24,002	45.4
Minority Interests in Income	1,611	8,730	7,118	441.6
Net Income	51,291	68,174	16,883	32.9

During the first quarter, operating revenues amounted to ¥1,002,423 million, up 16.3% year on year. This rise stemmed from higher data communications revenues, owing to a steady increase in customers using “au Smart Value” and to the ongoing shift toward smartphones, as well as contributions to earnings of Jupiter Telecommunications Co., Ltd. (hereafter: “J:COM”), as this company was included in the scope of consolidation.

Operating expenses increased 7.3% year on year, to ¥823,771 million. Although mobile handset migration expenses (such as point expenses and outsourcing expenses) that were present in the first quarter of the preceding fiscal year decreased owing to the conclusion of service on the former 800MHz frequency, expenses increased in line with the inclusion of J:COM in the scope of consolidation.

As a result, operating income surged 89.6% year on year, to ¥178,652 million.

Ordinary income jumped 101.7% year on year, to ¥181,919 million, owing to such factors as improved performance at equity-method affiliates.

Net income rose 32.9% year on year, to ¥68,174 million, despite the recording of an extraordinary loss stemming from a loss on step acquisitions from the purchase of additional shares in J:COM.

Overview of Economic Conditions

The global economy is moving into a phase of gradual recovery, with the European financial crisis in a temporary lull and the employment situation and residential housing market improving in the United States, which has been among the fastest of the developed countries to find a path to recovery. The recovery may not be strong, however, as the emerging markets that have driven economic growth in the past are showing less vigor. We will need to continue monitoring global economic trends, including a future decrease in the degree of U.S. monetary easing.

In the Japanese economy, the monetary easing that has accompanied the change in administration is currently mitigating the downward pressure on consumer prices. Such indicators as these suggest that a gradual recovery may be afoot, pulling the country out of deflation and leading to economic growth.

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," and "More Global."

In January 2012, the Company announced the "Smart Passport Concept" as the first phase of its "3M Strategy." This concept aimed at providing the world with simple and seamless access to the world of the open Internet, enabling secure access.

In May 2013, we unveiled the second phase of the "3M Strategy," the "Smart Relations Concept," which promotes the advancement of services that will bring the world of the 3M into closer contact with everyday life. This is a service innovation concept that reinforces connections between smartphones and real life, effecting changes that make the everyday world simple yet surprising. Going forward, we will continue to propose a number of ways in which people can make the transition from owning smartphones to mastering their use.

・The Company and Sumitomo Corporation executed a shareholders agreement regarding joint operation of J:COM, on October 24, 2012. Based on this agreement, the Company conducted a tender offer for all common shares and share options issued by J:COM, jointly with a company of which the same number of voting rights are to be owned by Sumitomo Corporation and the Company. This tender offer concluded on April 10, 2013, and J:COM became a consolidated subsidiary of the Company on April 17, 2013. The common shares of J:COM delisted on July 30, 2013, in accordance with the prescribed procedures pursuant to the delisting standards of the JASDAQ market.

・On June 27, 2013, KDDI Group (hereafter: the "Companies") began operations of the optical submarine cable, "South-East Asia Japan Cable" in order to meet the large capacity communication needs of the internet age. Japan is at its hub connecting the shortest route between Singapore and other Southeast Asian data centers to the United States' west coast data center. Asian countries will be able to use this huge capacity for the demand such as ultra-high speed internet including high definition video or increasing demand on intranet. And on July 1, 2013 the Companies opened the Global Network Operations Center, Ho Chi Minh City. It operate as a KDDI global network operations center under the Companie's local subsidiary, KDDI Vietnam and the Companies will be able to provide higher quality global network service.

・As measures to prevent recurrence of misrepresentations of "4G LTE" in the au general catalog and on the Company's website, we have introduced a thorough internal checking structure and authorization flow, and we are conducting internal audits on their implementation status.

・With regard to a series of communication outages from the end of 2012 through the end of May 2013, as measures to prevent recurrence, the basic policy of our measures to prevent recurrence is to "ensure 'functional safety' appropriate to the smartphone/4G era (fail safe)." Based on this policy, we have established the LTE Infrastructure Reinforcement Countermeasures Headquarters, chaired by President Tanaka, as a companywide cross-sectional structure. In accordance with instructions by this organization, to ensure functional safety we will work throughout the Company to promote fundamental improvements, providing a communications network that customers can use securely.

- Subscriptions of Major Services

	Unit	Year ended March 31, 2013				Year ending March 31, 2014
		The 1st Quarter	The 2nd Quarter	The 3rd Quarter	The 4th Quarter	The 1st Quarter
au subscriptions ***1**	(Thousand)	35,675	36,110	36,817	37,709	38,378
(Ref.) UQ WiMAX	(Thousand)	2,906	3,624	3,929	4,084	4,222
FTTH subscriptions	(Thousand)	2,439	2,607	2,757	2,870	2,997
Cable-plus phone Subscriptions	(Thousand)	2,295	2,481	2,679	2,851	3,040
CATV subscriptions ***2**	(Thousand)	1,159	1,180	1,235	1,238	5,031

*****1.Inclusive of module-type contracts

*****2.Total Number of Subscribing Households (Number of households with at least one contract via broadcasting internet, or telephone),Year ended March 31, 2013: JCN, Year ending March 31, 2014: JCN + J:COM

[Reference]

・For "Cable-plus phone," alliances with cable television companies grew steadily, reaching 95 CATV companies, 180 channels as of June 30, 2013.

