
Data Book

Financial Results for the 1st Half of FY2017.3

November 1, 2016



Financial Results Summary (Consolidated)

Unit: Millions of Yen

Consolidated Statement	FY2016.3						FY2017.3				FY2017.3
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	1,046,577	1,105,178	2,151,755	1,147,276	1,167,104	4,466,135	1,130,453	1,171,128	2,301,581	49.0%	4,700,000
Operating income *2	230,998	220,432	451,430	221,012	160,141	832,583	275,112	257,524	532,636	60.2%	885,000
Operating Margin *2	22.1%	19.9%	21.0%	19.3%	13.7%	18.6%	24.3%	22.0%	23.1%	-	18.8%
Profit for the period attributable to owners of the parent *2	143,949	133,510	277,459	131,027	86,393	494,878	167,105	159,043	326,148	60.4%	540,000
Total Assets *1 *2	5,558,485	-	5,575,561	5,591,826	-	5,880,623	5,839,250	-	6,008,545	-	-
Total Equity *1 *2	3,278,232	-	3,413,765	3,474,737	-	3,546,856	3,573,356	-	3,669,479	-	-
Ratio of equity attributable to owners of the parent to total assets *1 *2	56.4%	-	58.4%	59.0%	-	56.3%	57.2%	-	56.9%	-	-
Equity per share attributable to owners of the parent *1 *2	¥1,252	-	¥1,300	¥1,318	-	¥1,329	¥1,347	-	¥1,392	-	-
Free cash flows	(80,136)	221,831	141,695	56,455	18,471	216,621	127,728	312,264	439,991	-	350,000
Depreciation *2	131,202	134,532	265,735	133,808	132,899	532,442	137,335	137,138	274,472	47.8%	574,000
Retirement of fixed assets	5,294	4,339	9,633	7,602	22,838	40,073	2,866	5,258	8,123	38.7%	21,000
Capex (cash flow basis)	144,937	110,118	255,055	108,790	167,589	531,434	87,860	96,099	183,959	32.8%	560,000
EBITDA	367,495	360,293	727,788	362,421	320,761	1,410,971	415,317	400,143	815,460	55.1%	1,480,000
EBITDA margin	35.1%	32.6%	33.8%	31.6%	27.5%	31.6%	36.7%	34.2%	35.4%	-	31.5%
Interest bearing debt *1	1,274,071	-	1,066,840	1,091,591	-	1,235,287	1,230,974	-	1,190,036	-	-
Net debt *1	1,075,352	-	871,188	911,908	-	1,043,087	1,084,043	-	852,706	-	-
Debt / EBITDA Ratio	-	-	-	-	-	0.88	-	-	-	-	-
Debt / Equity Ratio *1 *2	0.41	-	0.33	0.33	-	0.37	0.37	-	0.35	-	-

*1 These figures are as of the end of each fiscal quarter or year

*2 Provisional accounting treatment was applied for the business combination conducted in the 4Q/FY2016.3 and the data has been replaced with confirmed values in the 1Q/FY2017.3.

As a result, we have changed the 4Q and full-year figures for FY2016.3 in this material.

(Ref) "Financial Statements Summary for the Six-month period ended September 30, 2016" 4. Business combination (PP.30-31)

Financial Results Summary (Personal Services / Value Services)

Unit: Millions of Yen

Personal Services segment	FY2016.3						FY2017.3				FY2017.3
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	814,576	867,975	1,682,551	916,125	904,578	3,503,255	868,461	901,217	1,769,677	49.9%	3,550,000
Revenue from external customers	791,226	843,339	1,634,564	891,608	878,376	3,404,547	843,987	875,889	1,719,876	49.9%	3,450,000
Inter-segment revenue or transfers	23,350	24,637	47,987	24,518	26,203	98,707	24,473	25,328	49,801	49.8%	100,000
Operating income	179,213	172,213	351,426	173,576	131,581	656,584	220,534	202,709	423,243	61.3%	690,000
Depreciation	115,462	118,336	233,798	118,358	116,756	468,913	118,125	118,266	236,391	48.4%	488,000
Retirement of fixed assets	5,103	3,656	8,758	6,907	20,381	36,047	2,582	5,041	7,624	34.7%	22,000
EBITDA	299,778	294,205	593,983	298,842	269,842	1,162,666	341,242	326,016	667,258	55.6%	1,200,000
EBITDA margin	36.8%	33.9%	35.3%	32.6%	29.8%	33.2%	39.3%	36.2%	37.7%	-	33.8%

