

# Financial Results for the 1<sup>st</sup> Quarter of the Fiscal Year Ending March 2018

(from April to June 2017)

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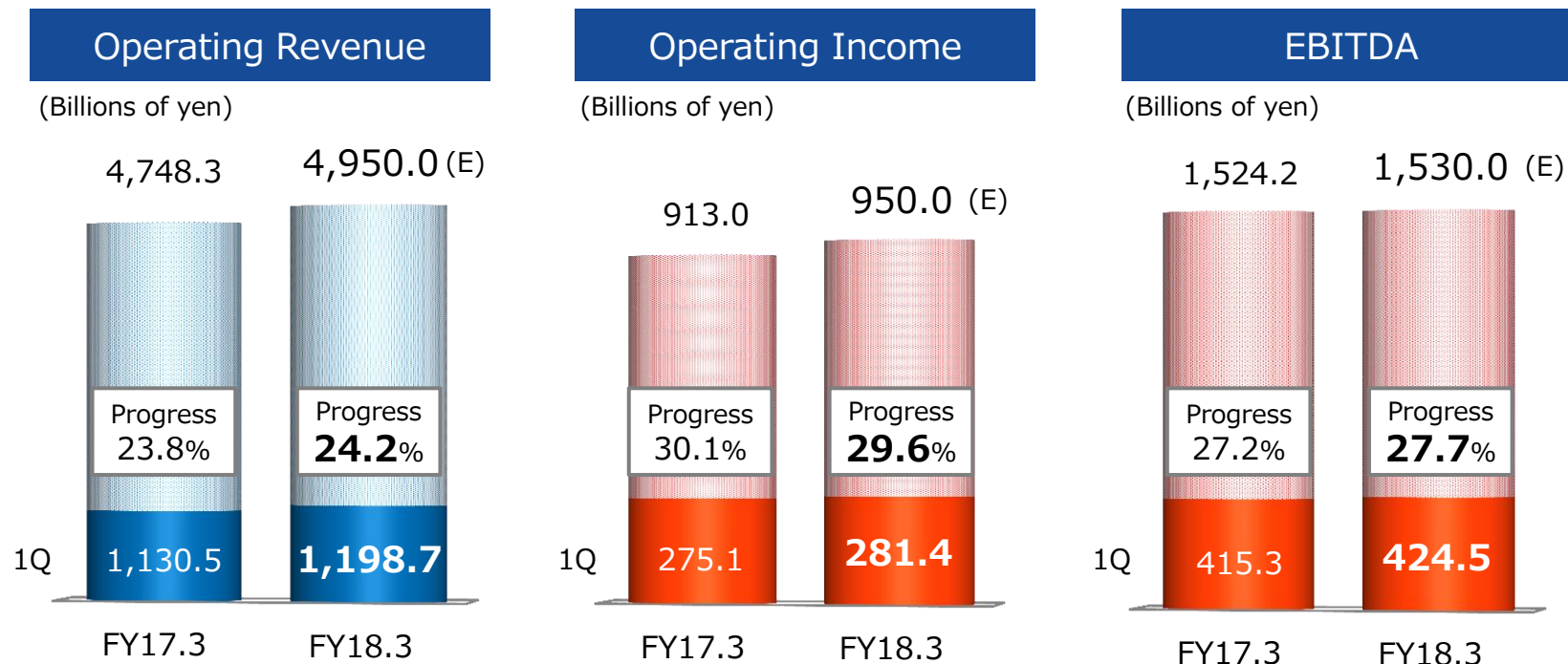
August 1, 2017

