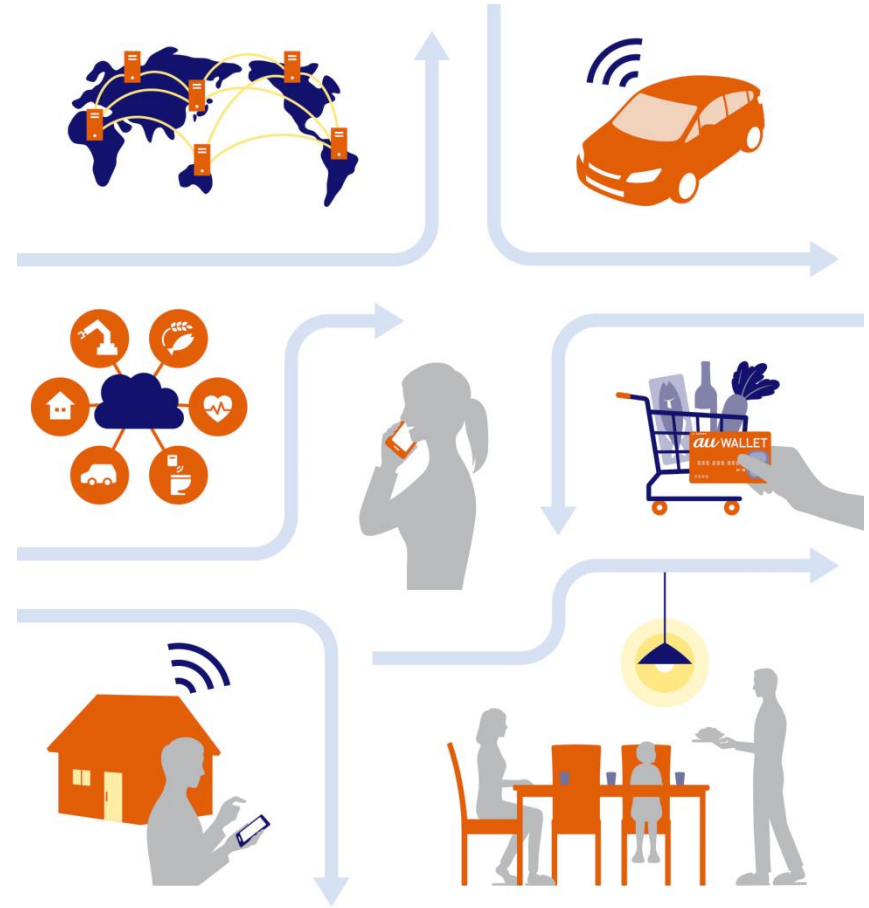


# Financial Results for the 3rd Quarter of the Fiscal Year Ending March 2018

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January 31, 2018

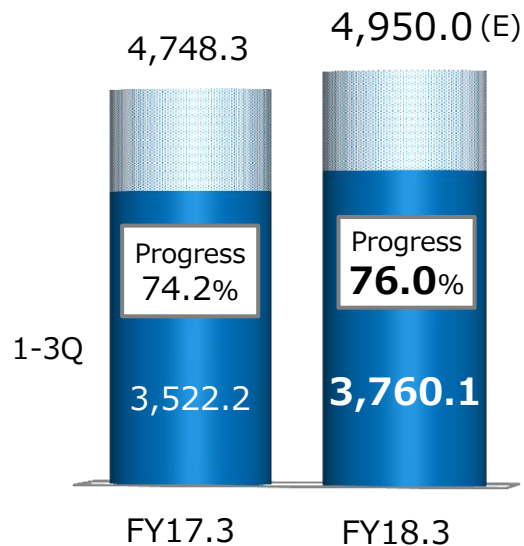
KDDI Corporation



## Steady Progress towards Full-Year Forecasts

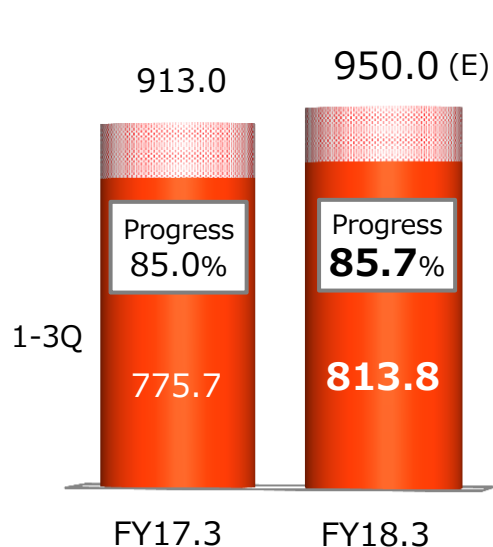
## Operating Revenue

(Billions of yen)



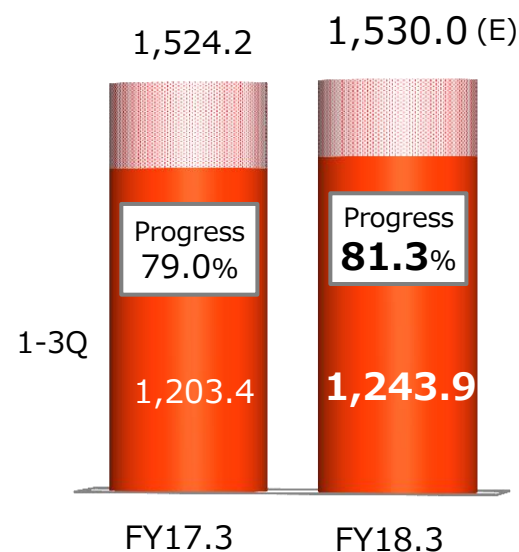
## Operating Income

(Billions of yen)