・With regard to consolidated subsidiaries handling the cable television business, as of June 30, 2013, the JCN Group oversees 20 channels, primarily focused on the Tokyo metropolitan area and including the Kumamoto area. The J:COM Group provides cable television via 50 channels in the Sapporo, Sendai, Kanto, Kansai, and Kyushu areas, and offers high-speed Internet connectivity, telephone, and other services.

2) Results by Business Segment

- Personal Services

For the three months ended June 30, 2013 (Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	665,779	784,569	118,790	17.8
Operating Expenses	600,713	649,353	48,640	8.1
Operating Income	65,065	135,215	70,150	107.8

During the first quarter, operating revenues amounted to ¥784,569 million, up 17.8% year on year. This rise stemmed from higher data communications revenues, owing to a steady increase in customers using "au Smart Value" and to the ongoing shift toward smartphones, as well as contributions to earnings of J:COM, as this company was included in the scope of consolidation.

Operating expenses increased 8.1% year on year, to ¥649,353 million. Although mobile handset migration expenses (such as point expenses and outsourcing expenses) that were present in the first quarter of the preceding fiscal year decreased owing to the conclusion of service on the former 800MHz frequency, expenses increased in line with the inclusion of J:COM in the scope of consolidation.

As a result, operating income was up 107.8% year on year, to ¥135,215 million.

The Personal Services segment provides mobile and fixed-line communications services for individual customers. In addition to providing mobile communications services, chiefly under the "au" brand, and selling mobile handsets, as fixed-line communications the segment provides "au HIKARI" brand FTTH, CATV and other services.

In the fiscal year ending March 31, 2014, the Company is working to expand the lineup for handsets compatible with " 4G LTE" and increase the number of customers who use these services. In addition, based on our "3M Strategy" we will expand sales of FTTH services through "au Smart Value," increase the number of allied companies, and augment our services. In these ways, we are working to enable customers to use our services more conveniently and securely.

<The “3M Strategy” and Other Key Initiatives>

[au Smart Value]
As of June 30, 2103, the number of au subscriptions using “au Smart Value” numbered 4.63 million, and households using this service came to 2.49 million. In addition, the number of “au Smart Value” allied companies increased steadily. As of June 30, 2013, this number was five for FTTH (including three KDDI Group companies) and 106 CATV companies, 189 channels (including 22 CATV companies, 22 channels allied with STNet, Incorporated).

<Overview of Operations during the First Quarter>

Mobile

[au Net Additions/MNP Net Additions]
During the first quarter under review, au net additions*1 totaled 668,800 subscriptions*2. Furthermore, MNP net additions*3 amounted to 241,400 subscriptions*2, putting us in the No. 1 position for 21 consecutive months*4. The primary reason was the low trend in churn rate, in addition to increase the number of new smartphone subscriptions by “au Smart Value”.

*1: New subscribers minus churn

*2: Total for the Personal Services and Business Services segments

*3: The difference between the number of subscribers acquired and lost due to Mobile Number Portability

*4: The 21-months period from October 2011 through June 2013

[au Churn Rate]
The churn rate during the first quarter was 0.56%, the lowest level in the industry, as in the previous fiscal year.

[au ARPU*1]
During the first quarter, au APRU was ¥4,110, down ¥130 from the first quarter of the preceding fiscal year.

・Voice ARPU was down ¥150 year on year, to ¥1,890. The main reasons for this decrease were lower MOU*2, the impact of downward revisions in access charges, and the transition to lower “Simple Course” pricing.

・Data ARPU was up ¥390 year on year, to ¥3,110. The primary factor was an ongoing increase in smartphone subscriptions, which deliver high data ARPU.

・The amount of discount applied was ¥890, up ¥370 year on year. This rise was attributable mainly to the increased use of “Maitsuki Discount (Monthly Discount)” pricing in line with the increase in smartphone sales. We aim to turn monthly au ARPU (monthly basis) positive year on year by the fourth quarter of the current fiscal year, and we are moving steadily toward this target.

*1 Average Revenue Per Unit

*2 Minutes of Use

[au Handset Sales]
During the first quarter, au handset sales were down 13.5%, to 2.37 million. This decline was due mainly to the transition to handsets compatible with the new frequency band, stemming from the reorganization of the 800MHz bandwidth—completed in July 2012—that was present in the first quarter of the preceding fiscal year. Consequently, handset upgrades fell off sharply.