KDDI Corporation



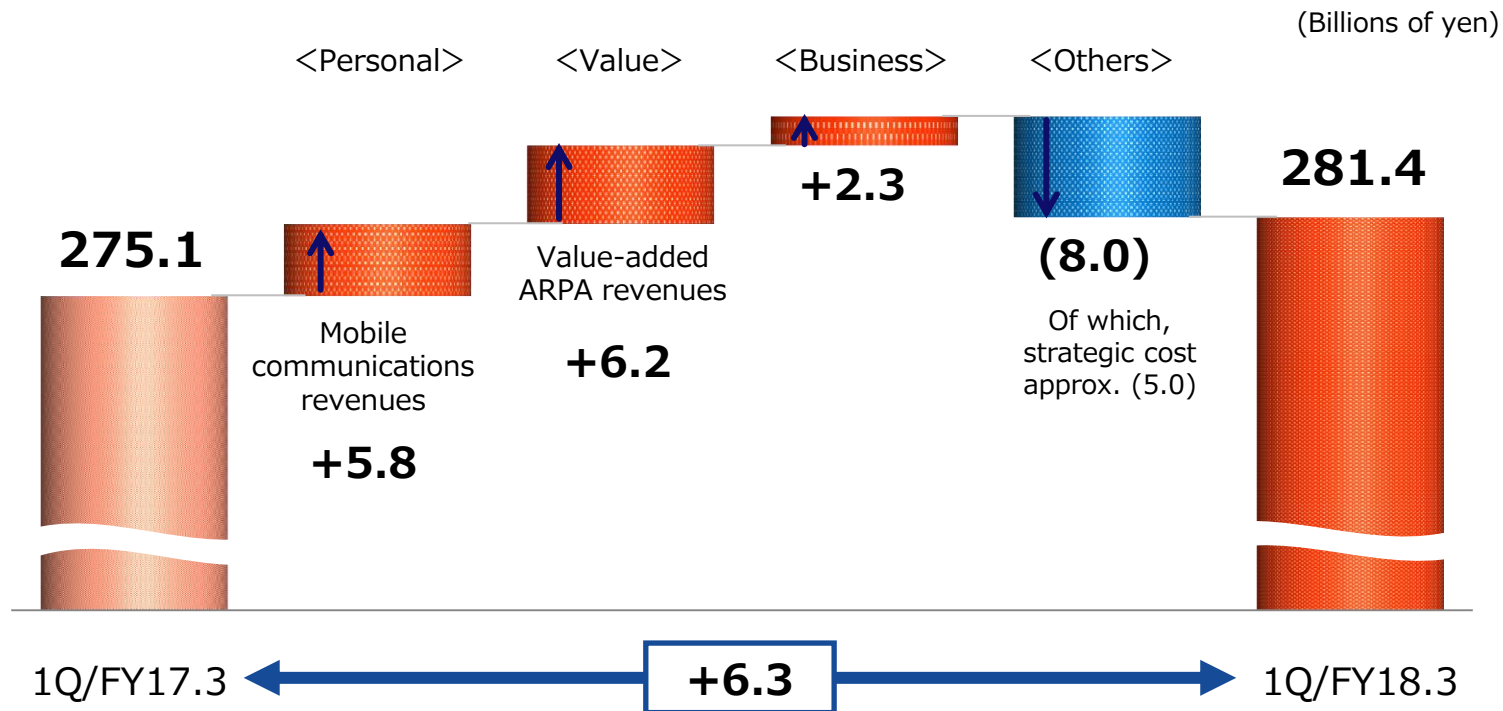
# Highlights of 1Q Performance

## Steady Progress towards Full-Year Forecasts



# Operating Income: Factor for Change, YOY for 1Q/FY18.3

## Promoting Measures for Growth Next Year and Beyond



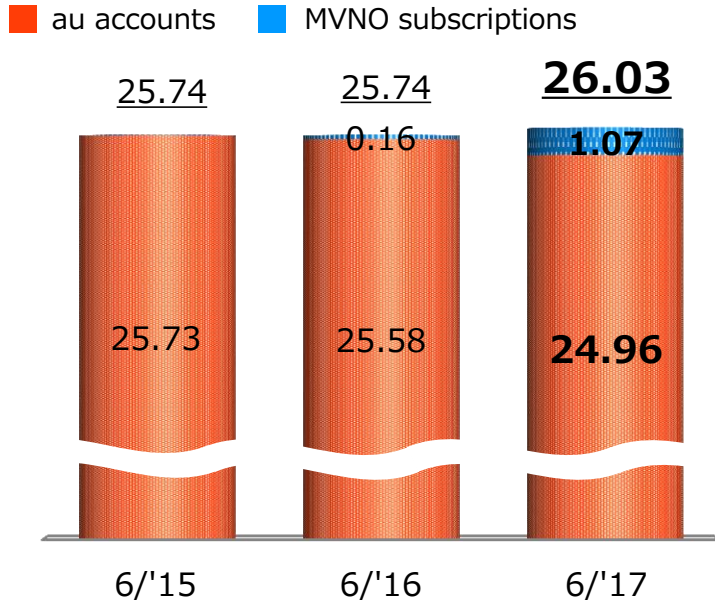
Note) <Personal> the Personal Services segment <Value> the Value Services segment <Business> the Business Services segment