Unit: Millions of Yen

Value Services segment	FY2016.3						FY2017.3				FY2017.3
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	61,795	64,244	126,039	65,349	80,375	271,763	103,535	105,663	209,199	47.5%	440,000
Revenue from external customers	44,137	45,923	90,060	46,285	61,585	197,930	84,745	85,951	170,697	46.8%	365,000
Inter-segment revenue or transfers	17,658	18,322	35,979	19,064	18,790	73,833	18,790	19,712	38,502	51.3%	75,000
Operating income *	18,365	18,235	36,601	19,801	16,626	73,028	25,354	25,640	50,994	56.7%	90,000
Depreciation *	2,311	2,580	4,891	2,578	3,481	10,949	4,955	4,980	9,935	49.7%	20,000
Retirement of fixed assets	20	407	427	69	1,000	1,496	161	128	289	-	-
EBITDA	20,697	21,222	41,919	22,447	21,129	85,495	30,470	30,747	61,217	55.7%	110,000
EBITDA margin	33.5%	33.0%	33.3%	34.3%	26.3%	31.5%	29.4%	29.1%	29.3%	-	25.0%

* Provisional accounting treatment was applied for the business combination conducted in the 4Q/FY2016.3

and the data has been replaced with confirmed values in the 1Q/FY2017.3.

As a result, we have changed the 4Q and full-year figures for FY2016.3 in this material.

(Ref) "Financial Statements Summary for the Six-month period ended September 30, 2016" 4. Business combination (PP.30-31)

Financial Results Summary (Business Services / Global Services)

Unit: Millions of Yen

Business Services segment	FY2016.3						FY2017.3				FY2017.3
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	151,184	158,741	309,925	152,493	169,615	632,032	151,396	156,693	308,089	48.5%	635,000
Revenue from external customers	129,039	135,548	264,587	132,279	148,826	545,692	130,174	133,874	264,048	48.4%	545,000
Inter-segment revenue or transfers	22,145	23,193	45,338	20,214	20,789	86,340	21,222	22,819	44,041	48.9%	90,000
Operating income	20,081	19,487	39,569	19,982	1,886	61,436	20,279	18,994	39,274	62.3%	63,000
Depreciation	10,832	11,044	21,876	10,261	10,118	42,254	11,170	11,151	22,321	48.5%	46,000
Retirement of fixed assets	114	263	377	556	1,355	2,288	118	81	198	19.8%	1,000
EBITDA	31,027	31,780	62,808	30,799	15,844	109,450	31,567	30,226	61,793	56.2%	110,000
EBITDA margin	20.5%	20.0%	20.3%	20.2%	9.3%	17.3%	20.9%	19.3%	20.1%	-	17.3%

Unit: Millions of Yen

Global Services segment	FY2016.3						FY2017.3				FY2017.3
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	76,765	76,092	152,856	70,274	71,279	294,409	65,780	67,928	133,708	43.1%	310,000
Revenue from external customers	68,712	68,145	136,857	62,507	63,076	262,440	58,953	61,193	120,147	42.9%	280,000
Inter-segment revenue or transfers	8,053	7,947	15,999	7,766	8,203	31,969	6,826	6,735	13,561	45.2%	30,000
Operating income	11,302	8,618	19,920	5,674	6,551	32,145	7,160	7,566	14,726	43.3%	34,000
Depreciation	2,742	2,696	5,438	2,774	2,673	10,885	3,303	2,961	6,263	44.7%	14,000
Retirement of fixed assets	2	10	12	46	89	147	4	5	9	-	-
EBITDA	14,046	11,324	25,370	8,494	10,564	44,428	10,466	10,703	21,170	44.1%	48,000
EBITDA margin	18.3%	14.9%	16.6%	12.1%	14.8%	15.1%	15.9%	15.8%	15.8%	-	15.5%