Fixed Line

[FTTH Subscriptions]
During the first quarter, the number of FTTH subscriptions increased by 128,000 from March 31, 2013, to 2.95 million. This rise was attributable mainly to new subscriptions acquired when customers subscribed to “au Smart Value,” as well as the impact of lower churn.

・The first phase of the “3M Strategy” that we have been pursuing since 2012 was the “Smart Passport Concept.” In May 2013, we announced the second phase of this strategy, the “Smart Relations Concept,” to respond to an increased smartphone user base and provide an environment that enables anyone to use smartphones. As a specific service aimed at realizing this concept, on June 6, 2013, we began offering “au Smart Support,” a membership-based support service. In this service, a full-time team provides customer assistance 24-hours a day, 365 days a year, via the “au Smart Support Center,” on everything from configuring the initial settings on au smartphones to new operating tips. Other privileges include the “SmartPhone onsite support” service, in which a representative travels to the customer's home to provide assistance with au smartphones, and the “SmartPhone rental and trial” service, which may help to eliminate anxiety before purchasing an au smartphone. In these ways, we aim to strengthen points of customer contact and expand our business further.

<Reference> Business data

		Unit	Year ended March 31, 2013					Year ending March 31, 2014
			The 1st Quarter	The 2nd Quarter	The 3rd Quarter	The 4th Quarter	Fiscal year	The 1st Quarter
au Smartvalue	**au subscriptions**	(Thousand)	1,330	2,000	2,850	3,860	-	4,630
	Households *1	(Thousand)	820	1,200	1,660	2,120	-	2,490
au subscriptions*2		(Thousand)	30,580	30,947	31,516	32,189	-	32,717
au Churn rate		(%)	0.61	0.65	0.58	0.67	0.63	0.56
au ARPU		(Yen)	4,240	4,240	4,220	4,030	4,180	4,110
	Voice ARPU	(Yen)	2,040	2,030	2,020	1,830	1,980	1,890
	Data ARPU	(Yen)	2,720	2,790	2,880	3,000	2,850	3,110
	Amount of discount applied	(Yen)	(520)	(580)	(680)	(800)	(650)	(890)
au handset sales*3		(Thousand)	2,740	2,620	2,830	2,880	11,080	2,370
	of smartphone sales	(Thousand)	1,670	1,810	2,300	2,340	8,110	1,820
au handset shipments*4		(Thousand)	2,560	2,410	2,970	2,720	10,660	2,220
FTTH subscriptions*5		(Thousand)	2,394	2,561	2,711	2,822	-	2,950
Cable-plus phone subscriptions		(Thousand)	2,295	2,481	2,679	2,851	-	3,040
CATV subscriptions*6		(Thousand)	1,159	1,180	1,235	1,238	-	5,031

*1.Total of the Companies and Fixed companies

*2.Inclusive of module-type contracts

*3.Number of units sold to users (new + upgrade)

*4.Number of units shipped to retailers from the company

*5.The total for “au HIKARI” (excluding “au HIKARI Business”), “Commufa-hikari,” “au HIKARI Chura,” and “Hikarifuru”

*6.Total Number of Subscribing Households (Number of households with at least one contract via broadcasting, internet, or telephone), Year ended March 31, 2013: JCN, Year ending March 31, 2014: JCN + J:COM

- Value Services

For the three months ended June 30, 2013 (Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	34,721	49,079	14,358	41.4
Operating Expenses	24,634	35,470	10,836	44.0
Operating Income	10,086	13,608	3,522	34.9

During the first quarter, operating revenues totaled ¥49,079 million, up 41.4% year on year. Contributing to this rise was a favorable increase in the number of “au Smart Pass” members and the addition of program distribution revenue from J:COM, owing to the inclusion of that company in the scope of consolidation.

Operating expenses grew 44.0% year on year, to ¥35,470 million, due to an increase in cost of sales and expenses stemming from the inclusion of J:COM in the scope of consolidation.

As a result, operating income was up 34.9% year on year, to ¥13,608 million.

In the Value Services segment, the Company provides individual customers with content, settlement and other services. This segment also works to reinforce multi-device and multi-network initiatives, developing an environment in which customers can use value-added services more conveniently.

During the current fiscal year, we will roll out diverse content services, including “au Smart Pass,” realizing the “3M Strategy” through multi-device, multi-OS developments. In addition, we intend to increase points of customer contact and maximize value ARPU.

<The “3M Strategy” and Other Key Initiatives>

[au Smart Pass]

As of June 30, 2013, “au Smart Pass” members numbered 6.82 million, an increase of 1.08 million from March 31, 2013. With the concept of “Making Every Day Simple & Lucky,” “au Smart Pass” will be improved substantially to realize the “Smart Relations Concept” of “enhancing the relation between smartphones and real life.” During the first quarter, through a partnership with PIA CORPORATION we began expanding content that is useful in real life, such as invitations to members-only events and advance ticket reservations. On June 6 2013, we began presenting information in a timeline format to allow customers to find this content quickly and easily. We also introduced the “au Sumapasu general meeting” to gather customer opinions and make use of this information to improve services as needed.