# Mobile IDs / Mobile Communications Revenues

## Stable Growth of Communications Revenues Due to Expansion of IDs Across the Entire Consolidated Group

Mobile IDs\*<sup>1</sup>

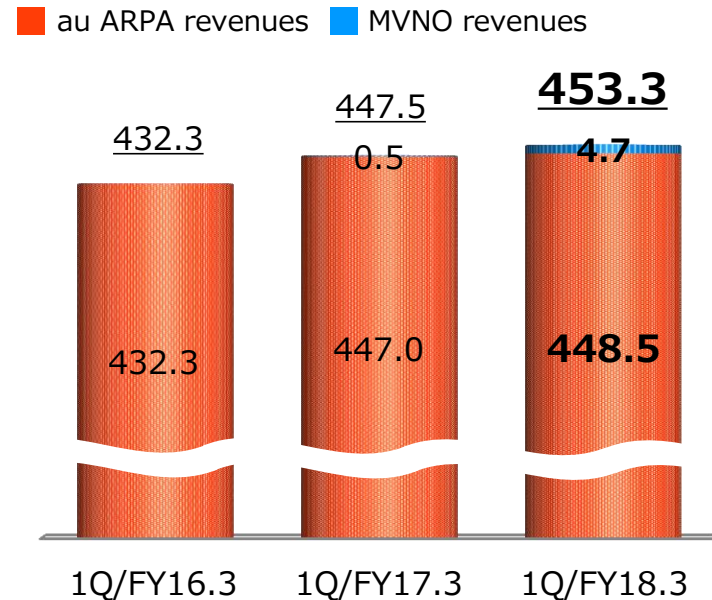
(Millions)



\*1) au accounts + MVNO subscriptions

Mobile Communications Revenues\*<sup>2</sup>

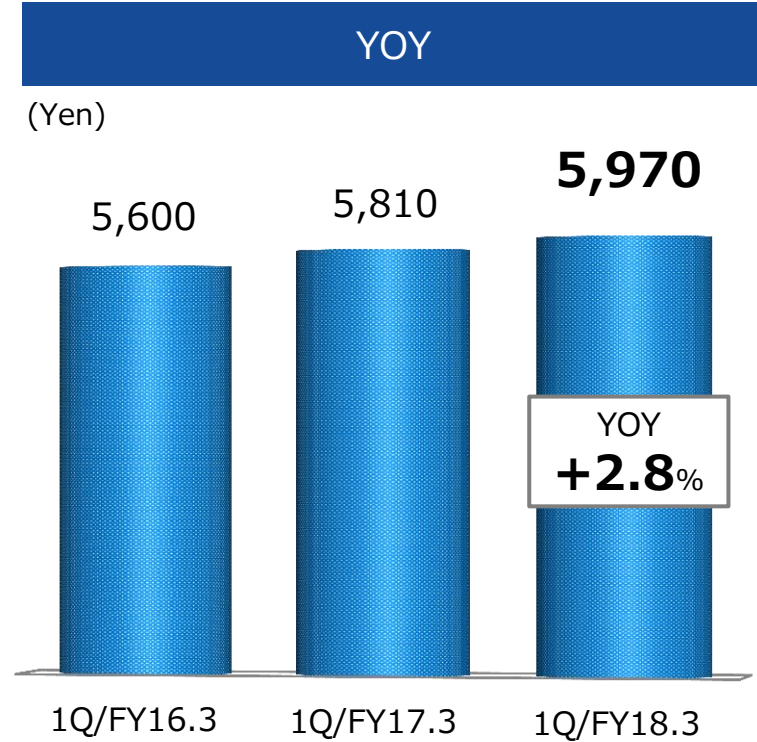
(Billions of yen)



