

KDDI agrees on sale of DDI Pocket Inc.

KDDI today has reached agreement on the sale of PHS business of DDI Pocket Inc. ("Pocket"). Pocket is a consolidated subsidiary of KDDI. (This is an excerpt of the document filed to the Tokyo Stock Exchange on the same date. For the details of the deal, see the press release of June 21, 2004).

1. Selected Financial Data of Pocket

(yen in millions)

Years ended March 31	2002	2003	2004
Operating Revenues	211,008	197,578	184,016
Operating Profit	6,659	20,267	21,093
Ordinary Profit	3,035	17,741	19,010
Net Income	14,658	17,030	19,064
Total Assets	261,458	226,016	192,423
Total Shareholders' Equity	70	17,023	36,216

2. Estimated Financial Impacts on KDDI's Forecast for the Year Ending March 2005

(1) Gain and Loss on Sale of PHS Business:

(yen in millions)

	Consolidated	Non-consolidated
Sale of PHS Business	Gain of 31,000	Loss of 12,000

(2) Change of Forecasts by Deconsolidation of Pocket effective of October 1, 2004 including above Gain and Loss:

(yen in millions)

	Consolidated	Non-consolidated
Operating Revenues	Decrease of 83,000	-
Operating Profit	Decrease of 11,000	-
Ordinary Profit	Decrease of 11,000	-
Net Income	Increase of 23,000	Decrease of 8,000

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