<Overview of Operations during the First Quarter>

[Value ARPU]

During the first quarter, Value ARPU was up ¥10 year on year, to ¥260. Chief reasons for this increase was a steady increase in the number of members to content services, centered on “au Smart Pass,” and the effect of introducing charges for “au Smart Pass” for iOS in May.

・On June 1 2013, our “LISMO unlimited powered by RecoChoku” unlimited music distribution service for au smartphones renewed “KKBOX” and made the service compatible with PCs and tablets. “KKBOX,” which is handled by subsidiary KKBOX Inc., is an unlimited music distribution service provided to numerous customers in Taiwan, Hong Kong, Singapore and Malaysia. By integrating our service for Japan with the “KKBOX” brand, we became one of Asia’s largest music platforms.

<Main Services in the Second Quarter and Beyond>

・On July 1, 2013, the Companies began offering “KODOMO Park”, a children’s educational family-orientated intellectual education service and “GAKUMO”, study service for junior high and high school students.

・The Company invested in “The Wind Rises(Kaze Tachinu),” the new film by Studio Ghibli Inc., that began screening July 20, 2013, as well as being a special sponsor and participating on the production committee. On May 9, 2013, we also launched “The Ghibli Forest,” an official Ghibli story site limited to “au Smart Pass” members.

<Reference> Business data

	Unit	Year ended March 31, 2013					Year ending March 31, 2014
		The First Quarter	The Second Quarter	The Third Quarter	The Fourth Quarter	Fiscal year	The First Quarter
au Smart Pass subs	(Thousand)	1,470	2,430	3,980	5,740	-	6,820
Value ARPU*	(Yen)	250	240	240	250	250	260

* Value ARPU= Value services segment revenues of "in-house and cooperative services + settlement commissions + advertising"÷ Personal services segment's no. of au subscriptions (average no. of subscriptions for the period, excluding modules)

- Business Services

For the three months ended June 30, 2013 (Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	156,297	157,742	1,444	0.9
Operating Expenses	141,115	132,248	(8,866)	(6.3)
Operating Income	15,182	25,493	10,311	67.9

During the first quarter, operating revenues rose 0.9% year on year, to ¥157,742 million. Although fixed-line communications revenues decreased, data communications revenues grew as a result of increased sales of smartphones and tablets.

Operating expenses fell 6.3% year on year, to ¥132,248 million, due to a decrease in mobile handset migration expenses (such as handset procurement costs and sales commissions) that were present in the first quarter of the preceding fiscal year, owing to the conclusion of service on the former 800MHz frequency.

As a result, operating income was up 67.9% year on year, to ¥25,493 million.

In the Business Services segment, we propose a cloud solution that seamlessly integrates networks and applications across smartphones, tablets and other mobile devices, to a wide range of corporate customers, from small and medium-sized to large companies. In the current fiscal year, we will proactively promote a corporate “3M Strategy” in an effort to expand our customer base. Specifically, we will focus on expanding services for small and medium-sized corporate customers and reinforcing our sales structure. In addition, we will work to expand our service offerings to meet the myriad needs of corporate customers who are advancing overseas.

<The “3M Strategy” and Other Key Initiatives>

・We will endeavor to increase sales of smartphones and tablets and expand our customer base by providing corporate customers with “KDDI MULTI CLOUD,” our cloud solution that seamlessly integrates networks data centers and applications, the “Smart Value for Business” corporate 3M service and other services.

・To provide broad-based support for business expansion by small and medium-sized corporate customers, we have established four new regional companies to augment the sales framework for “KDDI MATOMETE OFFICE CORPORATION,” which began operations on April 1, 2013. In addition to the Tokyo, Nagoya and Osaka metropolitan areas, the new companies will provide a regional support network offering close contact in other regions throughout Japan. By providing cloud, mobile and various other communications services, as well as optimal ICT environments including communications and OA equipment, we will support customer efforts to increase business efficiency. We will also maximize our contributions to customer businesses by offering total support, including an online advisory service for business startups and management, and marketing support using search-linked advertising.

・For customers developing their businesses overseas, in May 2013 we began offering the “KDDI Global M2M Solution.” This service enables remote monitoring and control of devices such as industrial machines, even from a base in Japan. The service, provided via a secure network, is available in approximately 200 countries and regions.

- Global Services

For the three months ended June 30, 2013 (Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)	Increase (Decrease) %
Operating Revenues	46,282	58,678	12,396	26.8
Operating Expenses	44,898	56,450	11,552	25.7
Operating Income	1,384	2,228	844	61.0

During the first quarter, operating revenue increased 26.8% year on year, to ¥58,678 million and operating income increased 61.0% year on year, to ¥2,228 million, mainly due to the increase in revenues and income overseas subsidiaries such as Locus Telecommunications, Inc., TELEHOUSE International Corporation of Europe Ltd., CDNetworks Co., Ltd.