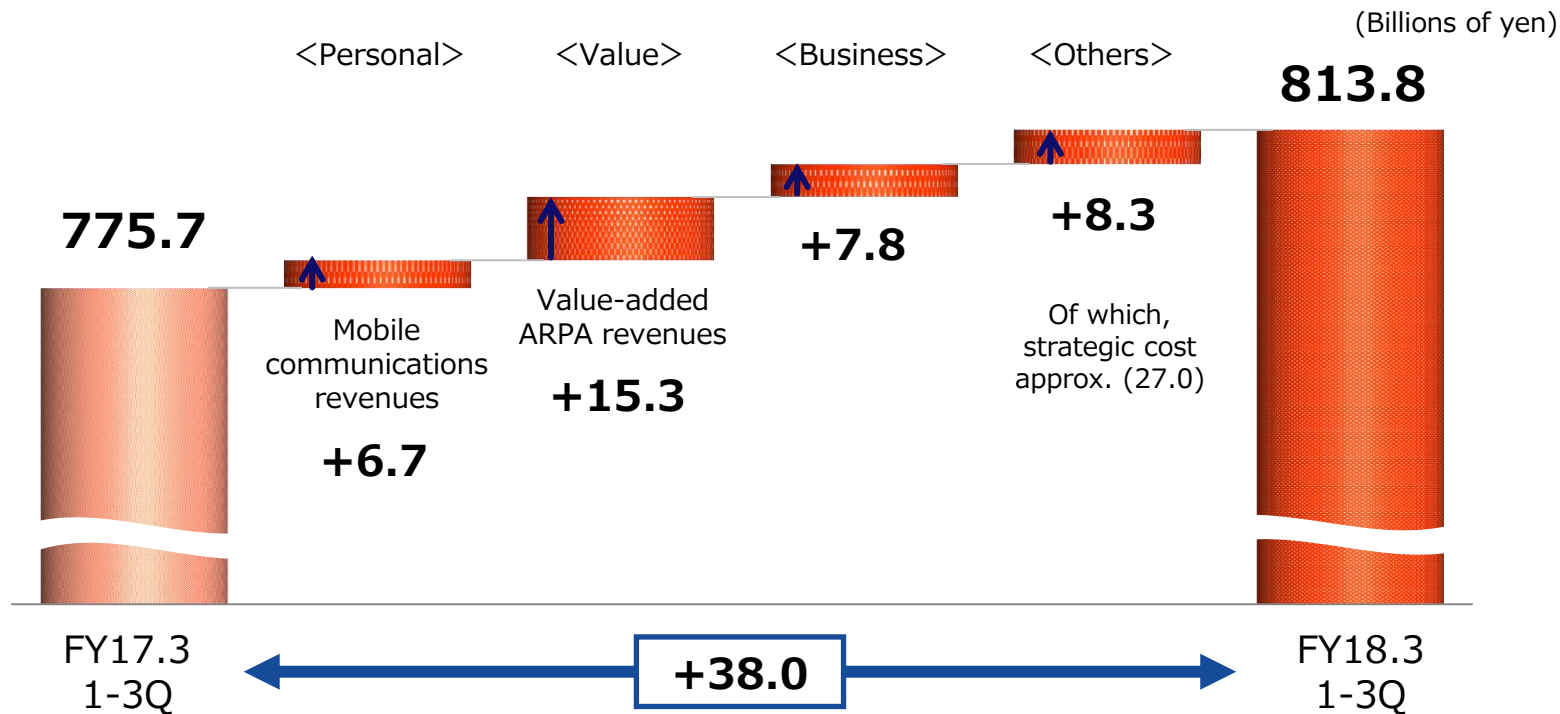
## EBITDA

(Billions of yen)



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

## Promoting Measures for Growth Next Year and Beyond



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

## The Number of Subscribers Increased Significantly, the Selectivity of High Volume Data Plan Also Increased

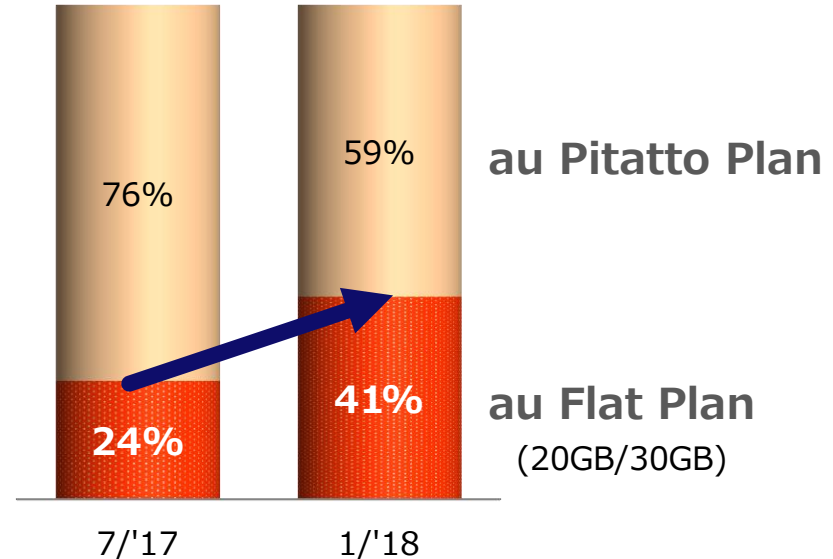
### Cumulative Subscribers

Exceeded **5** millions  
(as of January 21)