\*2) au ARPA revenues + MVNO revenues

# au ARPA

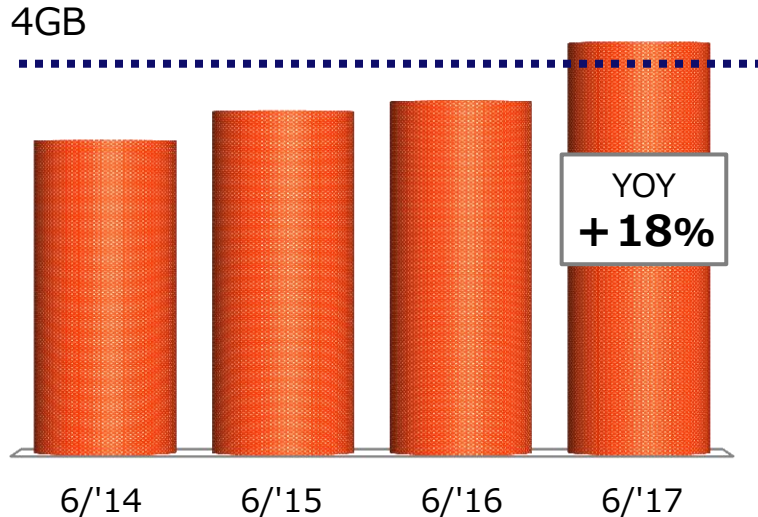
## Steady Growth



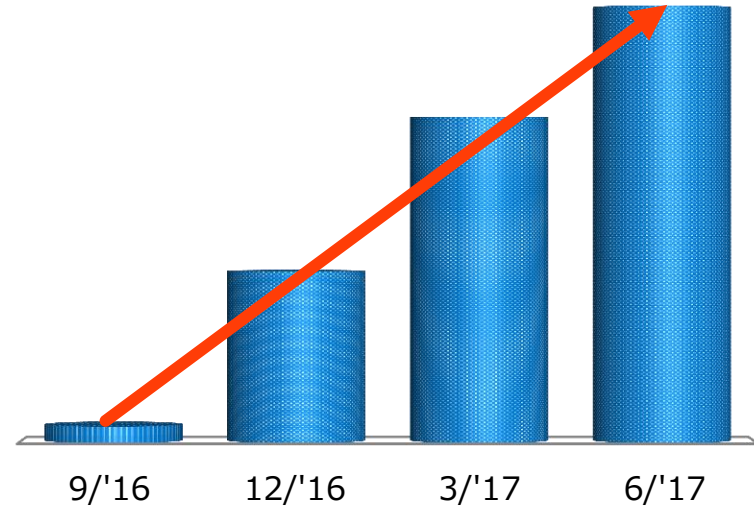
# Demand for High-Volume Data

Data Usage Increasing Steadily.  
Promoting 20GB Plan among the Core Customer Segment

Average Monthly Data Usage



Subscriptions of 20/30GB Plan



Note) au 4G LTE smartphone

## Strengthen Retention of Customers by Enhancing Customer Experience Value



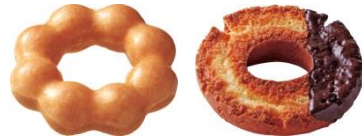
July 2017

Gift of a Double Cheeseburger  
from McDonald's for  
au smartphone users



August 2017

Gift from Mister Donut  
for au STAR\*/au Smart Pass  
Premium members

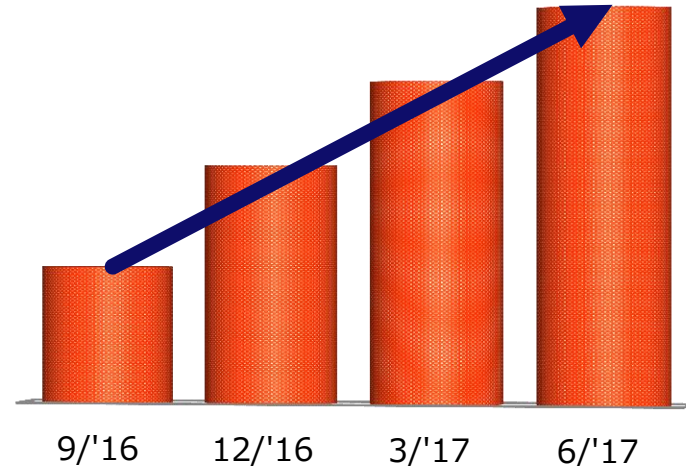


Note) For details, please refer to the company website

\*For smartphone customers

Members

Over 10 Millions  
(as of July 6, 2017)