The Global Services segment offers the one-stop provision of ICT solutions to corporate customers, centered on our “TELEHOUSE” data centers. In addition, the Company is working aggressively to expand consumer businesses, such as Internet operations in emerging countries and MVNO operations targeting immigrants in the United States. Furthermore, we provide a voice business to more than 600 communications companies around the world. During the current fiscal year, as one of the Company’s pillars of growth we will leverage the expertise we have cultivated in Japan and overseas to accelerate our expansion of businesses, particularly in the fast-growing Asian region.

<Global Strategy>

・We are expanding our number of locations for “TELEHOUSE,” the Company’s global data center that is widely regarded by customers around the world for its reliability and high service quality. As of June 30, 2013, our number of “TELEHOUSE” locations totaled 43, in 24 cities in 13 regions, including Japan. (Of these, overseas locations numbered 25, in 15 cities in 12 regions.) In addition to aggressively expanding the number of locations, we offer highly reliable services that meet the TELEHOUSE global standard. We also provide a wide variety of solution services according to customer demand, including operations, monitoring and BCP.

Furthermore, we will offer robust global services to our customers by mobilizing KDDI Group capabilities, including through DMX, which possesses advanced technologies and expertise in solution services such as system integration, and CDNetworks, which specializes in network optimization services that enable the high-speed distribution of large volumes of digital content.

With regard to the U.S. MVNO business, as of March 2013, we had converted Locus Telecommunications Inc. and Total Call International, Inc., to wholly owned subsidiaries. Going forward, in the MVNO business we expect to derive synergies from sales networks and augment operational efficiencies.

3) Status of Major Affiliates

<UQ Communications Inc.>

On June 11, 2013, our equity-method affiliate, UQ Communications Inc., was announced to have earned the No. 1 customer service ranking for its UQ WiMAX service in the “2013 Japan Mobile Data Service Satisfaction Survey℠” conducted by J.D. Power Asia Pacific, Inc., an international institution that specializes in customer satisfaction surveys and consulting. This ranking demonstrates high customer regard for our WiMAX services.

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, Chubu, and Kansai metropolitan areas. During the first quarter, area expansion was concluded that includes all Tokyo Metro subway lines, as well as the Keio New Line and the Kitchen Street and KUROBEI YOKOCHO areas of JR Tokyo Station.

<Jibun Bank Corporation >

Jibun Bank Corporation, an equity-method affiliate, celebrated its fifth anniversary of establishment on June 17, 2013. Going forward, Jibun Bank will continue working to take full advantage of the characteristics of mobile phones, serving as a “bank for every customer” and providing high-quality financial services that are both convenient and safe. In these ways, Jibun Bank aims to be the No. 1 financial institution in terms of customer satisfaction. On June 10, 2013, the bank began offering “Jibun Bank FX” over-the-counter foreign exchange margin transactions. Jibun Bank will endeavor to enhance its services to meet customers’ diverse asset management needs.

Notes:1 “Smart Value®” is a registered trademark of Energy Management Corporation.
2 WiMAX is a trademark or a registered trademark of WiMAX Forum.

(2) Explanation on Financial Position

1. Financial Position

Consolidated total assets stood at ¥4,580,649 million as of June 30, 2013, up ¥495,650 million from March 31, 2013. This increase was mainly attributable to the rise in incidental business facilities stemming from the inclusion of J:COM in the scope of consolidation.

Total liabilities amounted to ¥1,999,816 million, an increase of ¥238,181 million from March 31, 2013. Major factor contributing to this increase was increase in short-term loans payable.

Net assets increased ¥257,469 million from March 31, 2013, to ¥2,580,832 million. The primary reasons for this increase were a rise in minority interests in line with the inclusion of J:COM in the scope of consolidation and higher retained earnings.

As a result, the shareholders' equity ratio decreased from 55.1% as of March 31, 2013, to 50.2%.

2. Cash Flows

(Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)
Net cash provided by (used in) operating activities	(8,590)	134,465	143,056
Net cash provided by (used in) investing activities	(101,089)	(79,465)	21,624
Free cash flows	(109,680)	54,999	164,680
Net cash provided by (used in) financing activities	27,302	24,477	(2,824)
Effect of exchange rate change on cash and cash equivalents	1,324	1,280	(43)
Net increase (decrease) in cash and cash equivalents	(81,054)	80,757	161,812
Cash and cash equivalents at beginning of period	174,191	87,288	(86,903)
Cash and cash equivalents at end of period	93,137	168,046	74,909

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 ¥134,465 million. This includes ¥150,310 million of income before income taxes and minority interests, ¥115,143 million of depreciation and amortization, and ¥102,579 million of income taxes paid.

Investing activities used net cash of ¥79,465 million. This includes ¥79,194 million of purchase of property, plant and equipment, and ¥14,510 million in payments for purchase of intangible assets, and 16,943 million in income for sales of investment securities.

Financial activities provided net cash of ¥24,477 million. This includes ¥177,150 million in increase in short-term loans payable, ¥60,732 million in payments for repayment of long-term loans payable, and ¥50,000 million in in redemption of bonds.