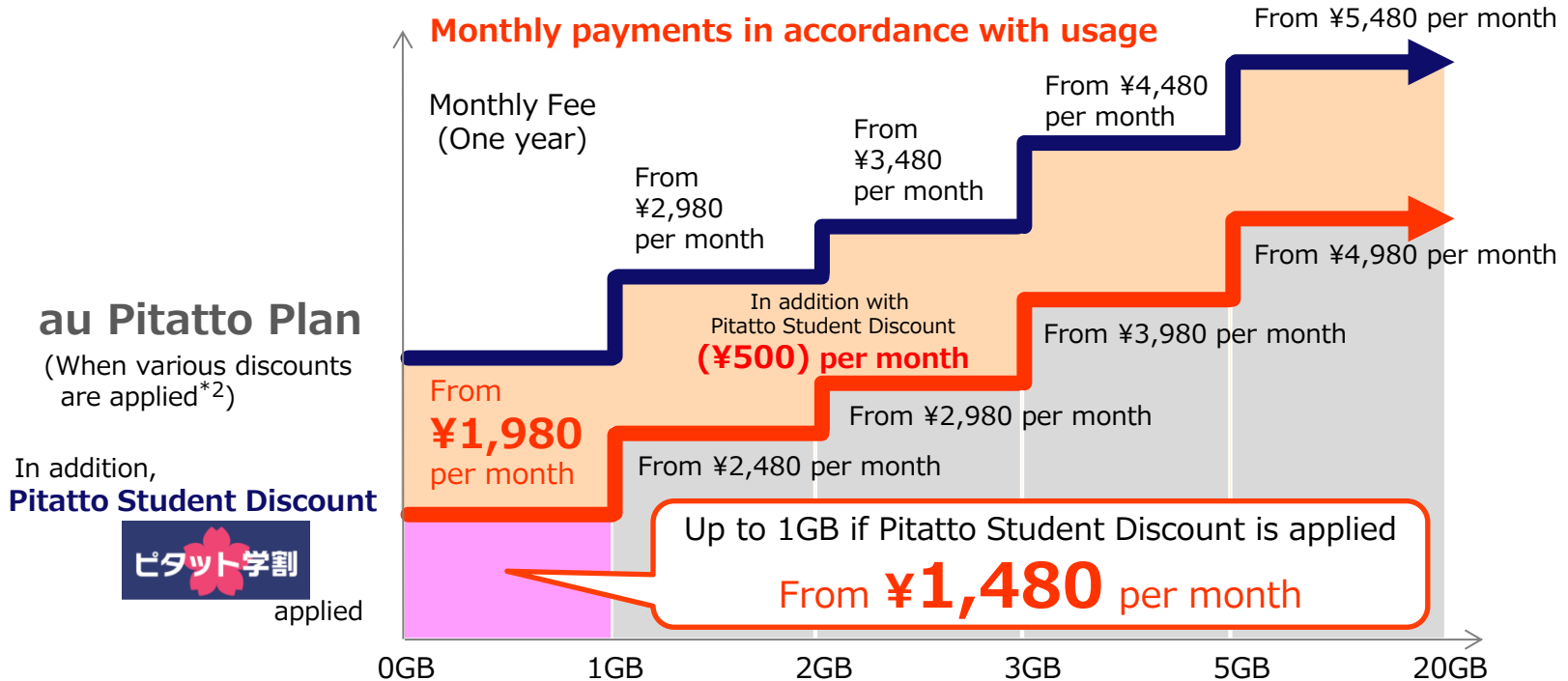
Around one in four of  
au smartphone users  
signed up to  
new price plans

### Selectivity\*



# Pitatto Student Discount

## Customers Can Use a Smartphone for One Year at Just ¥1,480 per Month\*1



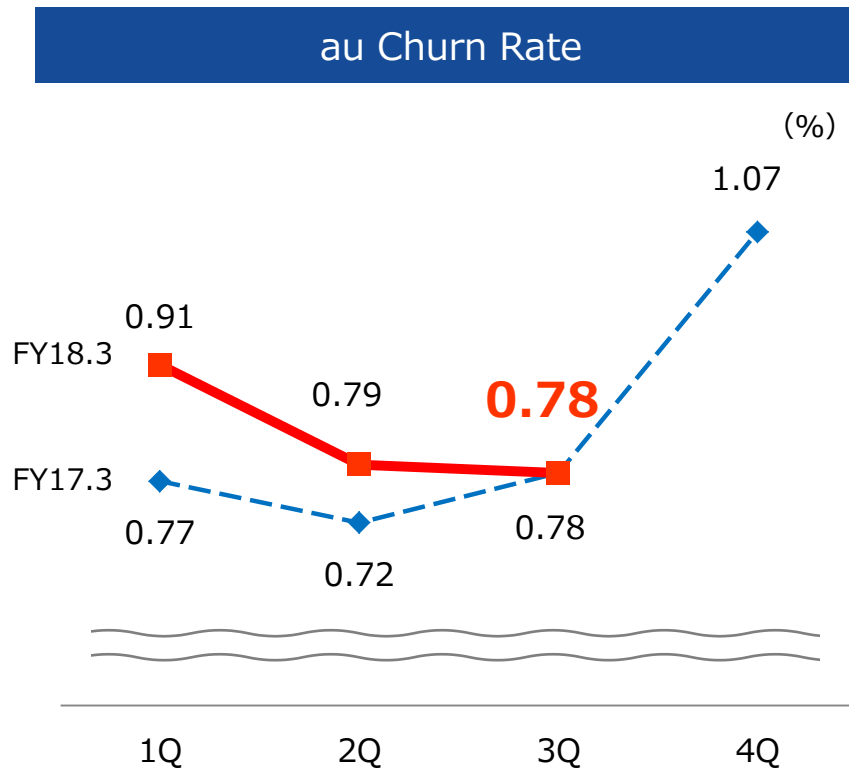
\*1) Conditions apply. Application period (From December 15, 2017 to May 31, 2018)

Note) Personal Services segment basis. Indicated figures exclude taxes

\*2) The amount shown is monthly charge applied with "au Pitatto Plan (SuperKakeho)," "Everybody discount for Two years contract," "au Smart Value" and "Big news campaign"