Financial Results Summary (Others)

Unit: Millions of Yen

Others	FY2016.3						FY2017.3				FY2017.3
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	Progress	Total (Forecast)
Operating revenue	41,768	41,888	83,656	42,285	47,534	173,474	41,655	42,419	84,073	-	-
Revenue from external customers	13,463	12,224	25,687	14,597	15,241	55,525	12,593	14,221	26,814	-	-
Inter-segment revenue or transfers	28,305	29,664	57,969	27,687	32,293	117,950	29,062	28,198	57,260	-	-
Operating income	2,066	1,847	3,914	2,273	4,107	10,294	2,252	2,758	5,010	-	-
Depreciation	387	425	812	403	460	1,675	400	411	811	-	-
Retirement of fixed assets	55	3	58	23	14	95	1	3	4	-	-
EBITDA	2,510	2,279	4,789	2,700	4,582	12,071	2,658	3,223	5,880	-	-
EBITDA margin	6.0%	5.4%	5.7%	6.4%	9.6%	7.0%	6.4%	7.6%	7.0%	-	-

Revenue from external customers by Segment

Unit: Millions of Yen

Personal Services segment	FY2016.3						FY2017.3				FY2017.3
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	Progress	Total (Forecast)
Revenue from external customers	791,226	843,339	1,634,564	891,608	878,376	3,404,547	843,987	875,889	1,719,876	49.9%	3,450,000
au ARPA revenues * 1	432,263	439,515	871,778	441,380	441,680	1,754,837	446,953	447,205	894,158	50.5%	1,770,000
Fixed-line communications fee revenues	176,439	178,176	354,615	178,837	180,159	713,611	179,721	181,024	360,745	50.1%	720,000
Handset revenues, repair revenues, etc.	150,312	187,855	338,167	228,411	213,497	780,074	174,613	201,038	375,651	48.2%	780,000
Others	32,212	37,792	70,004	42,980	43,040	156,025	42,700	46,622	89,321	49.6%	180,000

Unit: Millions of Yen

Value Services segment	FY2016.3						FY2017.3				FY2017.3
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	Progress	Total (Forecast)
Revenue from external customers	44,137	45,923	90,060	46,285	61,585	197,930	84,745	85,951	170,697	46.8%	365,000
Value-added ARPA revenues * 2	33,137	33,054	66,191	34,242	36,743	137,177	35,899	37,996	73,895	47.7%	155,000
Others	11,000	12,868	23,869	12,043	24,842	60,754	48,847	47,955	96,802	46.1%	210,000

Unit: Millions of Yen

Business Services segment	FY2016.3						FY2017.3				FY2017.3
	1Q	2Q	1H	3Q	4Q	Total	1Q	2Q	1H	Progress	Total (Forecast)
Revenue from external customers	129,039	135,548	264,587	132,279	148,826	545,692	130,174	133,874	264,048	48.4%	545,000
Mobile	54,995	56,838	111,834	57,082	62,533	231,449	55,624	56,333	111,957	48.7%	230,000
Fixed-line	70,009	72,975	142,984	69,862	78,583	291,428	68,738	70,518	139,256	48.0%	290,000
Others	4,035	5,735	9,769	5,335	7,710	22,815	5,812	7,023	12,835	51.3%	25,000

* 1 Personal Services segment basis. Mobile communications revenues, excluding MVNO and prepaid

* 2 Value Services segment basis.