As a result, cash and cash equivalents as of June 30, 2013, increased ¥80,757 million from March 31, 2013, to ¥168,046 million.

(3) Explanation Regarding Future Forecast Information of Consolidated Financial Results Forecasts

1. Outlook for the Fiscal Year Ending March 31, 2014

<The Company's Business Vision and Growth Strategy>

The Company has formalized "three business visions," described below, as its business vision for responding 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.

As services to realize the "3M Strategy," "au Smart Value" and "au Smart Pass" were launched in March 2012 as part of the "Smart Passport Concept," which is phase 1 of the "3M Strategy." Both services have been well received among numerous customers, and subscriptions to each have outpaced the levels called for in our internal plans.

In May 2013, we announced the second phase of the "3M Strategy," the "Smart Relations Concept," which promotes the advancement of services that will bring the world of the 3M into closer contact with everyday life. This is a service innovation concept that reinforces connections between smartphones and real life, effecting changes that make the everyday world simple yet surprising.

Going forward, through the "3M Strategy," which leverages the Company's strengths, the Company will work to enhance its networks, handsets and services and to raise customer satisfaction.

To augment our "3M Strategy," in February 2013, we conducted a tender offer for J:COM, the Company's affiliate and a leader in the cable television business. This company became a consolidated subsidiary of the Company on April 17, 2013. Going forward, we plan to integrate J:COM with Japan Cablenet Limited, the Company subsidiary and the No. 2 company in the cable television business, thereby advancing our "3M Strategy" and pushing for further growth in the CATV business.

<Initiatives by Segment>

[Personal Services]

Centering on "au Smart Value," which offers a set-purchase discount on au smartphone and fixed-line broadband services, we intend to expand KDDI Group sales of FTTH and CATV services. Furthermore, we plan to strengthen relationships with CATV companies and electric power-related communications companies in an effort to expand the au customer base and boost earnings and income.

We will also expand our lineup of attractive and "4G LTE"-compatible smartphones and tablets. By providing advanced services and extensive content based on the "3M Strategy," we will enable customers to use our services more conveniently and securely.

[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]

For corporate customers, we propose to transform working styles by providing the "KDDI MULTI CLOUD" branded cloud solution that seamlessly integrates networks, data centers, and applications.

We aim to increase our number of small and medium-sized corporate customers by providing "Smart Value for Business," a corporate 3M Service.

To provide broad-based support for business expansion by small and medium-sized corporate customers, we have established four new regional companies to augment the sales framework for "KDDI MATOMETE OFFICE CORPORATION," which began operations on April 1, 2013. In addition to the Tokyo, Nagoya and Osaka metropolitan areas, the new companies will provide a regional support network offering close contact in other regions throughout Japan.

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 2014 for full-year basis disclosed in the Financial Statements Summary for the year ended March 2013 (disclosed on April 30, 2013) were as follows; Operating Revenues: ¥4,140,000 million, Operating Income: ¥630,000 million, Ordinary Income: ¥620,000 million, Net Income: ¥295,000 million. There is no change to these figures.

The Company has not prepared consolidated business forecasts for the six months ending September 30, 2013 because the rapidly changing operating environment, characterized by competition among telecommunication carriers, means it is difficult to make forecasts for this period.

Notes: 1 WiMAX is a trademark or a registered trademark of WiMAX Forum.
2 “Smart Value®” is a registered trademark of Energy Management Corporation.

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 significant consolidated subsidiaries during the Three months ended June 30, 2013

During the first quarter, the Company acquired through public tender an additional share in Jupiter Telecommunications Co., Ltd. and, in accordance with effective control standards, brought this company and its 19 subsidiaries into the scope of consolidation.

Of these, the following three companies are considered significant subsidiaries (specified subsidiaries).

Number of subsidiaries newly consolidated three companies

Jupiter Telecommunications Co., Ltd., J:COM West Co., Ltd., J:COM East Co., Ltd.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount unit: Millions of yen)