# au Churn Rate

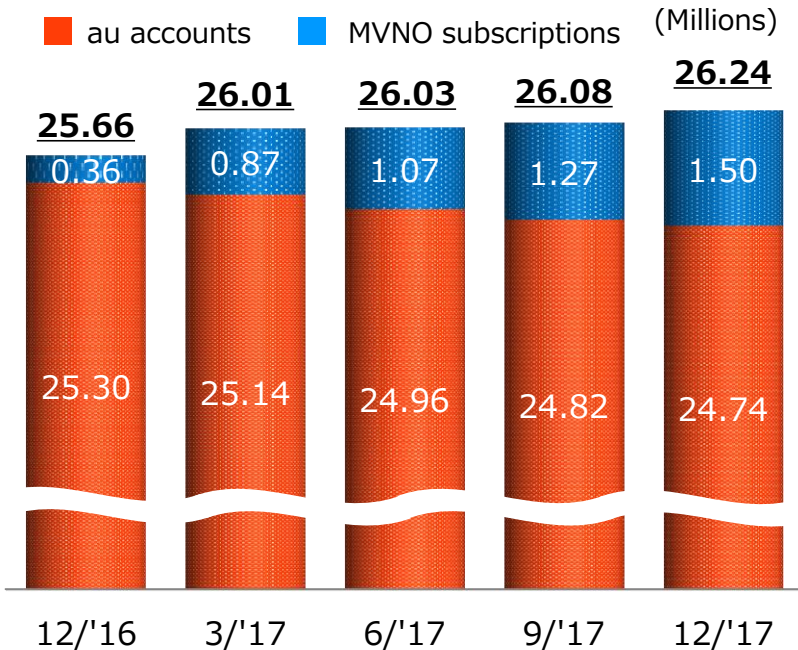
**YOY Flat**  
due to the effect of  
the new price plan



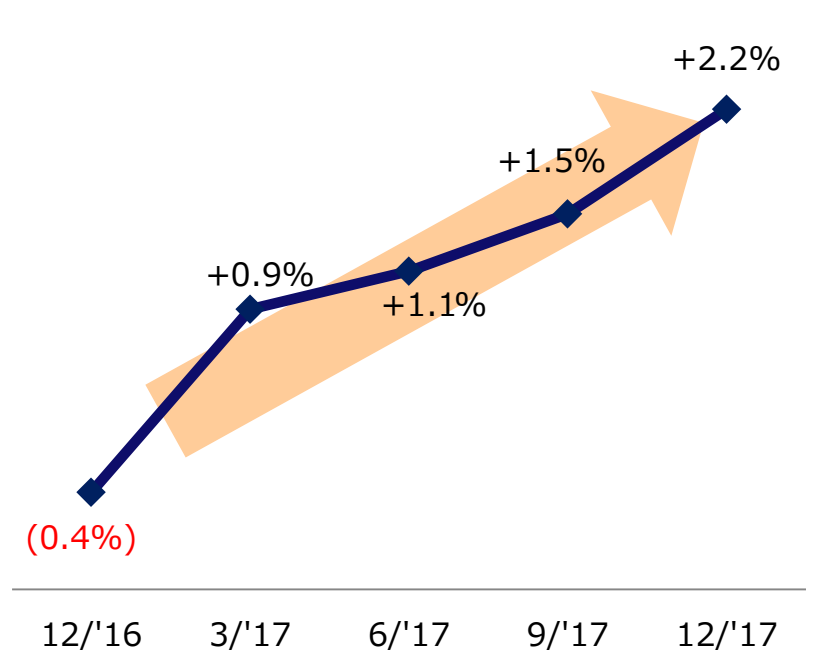
# Mobile IDs

## The Decline of au Accounts Narrowed, and Mobile IDs\* is Steadily Growing

Quarterly Basis



YOY



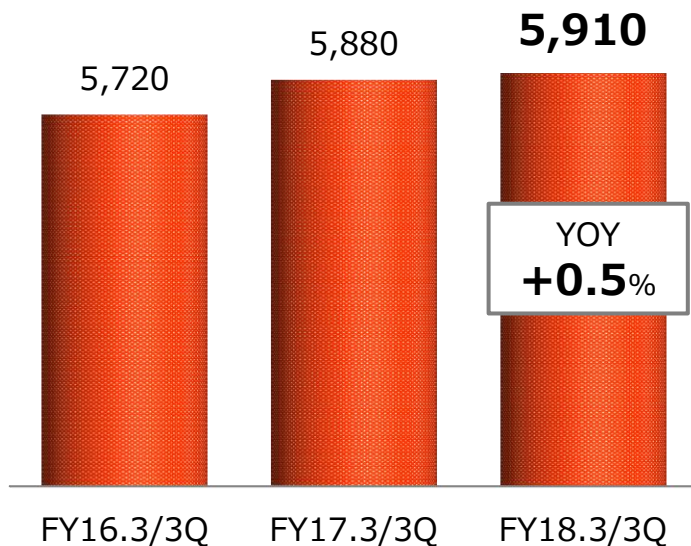
Note) Personal Services segment basis

\*au accounts + MVNO subscriptions

## Temporary Impact of New Price Plan Absorbed by MVNO Communications Revenues

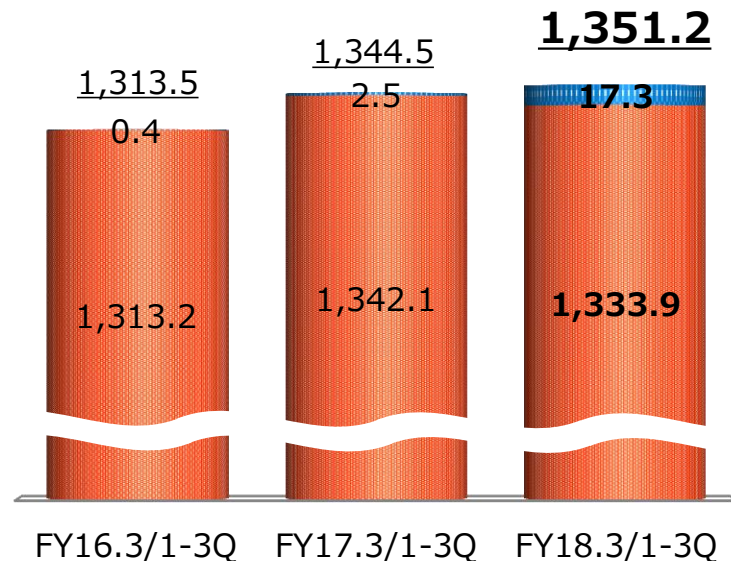
au ARPA

(Yen)