“au Simple Payment” and “au WALLET” settlement commissions + Sales from KDDI services, such as “au Smart Pass,” product sales, and advertising revenues, etc.

Major Operational Data

Consolidated basis

Subscriptions			FY2016.3				FY2017.3		Mar-17 (Forecast)
			Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	
Mobile	au	(Thousand)	44,074	44,640	45,241	45,910	46,590	47,237	48,710
	UQ WiMAX	(Thousand)	11,241	13,159	15,689	18,048	19,815	21,626	

Personal Services segment / Value Services segment

Subscriptions			FY2016.3				FY2017.3		Mar-17 (Forecast)	
			Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16		
Mobile	au	(Thousand)	37,001	37,435	37,844	38,236	38,457	38,575	39,236	
	au smartphone penetration rate	* 1 (%)	55.1	56.0	57.0	58.2	58.9	59.8		
Fixed-line	FTTH	(Thousand)	3,508	3,573	3,643	3,699	3,752	3,793		
		Households applicable to RGU (Thousand)	4,938	4,979	5,025	5,052	5,213	5,245		
	CATV	RGU (Thousand)	10,086	10,229	10,375	10,461	10,760	10,853		
		Bundle ratio	2.04	2.05	2.06	2.07	2.06	2.07		
Mobile Devices per person			(Units)	1.385	1.395	1.405	1.414	1.421	1.425	1.436
au Smart Value	au subscriptions	(Thousand)	9,840	10,370	10,920	11,550	11,830	12,120		
	Households	(Thousand)	4,840	5,140	5,450	5,720	5,850	6,010		
au Smart Pass			(Thousand)	13,190	13,610	14,020	14,470	14,640	14,870	

Personal Services segment / Value Services segment

Indicators * 1			FY2016.3					FY2017.3		FY2017.3 Total (Forecast)	
			1Q	2Q	3Q	4Q	Total	1Q	2Q		
Total ARPA	(Yen)		6,030	6,130	6,160	6,210	6,130	6,280	6,340	6,230	
	au ARPA	* 2 (Yen)	5,600	5,700	5,720	5,730	5,690	5,810	5,840	5,730	
	Value-added ARPA	* 3 (Yen)	430	430	440	480	440	470	500	500	
au churn rate			(%)	0.72	0.83	0.91	1.07	0.88	0.77	0.72	
Number of units sold			(Thousand)	2,050	2,300	2,600	2,430	9,380	1,930	2,080	8,900
of smartphones			(Thousand)	1,600	1,810	2,200	2,010	7,620	1,610	1,770	7,300
Number of units shipped			(Thousand)	1,940	2,250	2,640	2,270	9,100	1,800	2,120	8,900

- * 1 Definitions of au smartphone penetration rate, au churn rate, number of units sold, and number of units shipped :
au subscriptions based on standard mobile device (smartphone, feature phone (prepaid service included)) of Personal Services segment
- * 2 Personal Services segment basis. Mobile communications revenues, excluding MVNO and prepaid ÷ au customers
- * 3 Value-added ARPA revenues in Value Services segment. ("au Simple Payment" and "au WALLET" settlement commissions + Sales from KDDI services, such as "au Smart Pass," product sales, and advertising revenues, etc.) ÷ au customers

Disclaimer

Statements made in these documents with respect to the KDDI Group's performance targets, projected subscriber numbers, future forecasts and strategies that are not historical facts are forward-looking statements about the future performance of the KDDI Group, based on company's assumptions and beliefs in light of the information available at the time they were made. They therefore include certain risks and uncertainties. Actual results can differ from these statements due to reasons including, but not limited to, domestic and overseas economic trends, competitive position, formulation, revision or abolition of laws and ordinances, regulations or systems, government actions or intervention and the success or lack thereof of new services.

Consequently, please understand that there is a possibility that actual performance, subscriber numbers, strategies and other information may differ significantly from the forecast information contained in these materials or other envisaged situations.