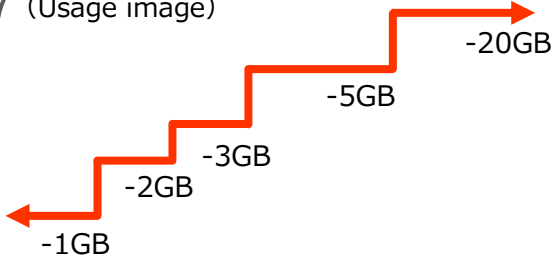
# New Price Plan

## Launched New Price Plan Eliminating Data Waste in Accordance with Customers' Usage

### au Pitatto Plan

(au Smart Value applied)

(Usage image)



Data communication up to 1GB  
per month by campaign,

**¥1,980/month**<sup>\*1</sup> for 1 year

### au Flat Plan

(au Smart Value applied)

Including voice calls<sup>\*2</sup>  
and **20GB** of data  
communication

by campaign,

**¥4,500/month**<sup>\*1</sup>

for 1 year

### Upgrade Program EX

Program charge of ¥390/month  
paid over 24 months enables  
installment payments to be  
reduced by up to half<sup>\*3</sup>

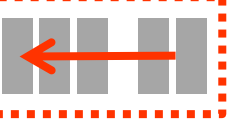
Join Upgrade  
Program EX



...



24 times



\*1) "Each plan (Super Kakeho)" and "Everybody discount" are applied. This plan is not available when making a new contract or upgrading models involving purchase of iPhone 7/iPhone 7 Plus/iPhone 6s/iPhone 6s Plus/iPhone SE/iPhone 6/iPhone 6 Plus/iPhone 5s/iPhone 5c/iPhone 5. However, customers who already use one of the above iPhones may subscribe to this plan by changing their rate plan. The iPhone trademark is used under license from Aiphone Co., Ltd

\*2) Eligible for domestic calls of five minutes or less. Exclude certain calls

\*3) Reduction amount changes depending on the month of upgrade

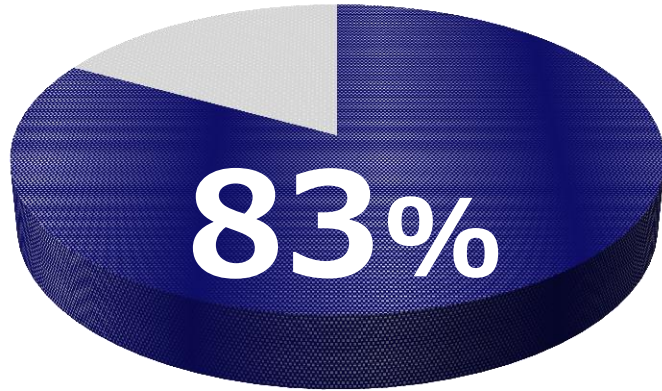
Note) Indicated figures exclude taxes. Conditions apply