Mobile Communications Revenues\*

■ au ARPA revenues ■ MVNO revenues (Billions of yen)



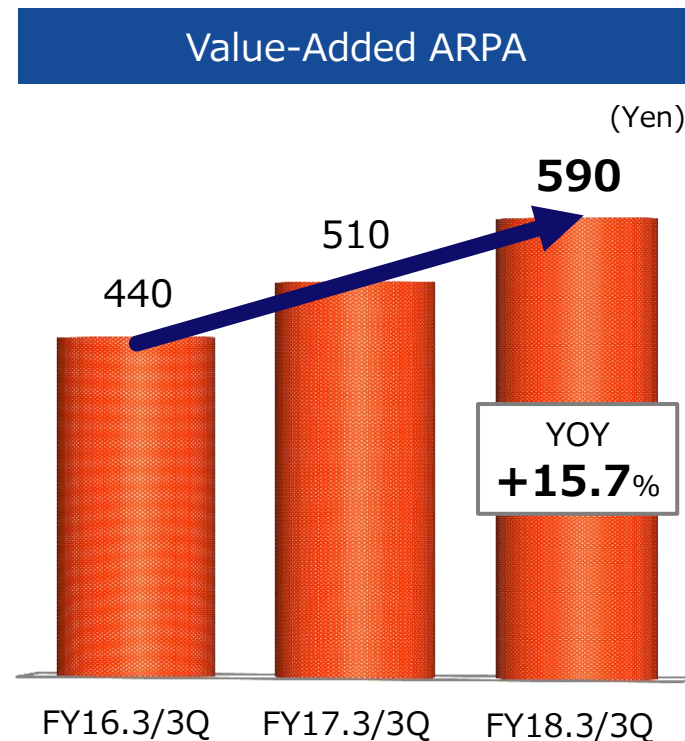
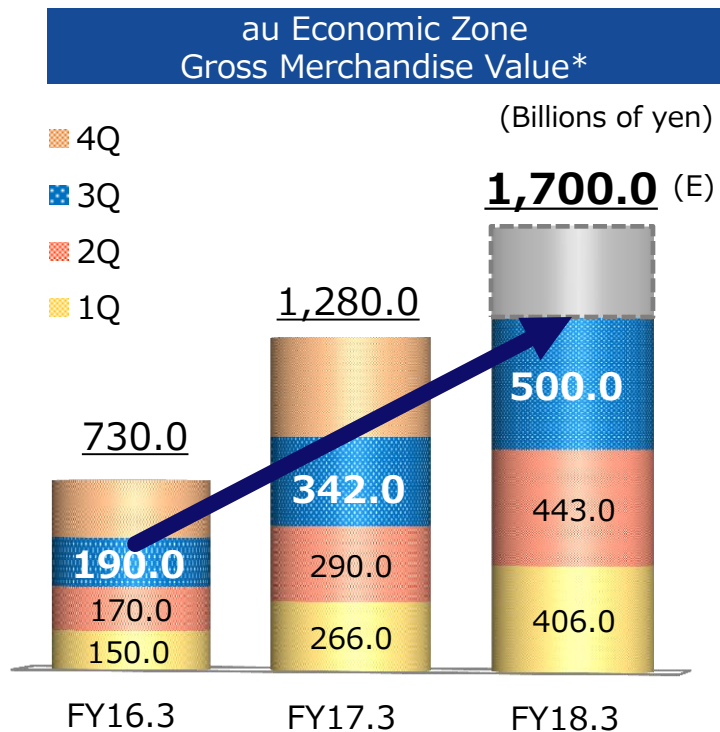
Note) Personal Services segment basis