	As of March 31, 2013	As of June 30, 2013
Assets		
Noncurrent assets		
Noncurrent assets-telecommunications business		
Property, plant and equipment		
Machinery, net	591,635	593,142
Antenna facilities, net	333,020	334,113
Local line facilities, net	127,925	127,990
Long-distance line facilities, net	4,037	3,854
Engineering facilities, net	24,429	24,076
Submarine line facilities, net	5,124	4,892
Buildings, net	162,446	165,538
Structures, net	27,867	27,454
Land	247,892	247,948
Construction in progress	116,760	115,873
Other tangible assets, net	26,397	25,951
Total property, plant and equipment	1,667,538	1,670,836
Intangible assets		
Right of using facilities	10,141	10,211
Software	172,510	165,790
Goodwill	19,580	20,758
Other intangible assets	8,027	8,051
Total intangible assets	210,260	204,812
Total noncurrent assets-telecommunications business	1,877,799	1,875,649
Incidental business facilities		
Property, plant and equipment	162,419	353,784
Intangible assets	93,813	474,057
Total noncurrent assets-incidental business	256,233	827,842
Investments and other assets		
Investment securities	81,787	74,704
Stocks of subsidiaries and affiliates	348,169	27,429
Investments in capital of subsidiaries and affiliates	219	247
Long-term prepaid expenses	118,863	245,583
Deferred tax assets	114,577	107,061
Other investment and other assets	47,497	54,233
Allowance for doubtful accounts	(11,015)	(10,146)
Total investments and other assets	700,097	499,113
Total noncurrent assets	2,834,129	3,202,604
Current assets		
Cash and deposits	96,952	178,335
Notes and accounts receivable-trade	971,244	976,429
Accounts receivable-other	61,477	59,378
Short-term investment securities	231	247
Supplies	56,942	66,827
Prepaid expenses	15,440	51,590
Deferred tax assets	58,768	52,770
Other current assets	10,084	12,937
Allowance for doubtful accounts	(20,271)	(20,472)
Total current assets	1,250,869	1,378,044
Total assets	4,084,999	4,580,649

(Amount unit: Millions of yen)

	As of March 31, 2013	As of June 30, 2013
Liabilities		
Noncurrent liabilities		
Bonds payable	259,997	229,997
Convertible bond-type bonds with subscription rights to shares	200,666	185,308
Long-term loans payable	244,727	263,174
Provision for retirement benefits	13,509	13,447
Provision for point service program	91,582	86,156
Other noncurrent liabilities	73,955	162,773
Total noncurrent liabilities	884,439	940,857
Current liabilities		
Current portion of noncurrent liabilities	176,436	203,797
Notes and accounts payable-trade	82,753	87,790
Short-term loans payable	88,256	270,162
Accounts payable-other	287,084	290,025
Accrued expenses	22,999	25,166
Income taxes payable	104,773	63,912
Advances received	62,807	62,716
Provision for bonuses	20,765	10,845
Other current liabilities	31,318	44,541
Total current liabilities	877,195	1,058,959
Total liabilities	1,761,635	1,999,816
Net assets		
Shareholders' equity		
Capital stock	141,851	141,851
Capital surplus	367,144	368,712
Retained earnings	2,055,586	2,087,451
Treasury stock	(346,001)	(331,466)
Total shareholders' equity	2,218,581	2,266,548
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38,882	34,287
Deferred gains or losses on hedges	(1,598)	(1,116)
Foreign currency translation adjustment	(6,070)	(267)
Total accumulated other comprehensive income	31,213	32,903
Subscription rights to shares	574	576
Minority interests	72,994	280,803
Total net assets	2,323,363	2,580,832
Total liabilities and net assets	4,084,999	4,580,649

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Income)

(Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Operating income and loss from telecommunications		
Operating revenue		
Total operating revenue	594,877	631,540
Operating expenses		
Business expenses	170,675	159,273
Operating expenses	10	9
Facilities maintenance expenses	71,821	61,523
Common expenses	606	657
Administrative expenses	17,406	19,650
Experiment and research expenses	1,374	1,424
Depreciation	90,271	87,631
Noncurrent assets retirement cost	3,762	5,263
Communication facility fee	91,888	92,932
Taxes and dues	11,313	11,528
Total operating expenses	459,131	439,893
Net operating income from telecommunications	135,746	191,646
Operating income and loss from incidental business		
Operating revenue	266,737	370,882
Operating expenses	308,272	383,877
Net operating loss from incidental business	(41,534)	(12,994)
Operating income	94,211	178,652
Non-operating income		
Interest income	198	230
Dividends income	497	1,039
Equity in earnings of affiliates	-	1,554
Foreign exchange gains	-	1,968
Miscellaneous income	2,504	2,967
Total non-operating income	3,200	7,759
Non-operating expenses		
Interest expenses	2,897	2,833
Equity in losses of affiliates	597	-
Miscellaneous expenses	3,730	1,658
Total non-operating expenses	7,224	4,492
Ordinary income	90,186	181,919
Extraordinary income		
Gain on sales of investment securities	-	6,827
Total extraordinary income	-	6,827
Extraordinary loss		
Loss on step acquisitions	-	38,436
Total extraordinary losses	-	38,436
Income before income taxes and minority interests	90,186	150,310

(Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Income taxes-current	25,104	56,315
Income taxes-deferred	12,179	17,089
Total income taxes	37,283	73,404
Income before minority interests	52,902	76,905
Minority interests in income	1,611	8,730
Net income	51,291	68,174

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Comprehensive Income)

(Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Income before minority interests	52,902	76,905
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,830)	(3,064)
Deferred gains or losses on hedges	-	144
Foreign currency translation adjustment	5,899	7,084
Share of other comprehensive income of associates accounted for using equity method	472	(776)
Total other comprehensive income	541	3,388
Comprehensive income	53,444	80,293
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	50,747	69,864
Comprehensive income attributable to minority interests	2,696	10,428