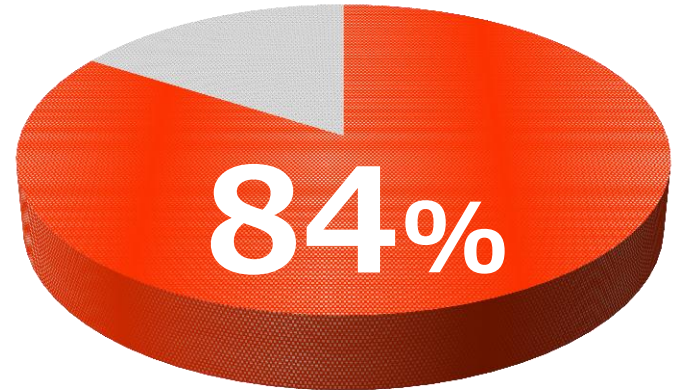
## New Price Plan

# More Than 450,000 Customers Chose New Price Plan, within a Half Month from Launch

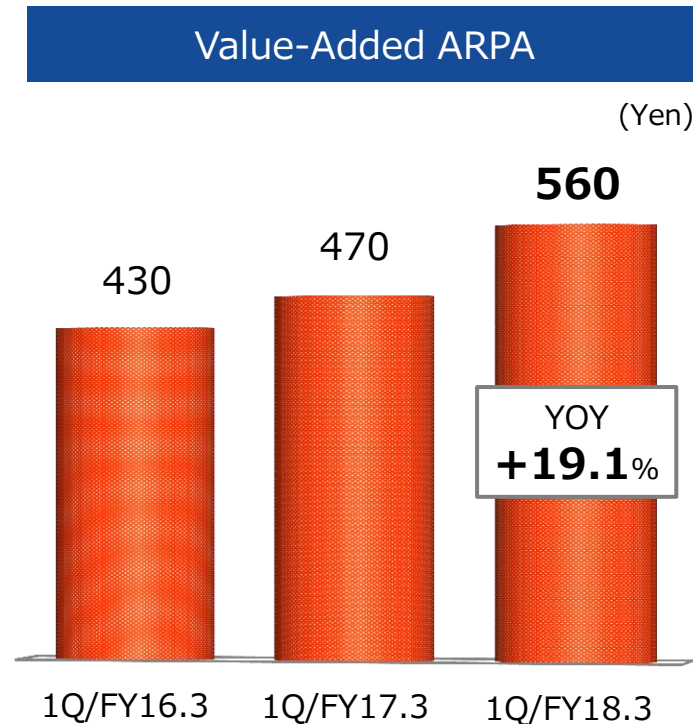
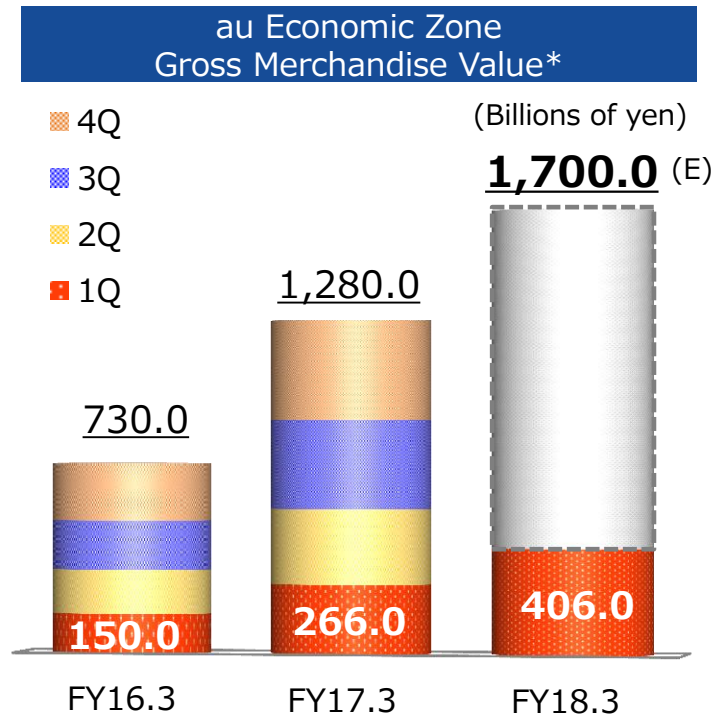
More than 80% of handset  
purchasers chose new price plan



More than 80% of customers with  
installment option subscribed  
for Upgrade Program EX



## Substantial Growth for YOY



\* Including Jupiter Shop Channel and energy business, etc.