\*au ARPA revenues + MVNO revenues



# au Economic Zone GMV / Value-Added ARPA

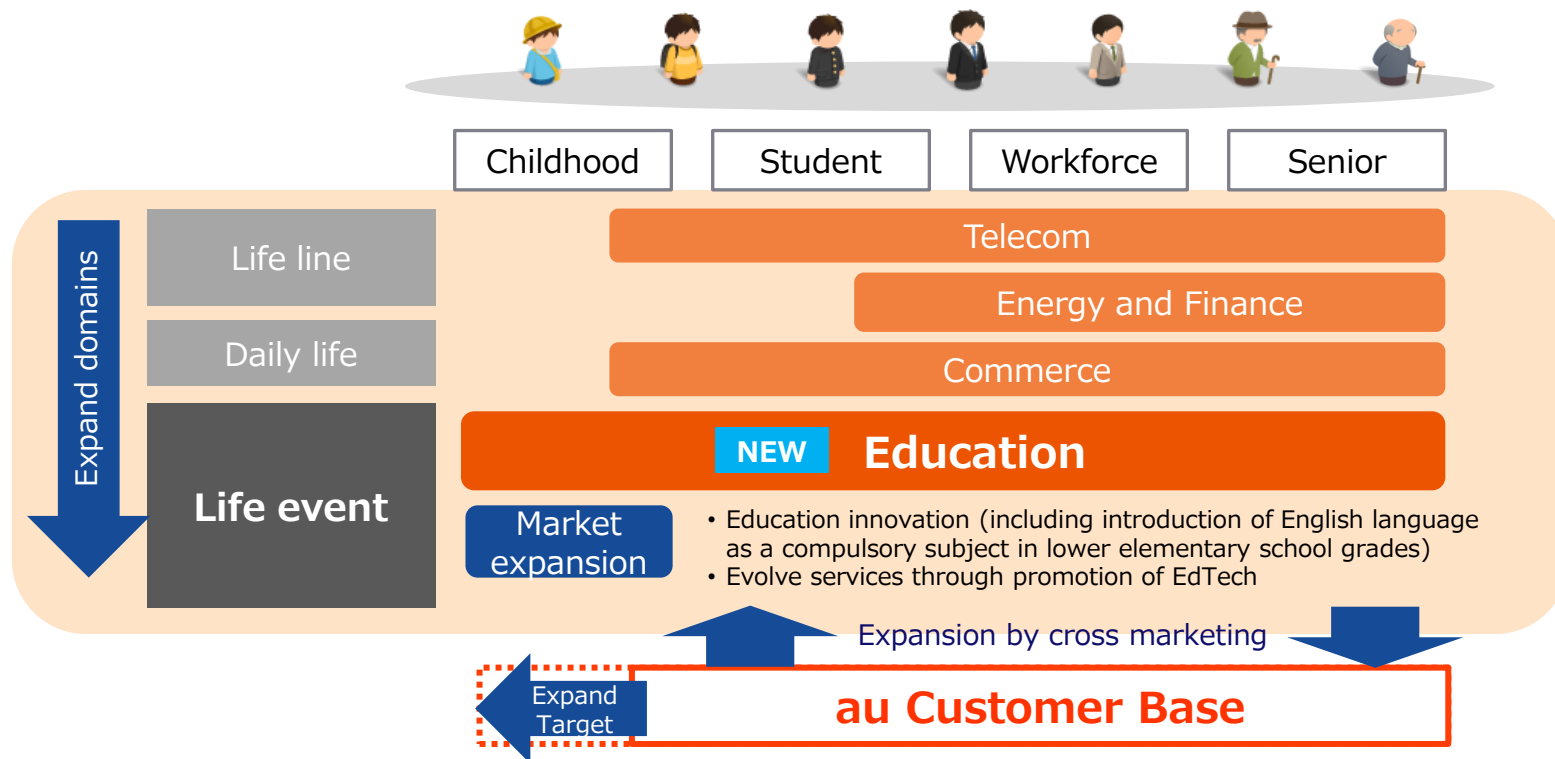
## Substantial Growth for YOY



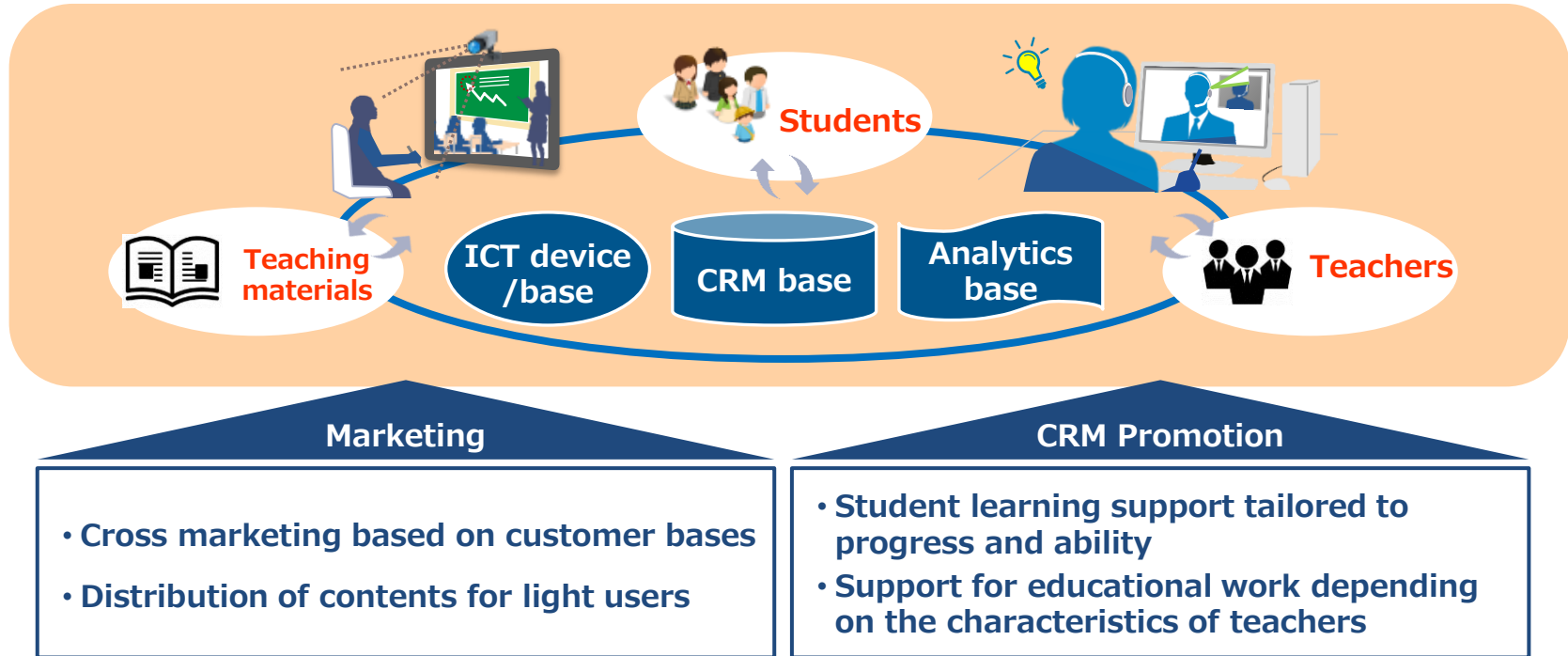
\*Including Jupiter Shop Channel and energy business, etc.