(3) Consolidated Statements of Cash Flows

(Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	90,186	150,310
Depreciation and amortization	98,258	115,143
Amortization of goodwill	4,436	6,970
Loss (gain) on sales of noncurrent assets	1	42
Loss on retirement of noncurrent assets	2,784	4,309
Loss on step acquisitions	-	38,436
Increase (decrease) in allowance for doubtful accounts	615	(1,281)
Increase (decrease) in provision for retirement benefits	(1,137)	(145)
Interest and dividends income	(695)	(1,269)
Interest expenses	2,897	2,833
Equity in (earnings) losses of affiliates	597	(1,554)
Loss (gain) on sales of investment securities	23	(6,827)
Loss (gain) on valuation of investment securities	4	24
Increase (decrease) in provision for point service program	883	(5,426)
Decrease (increase) in prepaid pension costs	573	(78)
Decrease (increase) in prepaid expenses	(25,619)	(27,088)
Decrease (increase) in notes and accounts receivable-trade	8,029	17,074
Decrease (increase) in inventories	7,280	(7,695)
Increase (decrease) in notes and accounts payable-trade	(14,912)	(1,330)
Increase (decrease) in accounts payable-other	(35,264)	(31,510)
Increase (decrease) in accrued expenses	1,371	886
Increase (decrease) in advances received	2,670	(1,743)
Other, net	(1,773)	(10,836)
Subtotal	141,210	239,242
Interest and dividends income received	1,388	2,019
Interest expenses paid	(3,421)	(4,216)
Income taxes paid	(147,769)	(102,579)
Net cash provided by (used in) operating activities	(8,590)	134,465
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(77,341)	(79,194)
Proceeds from sales of property, plant and equipment	12	48
Purchase of intangible assets	(14,986)	(14,510)
Purchase of investment securities	(114)	(1,297)
Proceeds from sales of investment securities	1,358	16,943
Purchase of stocks of subsidiaries and affiliates	(820)	(3,622)
Purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	(525)	-
Proceeds from purchase of investments in subsidiaries and affiliates resulting in change in scope of consolidation	-	16,378
Purchase of long-term prepaid expenses	(7,562)	(13,755)
Other, net	(1,109)	(454)
Net cash provided by (used in) investing activities	(101,089)	(79,465)

(Amount unit: Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	38,184	177,150
Proceeds from long-term loans payable	24,000	-
Repayment of long-term loans payable	(449)	(60,732)
Redemption of bonds	-	(50,000)
Purchase of treasury stock	-	(14)
Cash dividends paid	(31,999)	(35,819)
Cash dividends paid to minority shareholders	(664)	(985)
Other, net	(1,769)	(5,118)
Net cash provided by (used in) financing activities	27,302	24,477
Effect of exchange rate change on cash and cash equivalents	1,324	1,280
Net increase (decrease) in cash and cash equivalents	(81,054)	80,757
Cash and cash equivalents at beginning of period	174,191	87,288
Cash and cash equivalents at end of period	93,137	168,046

(4) Notes Regarding Consolidated Financial Statements

(Going Concern Assumption)

None

(Material Changes in Shareholders' Equity)

None

(Segment Information, etc.)

(Segment Information)

I For the three months ended June 30, 2012 (April 1, 2012 to June 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)	Consolidation (Note 3)
	Personal Services	Value Services	Business Services	Global Services	Subtotal				
Sales									
Outside Sales	647,138	27,242	138,315	38,027	850,723	10,891	861,615	-	861,615
Intersegment Sales or Transfer	18,640	7,478	17,981	8,255	52,357	25,209	77,566	(77,566)	-
Total	665,779	34,721	156,297	46,282	903,080	36,101	939,182	(77,566)	861,615
Operating Income	65,065	10,086	15,182	1,384	91,719	2,562	94,281	(69)	94,211

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 operating income refers to elimination of intersegment transactions.
3. Operating income 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 three months ended June 30, 2013 (April 1, 2013 to June 30, 2013)

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	766,177	37,508	138,916	50,448	993,050	9,372	1,002,423	-	1,002,423
Intersegment Sales or Transfer	18,392	11,571	18,825	8,230	57,020	21,172	78,192	(78,192)	-
Total	784,569	49,079	157,742	58,678	1,050,070	30,544	1,080,615	(78,192)	1,002,423
Operating Income	135,215	13,608	25,493	2,228	176,546	2,332	178,879	(227)	178,652

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 operating income refers to elimination of intersegment transactions.
3. Operating income 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)

During the first quarter, we acquired additional shares in Jupiter Telecommunications Co., Ltd., converting this company to a subsidiary.

A total of ¥228,026 million in goodwill was generated in relation to this acquisition.

This provisional amount, calculated on the basis of reasonable information available at the time the consolidated financial statements dated June 30, 2013 were prepared, was recorded in “Personal Services.”

(Material profit from negative goodwill)
No significant items to be reported.

（Significant Subsequent Event）
None