## Driving Premium Service and Increasing Subscribers Steadily

### auスマートパスプレミアム

(au Smart Pass Premium)

Summer campaign now underway

For maximum 3 months\*1

~~¥499~~/month → **¥372**/month

Special offers  
for members

Good Thing  
Everyday 月 火 水 木 金 土 日

Security  
functions

Data Recovery Support  
Wi-Fi Security

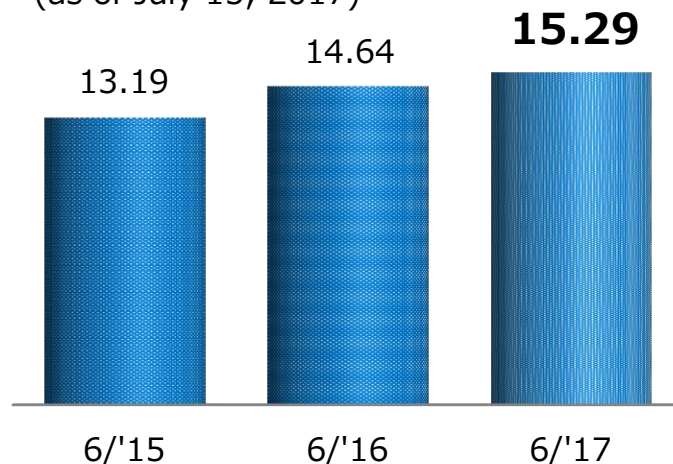
Members\*2

Of which, au Smart Pass Premium

Over **1.5M** members

(as of July 15, 2017)

(Millions)

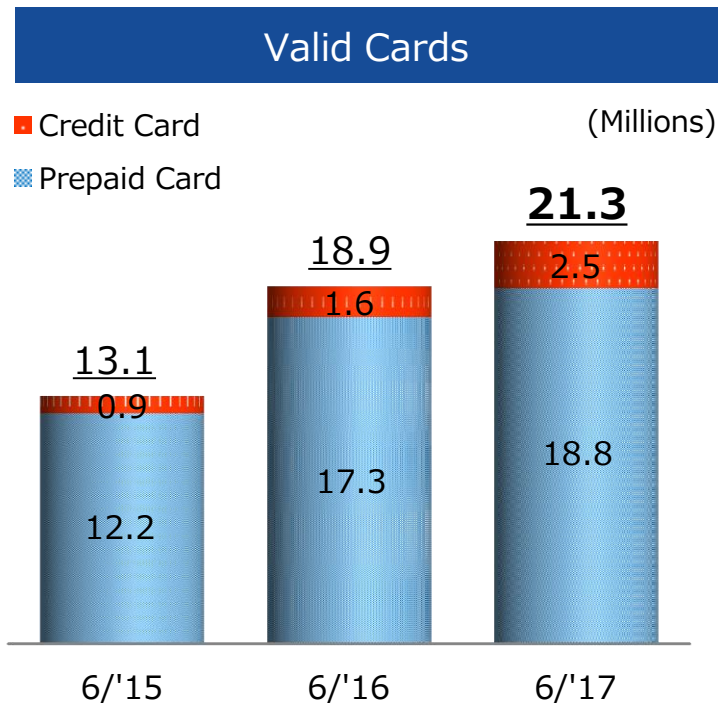


Note) Indicated figures exclude tax

\*1) Only for first-time subscribers. For details, please refer to the company website

\*2) Total of au Smart Pass and au Smart Pass Premium

## Number of Cards Increasing. Further Strengthening Usability



**Prepaid card became available for Apple Pay, in addition to credit card**

(Launched on July 4, 2017)

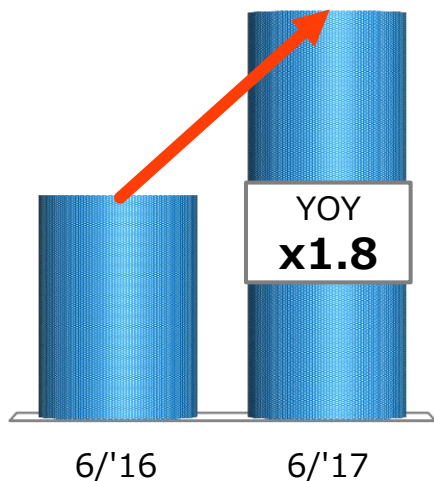


Note) "Apple Pay" is a trademark of Apple Inc. in the United States and other countries

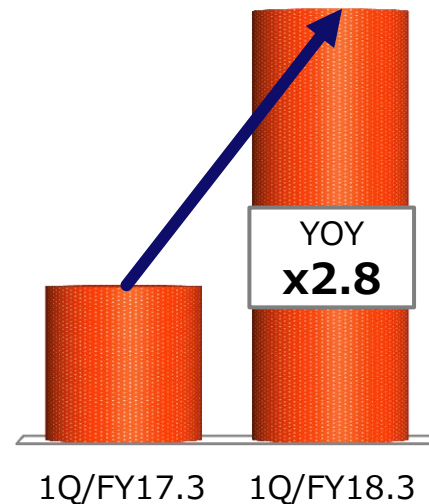
# Wowma!