# Education Business

## Expanding the Business Domain Centered on the AEON Group



## Digitise Links between Teaching Materials, Students and Teachers to Maximize Learning Effectiveness



# au Smart Pass Premium

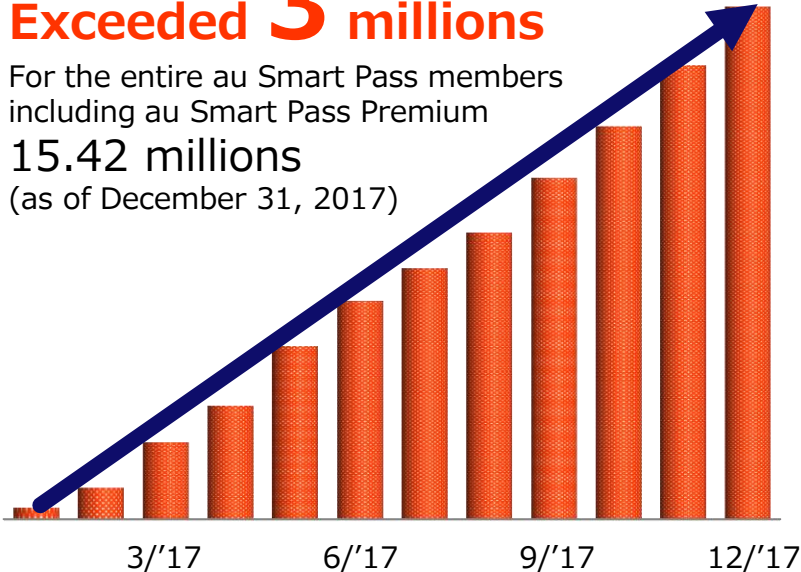
## Exceeded 3 Million Members.

### Aim to Expand the Use of Young People by Student Discount

#### au Smart Pass Premium Members (Monthly Basis)

**Exceeded 3 millions**

For the entire au Smart Pass members including au Smart Pass Premium  
**15.42 millions**  
(as of December 31, 2017)



**Student Discount Campaign**<sup>\*1</sup>

Monthly fee	Up to July 31, 2018
¥499 /month	In real terms,
	<b>¥148 /month</b> <sup>*2</sup>

#### Support security for school life



Data Recovery Support,  
Wi-Fi Security, etc.

Note) Indicated figures exclude taxes

\*1) Conditions apply. Application period (From December 15, 2017 to May 31, 2018)

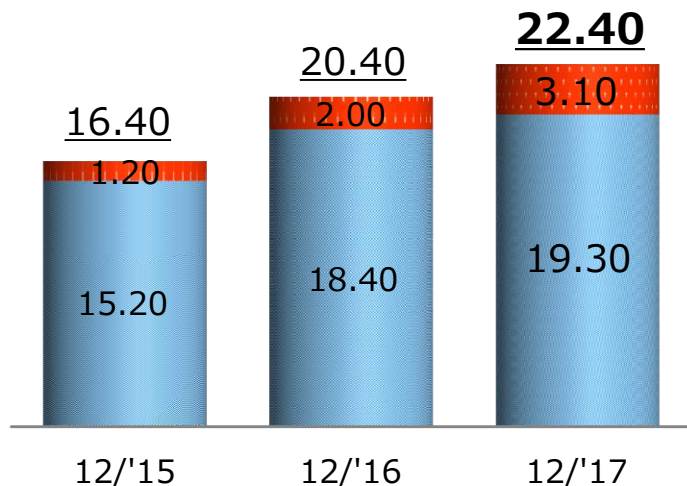
\*2) Deducted from following month's usage fee

## Number of Cards Grew Steadily. Gold Card Privilege Was Renewed

### au WALLET Valid Cards

■ Credit card
 ■ Prepaid card
 (Millions)

Credit cards **Exceeded 3 millions**



### Main benefits upon renewal

- **WALLET points up to 100** will be given for every ¥1,000 payment of applicable plans of au
- **Bonus points** will be given in accordance with annual settlement usage amount
- Furthermore, **a maximum of ¥10,000 value coupon\*** for purchase of au smartphone etc. will be offered

\*Cash back to au WALLET prepaid card

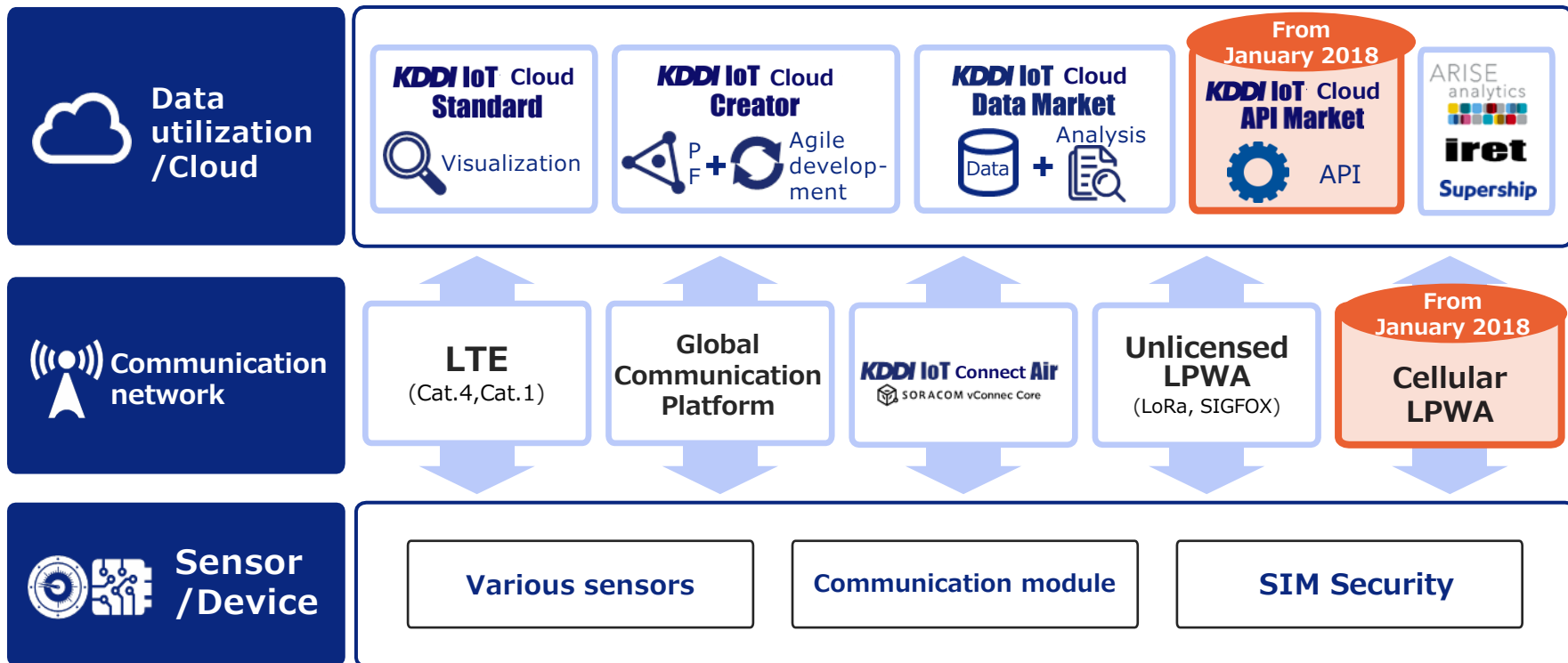
## Promote Measures to Expand Customers such as TV Commercials and Point Reward