## Steady Expansion

Shops

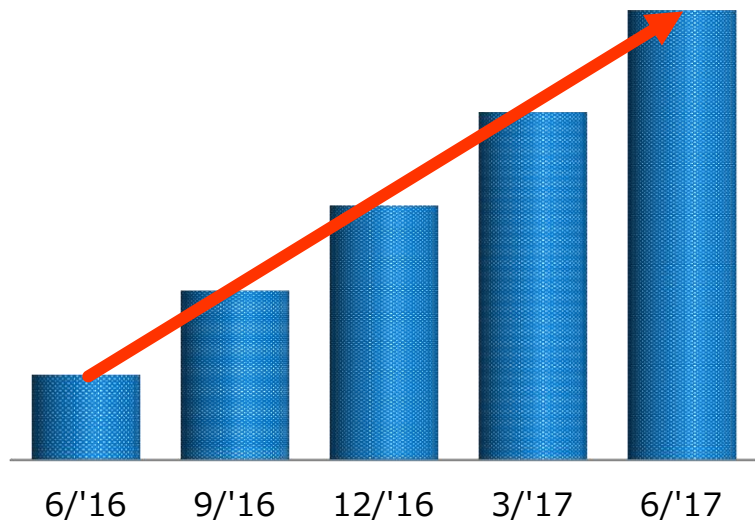


Merchandise Value



## Steady Increase in Subscriptions. Enhancing Links with Smartphones

Subscriptions\*



## Links with Smartphone App

Started distribution of blackout information through “au Denki app” (from June 29, 2017)



\*Consumers on meter rate lighting basis. Include “Cable Plus Denki”

# Telecommunication Business in Myanmar

## Subscriptions Increased Four Times in Three Years, Promoting LTE for Full Roll-Out

### Total Subscriptions

**4 times**

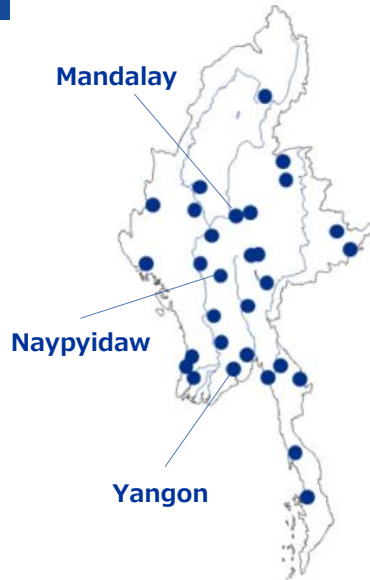
from the date  
of JO contract

Approx.  
**24M**

Approx.  
**6M**

7/'14

6/'17



Newly obtained 1.8GHz band license  
Launched in 3 major cities from end of May  
Develop to over 30 cities by end of September

**First<sup>\*1</sup> in Myanmar**  
**by the 4x4 MIMO Technology,**  
**Realized max. 150Mbps<sup>\*2</sup>**

\*1) KDDI own research (as of June 19, 2017)

\*2) This is a "best effort service." The speed presented is the maximum value possible under the technical standard and does not denote actual speeds in practice. Even within the coverage area, subscribers may find the service available at significantly reduced speed depending on their usage environment and the status of their connection

# Summary

## Promoting Business Strategies in Japan and Overseas for the Medium-Term Targets

1Q  
Results  
[Consolidated]

- Steady progress towards full-year forecasts
- Promoting measures for growth next year and beyond

Business  
Strategy

- Steady growth of domestic telecom business
- Promoting Life Design business for expansion of au Economic Zone
- Full roll-out of LTE in telecom business in Myanmar



# 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.

*Designing The Future*

**KDDI**

あたらしい自由。

*au*