### Point Reward



- ✓ **Lucky Sale**  
(Once in a quarter)  
**Up to 18%\* reward**
- ✓ **End and beginning of month☆Wow! Sale**  
**Up to 16%\* reward**
- ✓ **au Everyday**  
(of which every Saturday)  
**Up to 18%\* reward** for au Smart Pass Premium members

## Provide All Layers at Once and Support Corporate Customers



## Promote Utilization of New LPWA Technology with Partner Companies

### LPWA (LTE-M) Commercial Service

Launched in January 2018

**KDDI IoT** Communication Service **LPWA**

(1) Power saving



(2) Wide area



(3) Low cost



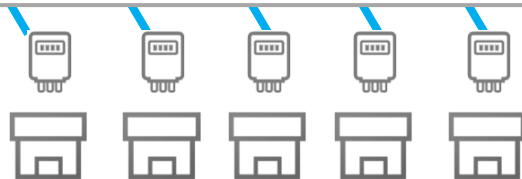
**Expand the possibility of IoT service in areas where it could not be introduced in the past**

### Utilization of LPWA in Gas Meters, etc.

**Aim for creating new value added services through joint development with TOYOKEIKI CO., LTD**

### New Platform\*

**KDDI IoT** Communication Service **LPWA**



\*To be developed by both companies and offered to LP gas companies, etc.



## Promote Service Expansion and Collaboration with Various Industries in Home IoT

### au HOME<sup>\*1</sup>

Enhancing services with concept of  
**"secure, convenient and fun"**



### withHOME<sup>\*2</sup>

**Provide home IoT infrastructure for  
partner companies on B2B2C model**

Home builder

Real estate

Energy

CATV

ISP

, etc.

**Aim to disseminate Home IoT with  
approx. 50 supporting companies<sup>\*2</sup>**

\*1) Launched in July 2017

\*2) Started from January 2018 in sequence. The number of supporting companies as of January 26, 2018

# Measures for the 5G Era

## Promote Efforts and Experiments with Partners to Realize Automatic Car Operation

Remote control of  
unmanned automatic driving vehicle

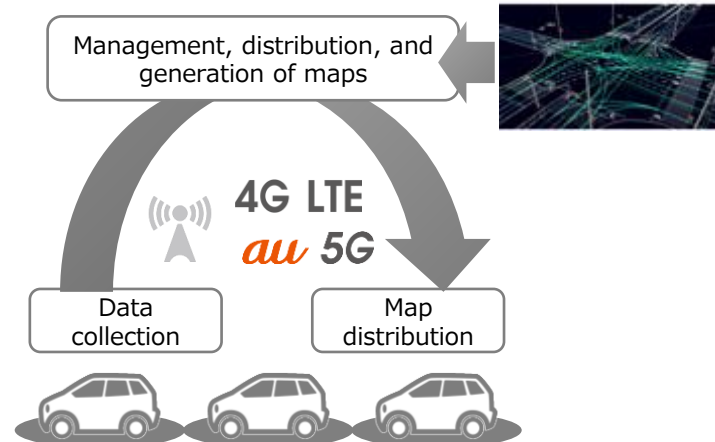
Succeeded\*1 in Level 4 automatic car  
operation on general public roads



Remote control

Generation and delivery of dynamic-map for  
automatic driving

Began demonstration experiment\*2



\*1) Demonstration experiment at Koda Town in Aichi Prefecture in FY2017 upon "Automatic driving demonstration promotion project." Unmanned driving in remote control by advanced car operation automation. System performs all driving tasks. (within limited area) Implemented based on "the criteria of handling application for road use permission for public road demonstration experiment of remote automatic operation system" formulated and announced on June 1, 2017 by the National Police Agency. Cooperated with AISAN TECHNOLOGY Co., Ltd. and Tier IV, Inc.

\*2) Cooperated with ZENRIN CO., LTD. and Fujitsu Limited

# Summary

## Promoting Business Strategies for Achieving the Medium-Term Targets

Financial  
Results and  
Shareholder  
Return  
[Consolidated]

- **Steady progress towards full-year forecasts**
- **Resolution of repurchase of own shares up to aggregate amount of ¥50 billion\***

Business  
Strategy

- **Promoting new price plans in domestic telecom business**
- **Promoting measures for expansion of au Economic Zone GMV**
- **Promoting IoT business and measures for 5G**

# 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.

# au supports Japan National Soccer Team.



(C)EAFF E-1Football Championship 2017 Final Competition. Starting lineup for the national match against Korea (December 16, 2017)

*Designing The Future*

**KDDI**

あたらしい自由。

*au*